

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Don Samuelson, Linda Berglin, Sheila M. Kiscaden, Ember R. Junge, Edward C. Oliver

House Conferees: (Signed) Kevin Goodno, Fran Bradley, Lee Greenfield

Senator Samuelson moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2225 be now adopted, and that the bill be repassed as amended by the Conference Committee.

Senator Neuville moved that the recommendations and Conference Committee Report on S.F. No. 2225 be rejected, the Conference Committee discharged, and that a new Conference Committee be appointed by the Subcommittee on Committees to act with a like Conference Committee appointed on the part of the House.

CALL OF THE SENATE

Senator Moe, R.D. imposed a call of the Senate for the balance of the proceedings on S.F. No. 2225. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Neuville motion.

The roll was called, and there were yeas 28 and nays 39, as follows:

Those who voted in the affirmative were:

Belanger	Hanson	Larson	Ourada	Stevens
Berg	Johnson, D.E.	Lesewski	Pariseau	Stumpf
Day	Kierlin	Lessard	Robling	Vickerman
Dille	Kleis	Limmer	Runbeck	Ziegler
Fischbach	Knutson	Neuville	Sams	
Frederickson	Laidig	Olson	Scheevel	

Those who voted in the negative were:

Anderson	Janezich	Krentz	Oliver	Scheid
Berglin	Johnson, D.H.	Langseth	Pappas	Solon
Betzold	Johnson, D.J.	Lourey	Piper	Spear
Cohen	Johnson, J.B.	Marty	Pogemiller	Ten Eyck
Flynn	Junge	Metzen	Price	Terwilliger
Foley	Kelley, S.P.	Moe, R.D.	Ranum	Wiener
Higgins	Kelly, R.C.	Murphy	Robertson	Wiger
Hottinger	Kiscaden	Novak	Samuelson	

The motion did not prevail.

The question recurred on the adoption of the Samuelson motion. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 2225 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 51 and nays 16, as follows:

Those who voted in the affirmative were:

Anderson	Dille	Johnson, D.E.	Kiscaden	Metzen
Belanger	Flynn	Johnson, D.H.	Krentz	Moe, R.D.
Berg	Foley	Johnson, D.J.	Langseth	Murphy
Berglin	Frederickson	Johnson, J.B.	Larson	Novak
Betzold	Higgins	Junge	Lessard	Oliver
Cohen	Hottinger	Kelley, S.P.	Lourey	Pappas
Day	Janezich	Kelly, R.C.	Marty	Piper

Pogemiller
Price
Ranum
Robertson

Sams
Samuelson
Scheevel

Scheid
Solon
Spear

Stumpf
Ten Eyck
Terwilliger

Vickerman
Wiener
Wiger

Those who voted in the negative were:

Fischbach
Hanson
Kierlin
Kleis

Knutson
Laidig
Lesewski

Limmer
Neuville
Olson

Ourada
Pariseau
Robling

Runbeck
Stevens
Ziegler

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Kiscaden moved that H.F. No. 1426 be taken from the table. The motion prevailed.

H.F. No. 1426: A bill for an act relating to health; modifying well notification fees; modifying provisions for grants to rural hospitals and community health centers; modifying student loan repayment provisions for health professionals; amending Minnesota Statutes 1998, sections 103I.208, subdivision 1; 144.147, subdivisions 2, 3, 4, and 5; 144.1484, subdivision 1; 144.1486, subdivisions 3, 4, and 8; 144.1488, subdivisions 1, 3, and 4; 144.1489, subdivisions 2 and 4; 144.1490, subdivision 2; 144.1494, subdivisions 2, 3, and 5; 144.1495, subdivisions 3 and 4; and 144.1496, subdivisions 2 and 5.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson
Belanger
Berg
Berglin
Betzold
Cohen
Day
Dille
Fischbach
Foley
Frederickson
Hanson
Higgins

Hottinger
Johnson, D.E.
Johnson, D.H.
Johnson, D.J.
Kelley, S.P.
Kelly, R.C.
Kierlin
Kiscaden
Kleis
Knutson
Krentz
Laidig
Langseth

Larson
Lesewski
Lessard
Limmer
Lourey
Marty
Metzen
Moe, R.D.
Murphy
Neuville
Novak
Oliver
Olson

Ourada
Pariseau
Piper
Pogemiller
Price
Ranum
Robertson
Robling
Runbeck
Sams
Samuelson
Scheevel
Scheid

Solon
Spear
Stevens
Stumpf
Ten Eyck
Terwilliger
Vickerman
Wiener
Wiger
Ziegler

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 2223 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 2223

A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative and administrative expenses of state government with certain conditions; amending Minnesota Statutes 1998, sections 3.17; 3C.12, subdivision 2; 8.15, subdivisions 1, 2, and 3; 13.03, subdivision 2; 13.05, by adding a subdivision; 13.073, by adding a subdivision; 15.50, subdivision 2; 16A.102, subdivision 1; 16A.129, subdivision 3; 16A.45, subdivision 1; 16A.85, subdivision 1; 16B.03; 16B.104; 16B.24, subdivision 5; 16B.31,

subdivision 2; 16B.32, subdivision 2; 16B.42, subdivision 1; 16B.465, subdivision 3; 16B.72; 16B.73; 16C.14, subdivision 1; 16D.04, subdivision 2; 16E.01, subdivision 1; 16E.02; 16E.08; 43A.047; 43A.22; 43A.23, subdivisions 1 and 2; 43A.30, by adding a subdivision; 43A.31, subdivision 2, and by adding a subdivision; 138.17, subdivisions 7 and 8; 192.49, subdivision 3; 197.79, subdivision 10; 204B.25, subdivision 2, and by adding a subdivision; 204B.27, by adding a subdivision; 204B.28, subdivision 1; 240A.09; 297F.08, by adding a subdivision; 325K.03, by adding a subdivision; 325K.04; 325K.05, subdivision 1; 325K.09, by adding a subdivision; 325K.10, subdivision 5; 325K.14, by adding a subdivision; 325K.15, by adding a subdivision; and 349.163, subdivision 4; Laws 1993, chapter 192, section 16; Laws 1994, chapter 643, section 69, subdivision 1; Laws 1995, First Special Session chapter 3, article 12, section 7, subdivision 1, as amended; Laws 1997, chapter 202, article 2, section 61; and Laws 1998, chapter 366, section 2; proposing coding for new law in Minnesota Statutes, chapters 16B; 43A; 240A; and 325F; repealing Minnesota Statutes 1998, sections 16A.103, subdivision 3; 16E.11; 16E.12; and 16E.13; Laws 1991, chapter 235, article 5, section 3, as amended; Minnesota Rules, part 8275.0045, subpart 2.

May 14, 1999

The Honorable Allan H. Spear
President of the Senate

The Honorable Steve Sviggum
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 2223, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 2223 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1
APPROPRIATIONS

Section 1. [STATE GOVERNMENT APPROPRIATIONS.]

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or another fund named, to the agencies and for the purposes specified in this act, to be available for the fiscal years indicated for each purpose. The figures "1999," "2000," and "2001," where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1999, June 30, 2000, or June 30, 2001, respectively.

SUMMARY BY FUND

	2000	2001	BIENNIAL TOTAL
General	\$335,116,000	\$314,704,000	\$649,820,000
State Government Special Revenue	13,907,000	13,963,000	27,870,000
For 1999 - \$465,000			
Health Care Access	1,842,000	1,871,000	3,713,000
Environmental	236,000	242,000	478,000
Solid Waste Fund	660,000	670,000	1,330,000
Lottery Prize Fund	110,000	-0-	110,000

Highway User Tax Distribution	2,129,000	2,173,000	4,302,000
Trunk Highway	39,000	39,000	78,000
Workers' Compensation	6,938,000	7,045,000	13,983,000
TOTAL	\$360,977,000	\$340,707,000	\$701,684,000
For 1999 - \$465,000			

APPROPRIATIONS
Available for the Year
Ending June 30
2000 2001

Sec. 2. LEGISLATURE

Subdivision 1. Total Appropriation		58,340,000	63,117,000
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Summary by Fund

General	58,151,000	62,928,000
Health Care Access	150,000	150,000
Trunk Highway	39,000	39,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Senate	19,138,000	20,523,000
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\$40,000 the first year is for senate media services to produce a videotape on the legislative process and to distribute it, along with a teachers' guide, to all secondary schools in the state, and for senate information services to construct and maintain a Worldwide Web site to publicize and promote the videotape.

Subd. 3. House of Representatives	25,361,000	27,670,000
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Subd. 4. Legislative Coordinating Commission	13,841,000	14,924,000
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Summary by Fund

General	13,652,000	14,735,000
Health Care Access	150,000	150,000
Trunk Highway	39,000	39,000

\$5,600,000 the first year and \$6,372,000 the second year are for the office of the revisor of statutes.

\$1,184,000 the first year and \$1,217,000 the second year are for the legislative reference library.

\$4,963,000 the first year and \$5,096,000 the second year are for the office of the legislative auditor.

Sec. 3. GOVERNOR AND
LIEUTENANT GOVERNOR

4,052,000

4,171,000

This appropriation is to fund the offices of the governor and lieutenant governor.

\$19,000 the first year and \$19,000 the second year are for necessary expenses in the normal performance of the governor's and lieutenant governor's duties for which no other reimbursement is provided.

By September 1 of each year, the commissioner of finance shall report to the chairs of the senate governmental operations budget division and the house state government finance division any personnel costs incurred by the office of the governor and lieutenant governor that were supported by appropriations to other agencies during the previous fiscal year. The office of the governor shall inform the chairs of the divisions before initiating any interagency agreements.

Not later than September 30, 1999, the governor, in consultation with the commissioners of agriculture and trade and economic development, shall prepare and submit an application for federal permits as may be needed to authorize the growing of experimental and demonstration plots of industrial hemp. The governor shall also direct the commissioner of agriculture, in consultation with the commissioner of public safety and other appropriate commissioners, to establish standards and forms for persons wishing to register for growing experimental and demonstration plots of industrial hemp.

Sec. 4. STATE AUDITOR

8,967,000

9,311,000

Sec. 5. STATE TREASURER

2,260,000

2,308,000

\$1,030,000 the first year and \$1,061,000 the second year are for the treasurer to pay for banking services by fees rather than by compensating balances.

Sec. 6. ATTORNEY GENERAL

27,853,000

28,177,000

Summary by Fund

General	25,545,000	25,852,000
State Government		
Special Revenue	1,713,000	1,717,000
Environmental	135,000	138,000
Solid Waste	460,000	470,000

\$991,000 the first year and \$912,000 the second year are one-time appropriations to improve information technology.

The attorney general and commissioner of finance shall continue to review the funding mechanism for legal services. By February 15, 2000, they shall submit a joint report to the committees responsible for funding the office of the attorney general that details further refinements to the legal services funding mechanism.

The report should attempt to do the following:

- (1) identify criteria that differentiate between a partner and a pooled agency;
- (2) clarify whose responsibility it is to request funding for pooled agencies: the attorney general, the agency, or both;
- (3) determine what process the billing rate should follow before implementation;
- (4) establish a mechanism to ensure that legal service resources are allocated as intended by the legislature and a process to address situations where demand exceeds resources;
- (5) determine if partner agencies should continue to have general fund dollars set aside in the attorney general's base; and
- (6) determine what method is used to ascertain how much funding for legal services the attorney general has in its base for each agency.

Sec. 7. SECRETARY OF STATE	11,770,000	6,234,000
Sec. 8. CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD	712,000	707,000
Sec. 9. INVESTMENT BOARD	2,310,000	2,376,000
Sec. 10. ADMINISTRATIVE HEARINGS	7,064,000	6,859,000

Summary by Fund

General	400,000	
Workers' Compensation	6,664,000	6,859,000

The chief administrative law judge, in cooperation with the state court administrator, shall develop and present to the legislature by January 15, 2000, a plan for funding the cost of child support hearings out of appropriations to the judicial branch without increasing those appropriations.

The appropriation from the workers' compensation special compensation fund is for considering workers' compensation claims.

Sec. 11. OFFICE OF STRATEGIC AND LONG-RANGE PLANNING	6,841,000	4,417,000
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\$1,600,000 the first year is for a generic environmental impact statement on animal agriculture.

\$200,000 the first year is to perform program evaluations of agencies in the executive branch.

The program evaluation division will report to the legislature by December 1, 2000, ways to reduce state government expenditures by five to ten percent.

\$200,000 the first year is to provide administrative support to community-based planning efforts.

\$150,000 the first year is for a grant of \$50,000 to the southwest regional development commission for the continuation of the pilot program and two additional grants of \$50,000 each to regional development commissions or, in regions not served by regional development commissions, to regional organizations selected by the director of strategic and long-range planning, to support planning work on behalf of local units of government. The planning work shall include, but need not be limited to:

- (1) development of local zoning ordinances;
- (2) land use plans;
- (3) community or economic development plans;
- (4) transportation and transit plans;
- (5) solid waste management plans;
- (6) wastewater management plans;
- (7) workforce development plans;
- (8) housing development plans and/or market analysis;
- (9) rural health service plans;
- (10) natural resources management plans; or
- (11) development of geographical information systems database to serve a region's needs, including hardware and software purchases and related labor costs.

\$200,000 the first year is to prepare the generic environmental impact statement on urban development required by section 105. Any unencumbered balance remaining in the first year does not cancel and is available for the second year of the biennium.

\$24,000 the first year is for the southwest Minnesota wind monitoring project.

Sec. 12. ADMINISTRATION

Subdivision 1. Total Appropriation	39,981,000	36,907,000
For 1999 - \$465,000		

Summary by Fund

General	28,013,000	24,975,000
State Government Special Revenue	11,794,000	11,846,000
For 1999 - \$465,000		
Workers' Compensation	174,000	86,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Operations Management

4,007,000	4,155,000
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Subd. 3. Office of Technology

2,734,000	2,472,000
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The commissioner of administration shall develop and submit to the chairs of the senate governmental operations budget division and the house state government finance committee by January 15, 2000, a long-range plan identifying the mission and goals of the office of technology. The appropriation for the second year is not available until the plan has been approved by a law enacted at the 2000 regular session.

Summary by Fund

General	2,471,000	2,307,000
State Government Special Revenue	89,000	79,000
Workers' Compensation	174,000	86,000

The amounts that may be spent from this appropriation for each purpose are as follows:

(a) Administrative Services

1,871,000	1,707,000
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\$220,000 the first year is to continue the intergovernmental information systems advisory council for one more year.

(b) Small Agency Infrastructure

Summary by Fund

General	600,000	600,000
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State Government		
Special Revenue	89,000	79,000
Workers'		
Compensation	174,000	86,000

This appropriation is for a one-time transfer to eligible small agencies for the small agency infrastructure project. The commissioner of administration shall determine priorities for which projects should be funded. An agency whose strategic plan for information technology was not approved before April 1, 1999, may not receive money from this appropriation. Any balance the first year does not cancel but is available in the second year. Future costs for small agency information infrastructure will be included in each small agency's budget in the fiscal years 2002-2003 biennium and thereafter.

Subd. 4. Intertechnologies Group

15,771,000	13,076,000
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Summary by Fund

General	4,066,000	1,309,000
State Government		
Special Revenue	11,705,000	11,767,000

For 1999 - \$465,000

\$350,000 is appropriated to the commissioner of administration for the fiscal year ending June 30, 2000, for costs related to the operation of the year 2000 project office.

\$2,150,000 is appropriated from the general fund to the commissioner of administration for the biennium ending June 30, 2001, to modify state business systems to address year 2000 changes. Up to \$150,000 of this appropriation may be allocated for year 2000 project office costs. The appropriation is available only upon approval of the commissioner of finance after the commissioner has determined that all other money allocated for replacement or enhancement of existing technology for year 2000 compliance will be expended.

The appropriation from the special revenue fund is for recurring costs of 911 emergency telephone service.

Subd. 5. Facilities Management

9,410,000	9,418,000
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\$5,447,000 the first year and \$5,460,000 the second year are for office space costs of the legislature and veterans organizations, for ceremonial space, and for statutorily free space.

\$1,950,000 of the revenue credited to the special revenue account created in Minnesota Statutes, section 16B.24, subdivision 5, paragraph (e), must be used to demolish the capitol square building, restructure the site as a temporary parking lot, and predesign a new building for the departments of commerce, labor and industry, and trade and economic development on the site.

\$520,000 of the revenue credited to the special revenue account created in Minnesota Statutes, section 16B.24, subdivision 5, paragraph (e), must be used to rebuild and upgrade electronic security systems in the capitol complex.

The commissioner of administration shall install on the automatically operated landscape irrigation system in the capitol area a device, commonly known as a rain check, to prevent the system from being activated when a predetermined amount of precipitation has accumulated.

\$100,000 the first year is for grants to places of public accommodation to assist them in achieving compliance with the bleacher safety requirements of new Minnesota Statutes, section 16B.616. The commissioner shall give highest priority to grant requests from political subdivisions for whom the cost of achieving compliance is the greatest financial hardship. State grants are available when the commissioner has determined that matching funds in an amount equal to the grant have been committed. Any unencumbered balance remaining in the first year does not cancel and is available for the second year of the biennium.

Subd. 6. Management Services

3,622,000	3,670,000
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\$250,000 the first year and \$200,000 the second year are for the information policy training program under Minnesota Statutes, section 13.073.

\$150,000 the first year and \$150,000 the second year are for a one-time transfer to the Minnesota historical society for the information policy training program under Minnesota Statutes, sections 13.073 and 138.17, subdivisions 7 and 8.

\$192,000 the first year and \$196,000 the second year are for the office of the state archaeologist.

Subd. 7. Fiscal Agent

994,000	786,000
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\$72,000 the first year and \$74,000 the second year are for the developmental disabilities council.

\$660,000 the first year and \$450,000 the second year are for the STAR program.

\$2,000 the first year and \$2,000 the second year are for the state employees' band.

\$260,000 the first year and \$260,000 the second year are for a grant to the Minnesota Children's Museum, of which \$100,000 the first year and \$100,000 the second year are an appropriation for administrative costs of Project Greenstart.

Subd. 8. Public Broadcasting

3,443,000 3,330,000

\$1,450,000 the first year and \$1,450,000 the second year are for matching grants for public television.

\$600,000 the first year and \$600,000 the second year are for public television equipment needs. Equipment grant allocations shall be made after considering the recommendations of the Minnesota public television association.

\$113,000 the first year is for grants to noncommercial television stations to assist with conversion to a digital broadcast signal as mandated by the federal government. In order to qualify for a grant, a station must meet the criteria established for grants in Minnesota Statutes, section 129D.12, subdivision 2.

\$441,000 the first year and \$441,000 the second year are for grants for public information television transmission of legislative activities. At least one-half must go for programming to be broadcast in rural Minnesota.

\$25,000 the first year and \$25,000 the second year are for grants to the Twin Cities regional cable channel.

\$320,000 the first year and \$320,000 the second year are for community service grants to public educational radio stations, which must be allocated after considering the recommendations of the Association of Minnesota Public Educational Radio Stations under Minnesota Statutes, section 129D.14. Of this appropriation, \$30,000 the first year and \$30,000 the second year are for station WTIP-FM in Grand Marais, which need not meet the requirements of Minnesota Statutes, section 129D.14, until July 1, 2002.

\$494,000 the first year and \$494,000 the second year are for equipment grants to public radio stations. These grants must be allocated after considering the recommendations of the Association of Minnesota Public Educational Radio Stations and Minnesota Public Radio, Inc.

If an appropriation for either year for grants to public television or radio stations is not sufficient, the appropriation for the other year is available for it.

Sec. 13. CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD

888,000

306,000

\$586,000 the first year is to design and construct a memorial to Hubert H. Humphrey; to make a grant to the National World War II Memorial Fund, 2300 Clarendon Boulevard, Suite 501, Arlington, Virginia 22201, as a contribution to a national World War II memorial; and for the capitol area architectural and planning board, in cooperation with the Minnesota historical society and the Philippine study group of Minnesota, to install in the capitol rotunda a plaque that corrects inaccurate historical information presented on the current Spanish-American War commemorative plaque.

Sec. 14. FINANCE

Subdivision 1. Total Appropriation

20,051,000

20,262,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. State Financial Management

7,805,000

7,993,000

Subd. 3. Information and Management Services

12,246,000

12,269,000

The commissioner of finance shall develop and submit to the chairs of the senate governmental operations budget division and the house state government finance committee by January 15, 2000, a plan to wean the state from dependence on proprietary software to run the state's human resource and payroll system.

The commissioner of finance, in consultation with senate and house fiscal staff and the commissioner of administration, shall develop recommendations for inclusion in the governor's fiscal year 2002-2003 budget document on the presentation of internal service funds. The

commissioner of finance shall submit the recommendations to the chairs of the senate governmental operations budget division and the house state government finance committee by January 15, 2000.

Sec. 15. EMPLOYEE RELATIONS

Subdivision 1. Total

Appropriation	17,058,000	14,119,000
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The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Employee Insurance

9,283,000	6,167,000
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\$310,000 the first year is to implement an optional, participant-paid, long-term care insurance program to be available to state employees, retirees, and their respective family members as well as to selected public employer groups, as provided in new Minnesota Statutes, section 43A.318.

\$8,903,000 the first year and \$6,097,000 the second year are for transfer to the state employees insurance fund to establish the necessary contingency reserves and self-insure all medical coverage provided through the state employees group insurance program, including the University of Minnesota.

During the biennium ending June 30, 2001, the amount necessary to pay premiums for coverage by the workers' compensation reinsurance association under Minnesota Statutes, section 79.34, is appropriated from the general fund to the commissioner.

Subd. 3. Human Resources Management

7,775,000	7,952,000
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\$123,000 the first year and \$115,000 the second year are for a grant to the government training service, of which \$48,000 the first year and \$40,000 the second year are a one-time appropriation for information technology and \$25,000 the first year and \$25,000 the second year are a one-time appropriation to conduct conferences.

Sec. 16. REVENUE

Subdivision 1. Total

Appropriation	93,588,000	89,515,000
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Summary by Fund

General	89,466,000	85,317,000
Health Care Access	1,692,000	1,721,000
Highway User Tax Distribution	2,129,000	2,173,000
Environmental	101,000	104,000
Solid Waste	200,000	200,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Tax System Management

91,102,000 86,958,000

Summary by Fund

General	86,980,000	82,760,000
Health Care Access	1,692,000	1,721,000
Highway User Tax Distribution	2,129,000	2,173,000
Environmental	101,000	104,000
Solid Waste	200,000	200,000

\$6,000,000 the first year is for the income tax reengineering initiative. Any balance the first year does not cancel but is available in the second year. Any unexpended balance at the end of the biennium does not cancel but may be carried forward until expended, upon approval of the commissioner of finance and the chairs of the funding committees overseeing the department and in accordance with the department's technology plan reviewed by the office of technology.

Subd. 3. Accounts Receivable Management

2,486,000 2,557,000

Subd. 4. Other Provisions

The building located in the capitol complex at 600 North Robert Street, St. Paul, is designated and named the Harold E. Stassen building.

Sec. 17. MILITARY AFFAIRS

Subdivision 1. Total Appropriation	10,896,000	11,041,000
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The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Maintenance of Training
Facilities

6,777,000 6,869,000

\$1,325,000 the first year and \$1,325,000 the second year are appropriated for asset preservation and facility repair. This appropriation may be transferred between programs, to the extent it is used for the same purpose. The adjutant general may use other available funding for this purpose, to the extent it is not inconsistent with any other law.

Subd. 3. General Support

1,690,000 1,742,000

\$35,000 the first year and \$35,000 the second year are a one-time appropriation to assist in the operation and staffing of the Minnesota national guard youth camp at Camp Ripley. This appropriation is available only as matched, dollar for dollar, by money from nonstate sources.

Subd. 4. Enlistment Incentives

2,354,000 2,355,000

Obligations for the reenlistment bonus program, suspended on December 31, 1991, shall be paid from the amounts available within the enlistment incentives program.

If appropriations for either year of the biennium are insufficient, the appropriation from the other year is available. The appropriations for enlistment incentives are available until expended.

Subd. 5. Emergency Services

75,000 75,000

These appropriations are for expenses of military forces ordered to active duty under Minnesota Statutes, chapter 192. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Sec. 18. VETERANS AFFAIRS

5,885,000

4,369,000

\$1,544,000 the first year and \$1,544,000 the second year are for emergency financial and medical needs of veterans. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$12,000 the first year and \$13,000 the second year are one-time funding to provide grants to local veterans' organizations that provide transportation services for veterans to veterans administration medical facilities.

The commissioner of veterans affairs, in cooperation with the board of directors of the Minnesota veterans homes and the United States

Veterans Administration, shall study the feasibility and desirability of supplementing the missions of the veterans homes and the Veterans Administration hospitals in Minnesota by entering into agreements with health care providers throughout the state to provide free or reduced-cost comprehensive health care to veterans close to their places of residence as a supplement to private health insurance. The commissioner shall report the results of the study and any recommendations to the legislature by January 15, 2000.

With the approval of the commissioner of finance, the commissioner of veterans affairs may transfer the unencumbered balance from the veterans relief program to other department programs during the fiscal year. Before the transfer, the commissioner of veterans affairs shall explain why the unencumbered balance exists. The amounts transferred must be identified to the chairs of the senate governmental operations budget committee and the house state government finance committee.

\$275,000 the first year and \$275,000 the second year are for a grant to the Vinland National Center.

\$1,485,000 the first year is to make bonus payments authorized under Minnesota Statutes, section 197.79. The appropriation may not be used for administrative purposes. The appropriation does not expire until the commissioner acts on all applications submitted under Minnesota Statutes, section 197.79.

\$105,000 the first year is to administer the bonus program established under Minnesota Statutes, section 197.79. The appropriation does not expire until the commissioner acts on all the applications submitted under Minnesota Statutes, section 197.79.

\$233,000 the first year and \$235,000 the second year are for grants to county veterans offices for training of county veterans service officers.

Sec. 19. VETERANS OF FOREIGN
WARS

41,000 41,000

For carrying out the provisions of Laws 1945, chapter 455.

Sec. 20. MILITARY ORDER OF
THE PURPLE HEART

20,000 20,000

Sec. 21. DISABLED AMERICAN VETERANS

13,000 13,000

For carrying out the provisions of Laws 1941, chapter 425.

Sec. 22. GAMBLING CONTROL	2,183,000	2,241,000
Sec. 23. RACING COMMISSION	390,000	402,000
Sec. 24. STATE LOTTERY	110,000	

This appropriation is from the lottery prize fund to the commissioner of human services for a grant to Project Turnabout in Granite Falls to provide compulsive gambling treatment and education. The appropriation is available until June 30, 2001, and must not become part of the base appropriation.

The director of the state lottery shall reimburse the general fund \$150,000 the first year and \$150,000 the second year for lottery-related costs incurred by the department of public safety.

Sec. 25. AMATEUR SPORTS COMMISSION	6,619,000	639,000
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\$4,000,000 the first year is for grants for ice centers under Minnesota Statutes, section 240A.09, as amended by this act. The prohibition in Minnesota Statutes, section 240A.09, on grants to colleges and universities does not apply to the project at the University of Minnesota-Duluth for which a grant application was pending on the effective date of the amendment. Up to \$1,000,000 of this amount may be used for renovation grants for existing ice arenas, including renovation of bleachers to meet code requirements. Any unencumbered balance remaining in the first year does not cancel and is available for the second year of the biennium.

\$2,000,000 the first year is for grants for amateur athletic facilities and programs under section 88 and to prepare the plan for soccer facilities required by this section. \$200,000 may be used for special events or programs and \$30,000 may be used for the soccer plan. Any unencumbered balance remaining in the first year does not cancel and is available for the second year of the biennium.

The commission shall develop a plan to stimulate the development of new facilities primarily for soccer throughout the state and to make grants to assist with the development of these facilities. The plan shall include an assessment of needs, development and financing alternatives, geographic and demographic considerations, management and use policies, and standards for the design and construction of soccer fields. Before adopting the plan, the commission shall hold public meetings in at least three locations

throughout the state to receive comment. The plan must cover a 20-year development period.

Sec. 26. BOARD OF THE ARTS

Subdivision 1. Total Appropriation	13,064,000	13,094,000
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Any unencumbered balance remaining in this section the first year does not cancel but is available for the second year of the biennium.

Subd. 2. Operations and Services

989,000	1,019,000
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Subd. 3. Grants Program

8,540,000	8,540,000
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Subd. 4. Regional Arts Councils

3,535,000	3,535,000
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Sec. 27. MINNESOTA HUMANITIES COMMISSION

1,397,000	1,409,000
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Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

\$500,000 the first year and \$500,000 the second year are a one-time appropriation for the Motherhead/Fatheread program.

Sec. 28. GENERAL CONTINGENT ACCOUNTS

600,000	600,000
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Summary by Fund

General	100,000	100,000
State Government		
Special Revenue	400,000	400,000
Workers' Compensation	100,000	100,000

The appropriations in this section must be spent with the approval of the governor after consultation with the legislative advisory commission under Minnesota Statutes, section 3.30.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

The special revenue appropriation is available to be transferred to the attorney general when the costs to provide legal services to the health boards exceed the biennial appropriation to the attorney general from the special revenue fund and for transfer to the health boards if required for unforeseen expenditures of an emergency nature. The boards receiving the additional services or supplemental appropriations shall set their fees to cover the costs.

Sec. 29. TORT CLAIMS	275,000	275,000
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To be spent by the commissioner of finance.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Sec. 30. MINNESOTA STATE RETIREMENT SYSTEM	3,998,000	4,014,000
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The amounts estimated to be needed for each program are as follows:

(a) Legislators

3,800,000	3,800,000	
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Under Minnesota Statutes, sections 3A.03, subdivision 2; 3A.04, subdivisions 3 and 4; and 3A.11.

(b) Constitutional Officers

198,000	214,000	
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Under Minnesota Statutes, sections 352C.031, subdivision 5; 352C.04, subdivision 3; and 352C.09, subdivision 2.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Sec. 31. MINNEAPOLIS EMPLOYEES RETIREMENT FUND	6,442,000	6,442,000
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\$5,892,000 the first year and \$5,892,000 the second year are to the commissioner of finance for payment to the Minneapolis employees retirement fund under Minnesota Statutes, section 422A.101, subdivision 3. Payment must be made in four equal installments, March 15, July 15, September 15, and November 15 each year.

\$550,000 the first year and \$550,000 the second year are to the commissioner of finance for payment to the Minneapolis employees retirement fund for the supplemental benefit for pre-1973 retirees under Minnesota Statutes, section 356.865.

Sec. 32. POLICE AND FIRE AMORTIZATION AID	6,295,000	6,303,000
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\$4,925,000 the first year and \$4,925,000 the second year are to the commissioner of revenue for state aid to amortize the unfunded liability of local police and salaried firefighters relief associations under Minnesota Statutes, section 423A.02.

\$1,000,000 the first year and \$1,000,000 the

second year are to the commissioner of revenue for supplemental state aid to amortize the unfunded liability of local police and salaried firefighters relief associations under Minnesota Statutes, section 423A.02, subdivision 1a.

\$370,000 the first year and \$378,000 the second year are to the commissioner of revenue to pay reimbursements to relief associations for firefighter supplemental benefits paid under Minnesota Statutes, section 424A.10.

Sec. 33. BOARD OF GOVERNMENT
INNOVATION AND COOPERATION

1,014,000

1,018,000

Sec. 34. BOND SALE SCHEDULE

The commissioner of finance shall schedule the sale of state general obligation bonds so that, during the biennium ending June 30, 2001, no more than \$521,419,000 will need to be transferred from the general fund to the state bond fund to pay principal and interest due and to become due on outstanding state general obligation bonds. During the biennium, before each sale of state general obligation bonds, the commissioner of finance shall calculate the amount of debt service payments needed on bonds previously issued and shall estimate the amount of debt service payments that will be needed on the bonds scheduled to be sold, and the commissioner shall adjust the amount of bonds scheduled to be sold so as to remain within the limit set by this section. The amount needed to make the debt service payments is appropriated from the general fund as provided in Minnesota Statutes, section 16A.641.

Sec. 35. [STATEWIDE SYSTEMS ACCOUNT.]

Subdivision 1. [CONTINUATION.] The statewide systems account is a separate account in the general fund. All money resulting from billings for statewide systems services must be deposited in the account. For the purposes of this section, statewide systems includes the state accounting system, payroll system, human resources system, procurement system, and related information access systems.

Subd. 2. [BILLING PROCEDURES.] The commissioner of finance may bill up to \$7,520,000 in fiscal year 2000 and \$7,520,000 in fiscal year 2001 for statewide systems services provided to state agencies, judicial branch agencies, the University of Minnesota, the Minnesota state colleges and universities, and other entities. Billing must be based only on usage of services relating to statewide systems provided by the intertechnologies division. Each agency shall transfer from agency operating appropriations to the statewide systems account the amount billed by the commissioner. Billing policies and procedures related to statewide systems services must be developed by the commissioner of finance in consultation with the commissioners of employee relations and administration, the University of Minnesota, and the Minnesota state colleges and universities.

Subd. 3. [APPROPRIATION.] Money transferred into the account is appropriated to the commissioner of finance to pay for statewide systems services during fiscal years 2000 and 2001.

Sec. 36. Minnesota Statutes 1998, section 3.17, is amended to read:

3.17 [JOURNALS.]

A journal of the daily proceedings in each house shall be printed and laid before each member at the beginning of the next day's session. After it has been publicly read and corrected, a copy, kept by the secretary and chief clerk, respectively, and a transcript as approved shall be certified by the secretary or clerk to the printer, who shall print the corrected permanent journal. Executive messages, addresses, reports, communications, and voluminous documents other than amendments to the constitution or to bills and resolutions and the protests of members submitted under the constitution, article 4, section 11, shall be omitted from the journals, unless otherwise ordered by vote. Before distributing journals and other publications to members, legislative staff, and others, each house shall notify prospective recipients of the cost of the publications and the availability of the same information on the Internet.

Sec. 37. Minnesota Statutes 1998, section 3C.12, subdivision 2, is amended to read:

Subd. 2. [FREE DISTRIBUTION.] The revisor shall distribute without charge copies of each edition of Minnesota Statutes, supplements to Minnesota Statutes, and Laws of Minnesota to the persons or bodies listed in this subdivision. Before distributing the copies, the revisor shall ask inform these persons or bodies of the cost of the publication and the availability of statutes and session laws on the Internet, and shall ask whether their work requires the full number of copies authorized by this subdivision. Unless a smaller number is needed, the revisor shall distribute:

- (a) 30 copies to the supreme court;
- (b) 30 copies to the court of appeals;
- (c) one copy to each judge of a district court;
- (d) one copy to the court administrator of each district court for use in each courtroom of the district court;
- (e) one copy to each judge, district attorney, clerk of court of the United States, and deputy clerk of each division of the United States district court in Minnesota;
- (f) 100 copies to the office of the attorney general;
- (g) ten copies each to the governor's office, the departments of agriculture, commerce, corrections, children, families, and learning, finance, health, transportation, labor and industry, economic security, natural resources, public safety, public service, human services, revenue, and the pollution control agency;
- (h) two copies each to the lieutenant governor and the state treasurer;
- (i) 20 copies each to the department of administration, state auditor, and legislative auditor;
- (j) one copy each to other state departments, agencies, boards, and commissions not specifically named in this subdivision;
- (k) one copy to each member of the legislature;
- (l) 150 copies for the use of the senate and 200 copies for the use of the house of representatives;
- (m) 50 copies to the revisor of statutes from which the revisor shall send the appropriate number to the Library of Congress for copyright and depository purposes;
- (n) four copies to the secretary of the senate;
- (o) four copies to the chief clerk of the house of representatives;
- (p) 100 copies to the state law library;

(q) 100 copies to the law school of the University of Minnesota;

(r) five copies each to the Minnesota historical society and the secretary of state;

(s) one copy each to the public library of the largest municipality of each county if the library is not otherwise eligible to receive a free copy under this section or section 15.18; and

(t) one copy to each county library maintained pursuant to chapter 134, except in counties containing cities of the first class. If a county has not established a county library pursuant to chapter 134, the copy shall be provided to any public library in the county.

Sec. 38. Minnesota Statutes 1998, section 8.15, subdivision 1, is amended to read:

Subdivision 1. [FEE SCHEDULES.] The attorney general in consultation with the commissioner of finance shall develop a fee schedule to be used by the attorney general in developing the agreements authorized in subdivision 3. The attorney general must submit a billing rate for the next biennium to the commissioner of finance by August 1 of each even-numbered year.

The attorney general may not assess a county any fee for legal services rendered in connection with a commitment proceeding under section 253B.185 for which the attorney general assumes responsibility under section 8.01.

Sec. 39. Minnesota Statutes 1998, section 8.15, subdivision 2, is amended to read:

Subd. 2. [BIENNIAL BUDGET REQUEST.] (a) The attorney general in consultation with the commissioner of finance shall designate which agencies will have their legal service requests included in the budget request of the attorney general.

(b) All other agencies, in consultation with the attorney general and the commissioner of finance, shall include a request for legal services in their biennial budget requests.

(c) The budget request of the attorney general must include a consolidated listing that shows on one page all the appropriations that will be used to support the office of the attorney general and the finance division from which they will be requested.

Sec. 40. Minnesota Statutes 1998, section 8.15, subdivision 3, is amended to read:

Subd. 3. [AGREEMENTS.] (a) To facilitate the delivery of legal services, the attorney general may:

(1) enter into agreements with executive branch agencies, political subdivisions, or quasi-state agencies to provide legal services for the benefit of the citizens of Minnesota; and

(2) in addition to funds otherwise appropriated by the legislature, accept and spend funds received under any agreement authorized in clause (1) for the purpose set forth in clause (1), subject to a report of receipts to the chairs of the senate finance committee and the house ways and means committee by October 15 each year.

(b) When entering into an agreement for legal services, the attorney general must notify the committees responsible for funding the office of the attorney general. When the attorney general enters into an agreement with a state agency, the attorney general must also notify the committees responsible for funding that agency.

Funds received under this subdivision must be deposited in the general fund and are appropriated to the attorney general for the purposes set forth in this subdivision.

Sec. 41. Minnesota Statutes 1998, section 13.03, subdivision 2, is amended to read:

Subd. 2. [PROCEDURES.] (a) The responsible authority in every state agency, political subdivision, and statewide system shall establish procedures, consistent with this chapter, to insure that requests for government data are received and complied with in an appropriate and prompt manner.

(b) The responsible authority shall prepare public access procedures in written form and update them no later than August 1 of each year as necessary to reflect any changes in personnel or circumstances that might affect public access to government data. The responsible authority shall make copies of the written public access procedures easily available to the public by distributing free copies of the procedures to the public or by posting a copy of the procedures in a conspicuous place within the government entity that is easily accessible to the public.

(c) Full convenience and comprehensive accessibility shall be allowed to researchers including historians, genealogists and other scholars to carry out extensive research and complete copying of all records containing government data except as otherwise expressly provided by law.

A responsible authority may designate one or more designees.

Sec. 42. Minnesota Statutes 1998, section 13.05, is amended by adding a subdivision to read:

Subd. 11. [PRIVATIZATION.] (a) If a government entity enters into a contract with a private person to perform any of its functions, the government entity shall include in the contract terms that make it clear that all of the data created, collected, received, stored, used, maintained, or disseminated by the private person in performing those functions is subject to the requirements of this chapter and that the private person must comply with those requirements as if it were a government entity. The remedies in section 13.08 apply to the private person under this subdivision.

(b) This subdivision does not create a duty on the part of the private person to provide access to public data to the public if the public data are available from the government entity, except as required by the terms of the contract.

Sec. 43. Minnesota Statutes 1998, section 13.073, is amended by adding a subdivision to read:

Subd. 6. [PREPARATION OF MODEL POLICIES AND PROCEDURES.] The commissioner shall, in consultation with affected government entities, prepare model policies and procedures to assist government entities in complying with the requirements of this chapter that relate to public access to government data and rights of subjects of data. Upon completion of a model for a governmental level, the commissioner shall offer that model for formal adoption by that level of government. Government entities may adopt or reject the model offered by the commissioner. A government entity that adopts the commissioner's model shall notify the commissioner in a form prescribed by the commissioner.

Sec. 44. Minnesota Statutes 1998, section 15.50, subdivision 2, is amended to read:

Subd. 2. [CAPITOL AREA PLAN.] (a) The board shall prepare, prescribe, and from time to time, after a public hearing, amend a comprehensive use plan for the capitol area, called the area in this subdivision, which consists of that portion of the city of Saint Paul comprehended within the following boundaries: Beginning at the point of intersection of the center line of the Arch-Pennsylvania freeway and the center line of Marion Street, thence southerly along the center line of Marion Street extended to a point 50 feet south of the south line of Concordia Avenue, thence southeasterly along a line extending 50 feet from the south line of Concordia Avenue to a point 125 feet from the west line of John Ireland Boulevard, thence southwesterly along a line extending 125 feet from the west line of John Ireland Boulevard to the south line of Dayton Avenue, thence northeasterly from the south line of Dayton Avenue to the west line of John Ireland Boulevard, thence northeasterly to the center line of the intersection of Old Kellogg Boulevard and Summit Avenue, thence northeasterly along the center line of Summit Avenue to the center line of the new West Kellogg Boulevard, thence southerly along the east line of the new West Kellogg Boulevard, to the center line of West Seventh Street, thence northeasterly along the center line of West Seventh Street to the center line of the Fifth Street ramp, thence northwesterly along the center line of the Fifth Street ramp to the east line of the right-of-way of Interstate Highway 35-E, thence northeasterly along the east line of the right-of-way of Interstate Highway 35-E to the south line of the right-of-way of Interstate Highway 94, thence easterly along the south line of the right-of-way of Interstate Highway 94 to the west line of St. Peter Street, thence southerly to the south line of Exchange Street, thence easterly along the south line of Exchange

Street to the west line of Cedar Street, thence northerly along the west line of Cedar Street to the center line of Tenth Street, thence northeasterly along the center line of Tenth Street to the center line of Minnesota Street, thence northwesterly along the center line of Minnesota Street to the center line of Eleventh Street, thence northeasterly along the center line of Eleventh Street to the center line of Jackson Street, thence northwesterly along the center line of Jackson Street to the center line of the Arch-Pennsylvania freeway extended, thence westerly along the center line of the Arch-Pennsylvania freeway extended and Marion Street to the point of origin. ~~If construction of the labor interpretive center does not commence prior to December 31, 2000, at the site recommended by the board, the boundaries of the capitol area revert to their configuration as of 1992.~~

Under the comprehensive plan, or a portion of it, the board may regulate, by means of zoning rules adopted under the Administrative Procedure Act, the kind, character, height, and location, of buildings and other structures constructed or used, the size of yards and open spaces, the percentage of lots that may be occupied, and the uses of land, buildings and other structures, within the area. To protect and enhance the dignity, beauty, and architectural integrity of the capitol area, the board is further empowered to include in its zoning rules design review procedures and standards with respect to any proposed construction activities in the capitol area significantly affecting the dignity, beauty, and architectural integrity of the area. No person may undertake these construction activities as defined in the board's rules in the capitol area without first submitting construction plans to the board, obtaining a zoning permit from the board, and receiving a written certification from the board specifying that the person has complied with all design review procedures and standards. Violation of the zoning rules is a misdemeanor. The board may, at its option, proceed to abate any violation by injunction. The board and the city of Saint Paul shall cooperate in assuring that the area adjacent to the capitol area is developed in a manner that is in keeping with the purpose of the board and the provisions of the comprehensive plan.

(b) The commissioner of administration shall act as a consultant to the board with regard to the physical structural needs of the state. The commissioner shall make studies and report the results to the board when it requests reports for its planning purpose.

(c) No public building, street, parking lot, or monument, or other construction may be built or altered on any public lands within the area unless the plans for the project conform to the comprehensive use plan as specified in paragraph (d) and to the requirement for competitive plans as specified in paragraph (e). No alteration substantially changing the external appearance of any existing public building approved in the comprehensive plan or the exterior or interior design of any proposed new public building the plans for which were secured by competition under paragraph (e) may be made without the prior consent of the board. The commissioner of administration shall consult with the board regarding internal changes having the effect of substantially altering the architecture of the interior of any proposed building.

(d) The comprehensive plan must show the existing land uses and recommend future uses including: areas for public taking and use; zoning for private land and criteria for development of public land, including building areas, open spaces, monuments, and other memorials; vehicular and pedestrian circulation; utilities systems; vehicular storage; elements of landscape architecture. No substantial alteration or improvement may be made to public lands or buildings in the area without the written approval of the board.

(e) The board shall secure by competitions plans for any new public building. Plans for any comprehensive plan, landscaping scheme, street plan, or property acquisition that may be proposed, or for any proposed alteration of any existing public building, landscaping scheme or street plan may be secured by a similar competition. A competition must be conducted under rules prescribed by the board and may be of any type which meets the competition standards of the American Institute of Architects. Designs selected become the property of the state of Minnesota, and the board may award one or more premiums in each competition and may pay the costs and fees that may be required for its conduct. At the option of the board, plans for projects estimated to cost less than \$1,000,000 may be approved without competition provided the plans have been considered by the advisory committee described in paragraph (h). Plans for projects estimated to

cost less than \$400,000 and for construction of streets need not be considered by the advisory committee if in conformity with the comprehensive plan.

(f) Notwithstanding paragraph (e), an architectural competition is not required for the design of any light rail transit station and alignment within the capitol area. The board and its advisory committee shall select a preliminary design for any transit station in the capitol area. Each stage of any station's design through working drawings must be reviewed by the board's advisory committee and approved by the board to ensure that the station's design is compatible with the comprehensive plan for the capitol area and the board's design criteria. The guideway and track design of any light rail transit alignment within the capitol area must also be reviewed by the board's advisory committee and approved by the board.

(g) Of the amount available for the light rail transit design, adequate funds must be available to the board for design framework studies and review of preliminary plans for light rail transit alignment and stations in the capitol area.

(h) The board may not adopt any plan under paragraph (e) unless it first receives the comments and criticism of an advisory committee of three persons, each of whom is either an architect or a planner, who have been selected and appointed as follows: one by the board of the arts, one by the board, and one by the Minnesota Society of the American Institute of Architects. Members of the committee may not be contestants under paragraph (e). The comments and criticism must be a matter of public information. The committee shall advise the board on all architectural and planning matters. For that purpose, the committee must be kept currently informed concerning, and have access to, all data, including all plans, studies, reports and proposals, relating to the area as the data are developed or in the process of preparation, whether by the commissioner of administration, the commissioner of trade and economic development, the metropolitan council, the city of Saint Paul, or by any architect, planner, agency or organization, public or private, retained by the board or not retained and engaged in any work or planning relating to the area, and a copy of any data prepared by any public employee or agency must be filed with the board promptly upon completion.

The board may employ stenographic or technical help that may be reasonable to assist the committee to perform its duties.

When so directed by the board, the committee may serve as, and any member or members of the committee may serve on, the jury or as professional advisor for any architectural competition, and the board shall select the architectural advisor and jurors for any competition with the advice of the committee.

The city of Saint Paul shall advise the board.

(i) The comprehensive plan for the area must be developed and maintained in close cooperation with the commissioner of trade and economic development, the planning department and the council for the city of Saint Paul, and the board of the arts, and no plan or amendment of a plan may be effective without 90 days' notice to the planning department of the city of Saint Paul and the board of the arts and without a public hearing with opportunity for public testimony.

(j) The board and the commissioner of administration, jointly, shall prepare, prescribe, and from time to time revise standards and policies governing the repair, alteration, furnishing, appearance, and cleanliness of the public and ceremonial areas of the state capitol building. The board shall consult with and receive advice from the director of the Minnesota state historical society regarding the historic fidelity of plans for the capitol building. The standards and policies developed under this paragraph are binding upon the commissioner of administration. The provisions of chapter 14, including section 14.386, do not apply to this paragraph.

(k) The board in consultation with the commissioner of administration shall prepare and submit to the legislature and the governor no later than October 1 of each even-numbered year a report on the status of implementation of the comprehensive plan together with a program for capital improvements and site development, and the commissioner of administration shall provide the necessary cost estimates for the program. The board shall report any changes to the comprehensive

plan adopted by the board to the committee on governmental operations and gambling of the house of representatives and the committee on governmental operations and reform of the senate and upon request shall provide testimony concerning the changes. The board shall also provide testimony to the legislature on proposals for memorials in the capitol area as to their compatibility with the standards, policies, and objectives of the comprehensive plan.

(l) The state shall, by the attorney general upon the recommendation of the board and within appropriations available for that purpose, acquire by gift, purchase, or eminent domain proceedings any real property situated in the area described in this section, and it may also acquire an interest less than a fee simple interest in the property, if it finds that the property is needed for future expansion or beautification of the area.

(m) The board is the successor of the state veterans service building commission, and as such may adopt rules and may reenact the rules adopted by its predecessor under Laws 1945, chapter 315, and amendments to it.

(n) The board shall meet at the call of the chair and at such other times as it may prescribe.

(o) The commissioner of administration shall assign quarters in the state veterans service building to (1) the department of veterans affairs, of which a part that the commissioner of administration and commissioner of veterans affairs may mutually determine must be on the first floor above the ground, and (2) the American Legion, Veterans of Foreign Wars, Disabled American Veterans, Military Order of the Purple Heart, United Spanish War Veterans, and Veterans of World War I, and their auxiliaries, incorporated, or when incorporated, under the laws of the state, and (3) as space becomes available, to other state departments and agencies as the commissioner may deem desirable.

Sec. 45. Minnesota Statutes 1998, section 16A.102, subdivision 1, is amended to read:

Subdivision 1. [GOVERNOR'S RECOMMENDATION.] By the fourth ~~Monday~~ Tuesday in January of each odd-numbered year, the governor shall submit to the legislature a recommended revenue target for the next two bienniums. The recommended revenue target must specify:

(1) the maximum share of Minnesota personal income to be collected in taxes and other revenues to pay for state and local government services;

(2) the division of the share between state and local government revenues; and

(3) the mix and rates of income, sales, and other state and local taxes including property taxes and other revenues.

The recommendations must be based on the November forecast prepared under section 16A.103.

Sec. 46. Minnesota Statutes 1998, section 16A.11, is amended by adding a subdivision to read:

Subd. 7. [FEES.] The detailed operating budget for each executive branch agency must include proposals for any new fees or any increases in existing fees. For purposes of this section, "fees" has the meaning given in section 16A.1283, but excludes charges listed in paragraph (b) of that section.

Sec. 47. [16A.1283] [LEGISLATIVE APPROVAL REQUIRED.]

(a) Notwithstanding any law to the contrary, an executive branch state agency may not impose a new fee or increase an existing fee unless the new fee or increase is approved by law. For purposes of this section, a fee is any charge for goods, services, regulation, or licensure, and, notwithstanding paragraph (b), clause (3), includes charges for admission to or for use of public facilities owned by the state.

(b) This section does not apply to:

(1) charges billed within or between state agencies, or billed to federal agencies;

(2) the Minnesota state colleges and universities system;

(3) charges for goods and services provided for the direct and primary use of a private individual, business, or other entity.

(c) An executive branch agency may reduce a fee that was set by rule before the effective date of this section without legislative approval. Chapter 14 does not apply to fee reductions under this paragraph.

Sec. 48. Minnesota Statutes 1998, section 16A.129, subdivision 3, is amended to read:

Subd. 3. [CASH ADVANCES.] When the operations of any nongeneral fund account would be impeded by projected cash deficiencies resulting from delays in the receipt of grants, dedicated income, or other similar receivables, and when the deficiencies would be corrected within the budget period involved, the commissioner of finance may use general fund cash reserves to meet cash demands. If funds are transferred from the general fund to meet cash flow needs, the cash flow transfers must be returned to the general fund as soon as sufficient cash balances are available in the account to which the transfer was made. The fund to which general fund cash was advanced must pay interest on the cash advance at a rate comparable to the rate earned by the state on invested treasurer's cash, as determined monthly by the commissioner. An amount necessary to pay the interest is appropriated from the nongeneral fund to which the cash advance was made. Any interest earned on general fund cash flow transfers accrues to the general fund and not to the accounts or funds to which the transfer was made. The commissioner may advance general fund cash reserves to nongeneral fund accounts where the receipts from other governmental units cannot be collected within the budget period.

Sec. 49. Minnesota Statutes 1998, section 16A.45, subdivision 1, is amended to read:

Subdivision 1. [CANCEL; CREDIT.] Once each fiscal year the commissioner and the treasurer shall cancel upon their books all outstanding unpaid commissioner's warrants, ~~except warrants issued for federal assistance programs, that have been issued and delivered for more than six months prior to that date and credit to the general fund the respective amounts of the canceled warrants on or before June 30 of the preceding year and credit state amounts subject to section 345.43 and federal amounts to the appropriate account in the federal fund. These warrants are presumed abandoned under section 345.38 and are subject to the provisions of sections 345.31 to 345.60. The commissioner and the treasurer shall cancel upon their books all outstanding unpaid commissioner's warrants issued for federal assistance programs that have been issued and delivered for more than the period of time set pursuant to the federal program and credit to the general fund and the appropriate account in the federal fund, the amount of the canceled warrants.~~

Sec. 50. Minnesota Statutes 1998, section 16A.85, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] The commissioner of administration may determine, in conjunction with the commissioner of finance, the personal property needs of the various state departments, agencies, boards, commissions and the legislature of the kinds of property identified in this subdivision that may be economically funded through a master lease program and request the commissioner of finance to execute a master lease. ~~The master lease may be used only to finance the following kinds of purchases:~~

~~(a) The master lease may be used to finance purchases by the commissioner of administration with money from an internal services fund.~~

~~(b) The master lease may be used to refinance a purchase of equipment already purchased under a lease-purchase agreement.~~

~~(c) The master lease may be used to finance purchases of large equipment with a capital value of more than \$100,000 and a useful life of more than ten years.~~

~~(d) The legislature may specifically authorize a particular purchase to be financed using the master lease. The legislature anticipates that this authorization will be given only to finance the purchase of major pieces of equipment with a capital value of more than \$10,000.~~

The commissioner of finance may authorize the sale and issuance of certificates of participation relative to a master lease in an amount sufficient to fund these personal property needs. The term of the certificates must be less than the expected useful life of the equipment whose purchase is financed by the certificates. The commissioner of administration may use the proceeds from the master lease or the sale of the certificates of participation to acquire the personal property through the appropriate procurement procedure in chapter 16C. Money appropriated for the lease or acquisition of this personal property is appropriated to the commissioner of finance to make master lease payments.

Sec. 51. Minnesota Statutes 1998, section 16B.03, is amended to read:

16B.03 [APPOINTMENTS.]

The commissioner is authorized to appoint staff, including a ~~deputy commissioner~~ two deputy commissioners, in accordance with chapter 43A.

Sec. 52. Minnesota Statutes 1998, section 16B.104, is amended to read:

16B.104 [PROCUREMENT REQUIREMENTS.]

(a) The commissioner, ~~in consultation with the office of technology~~, shall develop nonvisual technology access standards. The standards must be included in all contracts for the procurement of information technology by, or for the use of, agencies, political subdivisions, and the Minnesota state colleges and universities. The University of Minnesota is encouraged to consider similar standards.

(b) The nonvisual access standards must include the following minimum specifications:

(1) that effective, interactive control and use of the technology including the operating system, applications programs, prompts, and format of the data presented, are readily achievable by nonvisual means;

(2) that the nonvisual access technology must be compatible with information technology used by other individuals with whom the blind or visually impaired individual must interact;

(3) that nonvisual access technology must be integrated into networks used to share communications among employees, program participants, and the public; and

(4) that the nonvisual access technology must have the capability of providing equivalent access by nonvisual means to telecommunications or other interconnected network services used by persons who are not blind or visually impaired.

(c) Nothing in this section requires the installation of software or peripheral devices used for nonvisual access when the information technology is being used by individuals who are not blind or visually impaired.

Sec. 53. Minnesota Statutes 1998, section 16B.24, subdivision 5, is amended to read:

Subd. 5. [RENTING OUT STATE PROPERTY.] (a) [AUTHORITY.] The commissioner may rent out state property, real or personal, that is not needed for public use, if the rental is not otherwise provided for or prohibited by law. The property may not be rented out for more than five years at a time without the approval of the state executive council and may never be rented out for more than 25 years. A rental agreement may provide that the state will reimburse a tenant for a portion of capital improvements that the tenant makes to state real property if the state does not permit the tenant to renew the lease at the end of the rental agreement.

(b) [RESTRICTIONS.] Paragraph (a) does not apply to state trust fund lands, other state lands under the jurisdiction of the department of natural resources, lands forfeited for delinquent taxes, lands acquired under section 298.22, or lands acquired under section 41.56 which are under the jurisdiction of the department of agriculture.

(c) [FORT SNELLING CHAPEL; RENTAL.] The Fort Snelling Chapel, located within the

boundaries of Fort Snelling State Park, is available for use only on payment of a rental fee. The commissioner shall establish rental fees for both public and private use. The rental fee for private use by an organization or individual must reflect the reasonable value of equivalent rental space. Rental fees collected under this section must be deposited in the general fund.

(d) [RENTAL OF LIVING ACCOMMODATIONS.] The commissioner shall establish rental rates for all living accommodations provided by the state for its employees. Money collected as rent by state agencies pursuant to this paragraph must be deposited in the state treasury and credited to the general fund.

(e) [LEASE OF SPACE IN CERTAIN STATE BUILDINGS TO STATE AGENCIES.] The commissioner may lease portions of the state-owned buildings in the capitol complex, the capitol square building, the health building, the Duluth government center, and the building at 1246 University Avenue, St. Paul, Minnesota, to state agencies and the court administrator on behalf of the judicial branch of state government and charge rent on the basis of space occupied. Notwithstanding any law to the contrary, all money collected as rent pursuant to the terms of this section shall be deposited in the state treasury. Money collected as rent to recover the depreciation and bond interest costs of a building funded from the state bond proceeds fund shall be credited to the general fund. Money collected as rent to recover the depreciation costs of a building funded from the state bond proceeds fund and money collected as rent to recover capital expenditures from capital asset preservation and replacement appropriations and statewide building access appropriations shall be credited to a segregated account in a special revenue fund. Money in the account is appropriated to the commissioner to be expended for asset preservation projects as determined by the commissioner. Money collected as rent to recover the depreciation and interest costs of a building built with other state dedicated funds shall be credited to the dedicated fund which funded the original acquisition or construction. All other money received shall be credited to the general services revolving fund.

Sec. 54. Minnesota Statutes 1998, section 16B.31, subdivision 2, is amended to read:

Subd. 2. [APPROPRIATIONS.] Plans must be paid for out of money appropriated for the purpose of improving or constructing the building. No part of the balance may be expended until the commissioner has secured suitable plans and specifications, prepared by a competent architect or engineer, and accompanied by a detailed statement of the cost, quality, and description of all material and labor required for the completion of the work. No plan may be adopted, and no improvement made or building constructed by the commissioner or any other agency to whom an appropriation is made for a capital improvement, that contemplates the expenditure for its completion of more money than the appropriation for it, unless otherwise provided in this section or the act making the appropriation. The commissioner or other agency may not direct or permit any expenditure beyond that appropriated, and any agent of the commissioner violating this provision is guilty of a gross misdemeanor.

Sec. 55. Minnesota Statutes 1998, section 16B.32, subdivision 2, is amended to read:

Subd. 2. [ENERGY CONSERVATION GOALS; EFFICIENCY PROGRAM.] (a) The commissioner of administration in consultation with the department of public service, in cooperation with one or more public utilities or comprehensive energy services providers, may conduct a shared-savings program involving energy conservation expenditures on state-owned buildings. The public utility or energy services provider shall contract with appropriate state agencies to implement energy efficiency improvements in the selected buildings. A contract must require the public utility or energy services provider to include all energy efficiency improvements in selected buildings that are calculated to achieve a cost payback within ten years. The contract must require that the public utility or energy services provider be repaid solely from energy cost savings and only to the extent of energy cost savings. Repayments must be interest-free. The goal of the program in this paragraph is to demonstrate that through effective energy conservation the total energy consumption per square foot of state-owned and wholly state-leased buildings could be reduced by at least 25 percent from consumption in the base year of 1990. All agencies participating in the program must report to the commissioner of administration their monthly energy usage, building schedules, inventory of energy-consuming equipment, and other information as needed by the commissioner to manage and evaluate the program.

(b) The commissioner may exclude from the program of paragraph (a) a building in which energy conservation measures are carried out. "Energy conservation measures" means measures that are applied to a state building that improve energy efficiency and have a simple return of investment in ten years or within the remaining period of a lease, whichever time is shorter, and involves energy conservation, conservation facilities, renewable energy sources, improvements in operations and maintenance efficiencies, or retrofit activities.

(c) This subdivision expires January 1, 2001.

Sec. 56. Minnesota Statutes 1998, section 16B.415, is amended to read:

16B.415 [OPERATION OF INFORMATION SYSTEMS.]

The commissioner, through a division of technology management, is responsible for ongoing operations of state agency information technology activities. These include records management, activities relating to the Government Data Practices Act, ~~operation of administering~~ the state information infrastructure, and activities necessary to make state information systems year 2000 compliant.

Sec. 57. Minnesota Statutes 1998, section 16B.42, subdivision 1, is amended to read:

Subdivision 1. [COMPOSITION.] The intergovernmental information systems advisory council is composed of (1) two members from each of the following groups: counties outside of the seven-county metropolitan area, cities of the second and third class outside the metropolitan area, cities of the second and third class within the metropolitan area, and cities of the fourth class; (2) one member from each of the following groups: the metropolitan council, an outstate regional body, counties within the metropolitan area, cities of the first class, school districts in the metropolitan area, school districts outside the metropolitan area, and public libraries; (3) one member each appointed by the state departments of children, families, and learning, human services, revenue, and economic security, the office of strategic and long-range planning, ~~office of technology~~, administration, and the legislative auditor; (4) one member from the office of the state auditor, appointed by the auditor; (5) one member appointed by each of the following organizations: League of Minnesota Cities, Association of Minnesota Counties, Minnesota Association of Township Officers, and Minnesota Association of School Administrators; and (6) one member of the house of representatives appointed by the speaker and one member of the senate appointed by the subcommittee on committees of the committee on rules and administration. The legislative members appointed under clause (6) are nonvoting members. The commissioner of administration shall appoint members under clauses (1) and (2). The terms, compensation, and removal of the appointed members of the advisory council are as provided in section 15.059, but the council does not expire until June 30, ~~1999~~ 2000.

Sec. 58. Minnesota Statutes 1998, section 16B.46, is amended to read:

16B.46 [TELECOMMUNICATION; POWERS.]

The commissioner shall supervise and control the leasing of all state telecommunication ~~facilities~~ services including any transmission, emission, or reception of signs, signals, writing, images, and sounds or intelligence of any nature by wire, radio, optical, or other electromagnetic systems. Nothing in this section or section 16B.465 modifies, amends, or abridges any powers and duties presently vested in or imposed upon the commissioner of transportation or the commissioner of public safety relating to telecommunications facilities or the commissioner of transportation relating only to radio air navigation facilities or other air navigation facilities.

Sec. 59. Minnesota Statutes 1998, section 16B.465, is amended to read:

16B.465 [STATE INFORMATION INFRASTRUCTURE.]

Subdivision 1. [PURPOSE.] (a) The state of Minnesota and its departments and agencies are urged to seek ways to encourage the growth of the private sector in the area of telecommunications and not pursue policies that restrict market opportunities for the private sector. The state may provide only those telecommunication services that are not available through the private sector.

(b) This section does not preclude the state from purchasing, owning, or leasing customer premises equipment. Customer premises equipment consists of terminal and associated equipment and inside wire located at an end user's premises and connected with communication channels at the point established in a building or a complex to separate customer equipment from the network. Customer premises equipment also includes, but is not limited to communications devices eligible for distribution to communication impaired persons under section 237.51, subdivision 1.

(c) This section does not prohibit the state from operating and staffing a network operations center that allows the state to test, troubleshoot and maintain network operations.

Subdivision 4 Subd. 1a. [CREATION.] The state information infrastructure provides shall arrange for the provision of leased voice, data, video, and other telecommunications transmission services to state agencies; educational institutions, including public schools as defined in section 120A.05, subdivisions 9, 11, 13, and 17, nonpublic, church or religious organization schools that provide instruction in compliance with sections 120A.22, 120A.24, and 124A.41, and private colleges; public corporations; and state political subdivisions. It is not a telephone company for purposes of chapter 237. The state shall not purchase, own, or lease any telecommunication network facilities or equipment unless the state has sought bids or proposals and has determined that the private sector cannot provide the services as bid or proposed by the state using the facilities or equipment in a cost-effective manner. It shall not resell or sublease any services or facilities to nonpublic entities except it may serve private schools and colleges. The commissioner has the responsibility for planning, development, and operations of the state information infrastructure in order to provide cost-effective leased telecommunications transmission services to state information infrastructure users. For purposes of this section, "state information infrastructure" means the network facilities and telecommunications services provided by the state or through contracts administered by the commissioner.

Subd. 3. [DUTIES.] (a) The commissioner, after consultation with the office of technology, shall:

(1) provide negotiate, enter into, and administer contracts for voice, data, video, and other leased telecommunications transmission services to the state and to political subdivisions through an account in the intertechnologies revolving fund;

(2) manage vendor relationships, network function, and capacity planning in order to be responsive to the needs of the state information infrastructure users;

(3) set rates and fees for services;

(4) approve contracts for leased services relating to the system;

(5) in consultation with the office of technology, develop the system a plan, including plans for the phasing of its implementation and maintenance of the initial system out the provision of telecommunications services and network operations, except as provided in paragraph (b), and for the annual program and fiscal plans for the leased system; and

(6) in consultation with the office of technology, the department of children, families, and learning in regard to schools, assist state agencies, political subdivisions of the state, and higher education institutions, including private colleges and public and private schools, to identify their telecommunication needs, and develop a plan plans for interconnection of the provision of leased telecommunications services and equipment to ensure the integration of these needs into an interoperable statewide network with private colleges and public and private schools in the state.

(b) The commissioner may purchase, own, operate, or lease telecommunication network facilities or equipment if the commissioner has sought bids or proposals and has determined that the private sector cannot provide services that the state intends to provide using the facilities or equipment in a cost-effective manner.

(c) The commissioner, in consultation with the office of technology and the department of children, families, and learning in regard to schools, when requested, may assist state agencies, political subdivisions of the state, and higher education institutions, including private colleges and

public and private schools, in identifying, purchasing, or leasing their customer premises equipment.

Subd. 4. [PROGRAM PARTICIPATION.] (a) The commissioner may require the participation secure bids or proposals for services from private sector vendors to serve the needs of state agencies, the state board of education, and the board of trustees of the Minnesota state colleges and universities, and may request the participation of the board of regents of the University of Minnesota, in the planning and implementation of the network to provide interconnective technologies. Alternatively, those entities may seek bids or proposals for services directly from private sector vendors with the advice of the commissioner. The commissioner's advice is not binding on these entities.

Subd. 4a. [RATES.] The commissioner shall establish reimbursement rates in cooperation with the commissioner of finance to be billed to participating agencies and educational institutions sufficient to cover the operating, maintenance, and administrative costs of the system leased services.

(b) A direct appropriation made to an educational institution for usage costs associated with the state information infrastructure must only be used by the educational institution for payment of usage costs of the network as billed by the commissioner of administration.

Subd. 6. [APPROPRIATION.] Money appropriated for the state information infrastructure and fees for leased telecommunications services must be deposited in an account in the intertechnologies fund. Money in the account is appropriated annually to the commissioner to operate telecommunications services carry out the purposes of this section.

Subd. 7. [EXEMPTION.] The system is exempt from the five-year limitation on contracts set by sections 16C.05, subdivision 2, paragraph (a), clause (5), 16C.08, subdivision 3, clause (7), and 16C.09, clause (6).

Sec. 60. [16B.616] [BLEACHER SAFETY.]

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, the following terms have the meanings given.

(b) "Place of public accommodation" means a public or privately owned sports or entertainment arena, gymnasium, auditorium, stadium, hall, special event center in a public park, or other facility for public assembly.

(c) "Bleacher" refers to any tiered or stepped seating facility, whether temporary or permanent, used in a place of public accommodation for the seating of its occupants.

Subd. 2. [APPLICATION.] All places of public accommodation must comply with the provisions of this section.

Subd. 3. [SAFETY REQUIREMENTS.] In places of public accommodation using bleacher seating, all bleachers or bleacher open spaces over 30 inches above grade or the floor below, must conform to the following safety requirements:

(1) the open space between bleacher footboards, seats, and guardrails must not exceed four inches, unless approved safety nets are installed;

(2) bleachers must have vertical perimeter guardrails with no more than four-inch rail spacing between vertical rails or other approved guardrails that address climbability and are designed to prevent accidents; and

(3) the state building official shall determine whether the safety nets and guardrail climbability meet the requirements of the alternate design section of the State Building Code.

Bleachers in existence on January 1, 2001, must comply with the structural provisions of the 1998 State Building Code. All new bleachers manufactured, installed, sold, or distributed after January 1, 2001, must comply with the State Building Code in effect and clauses (1), (2), and (3).

Subd. 4. [ENFORCEMENT.] (a) A statutory or home rule charter city that is not covered by the code because of action taken under section 16B.72 or 16B.73 is responsible for enforcement in the city of the code's requirements for bleacher safety. In all other areas where the code does not apply because of action taken under section 16B.72 or 16B.73, the county is responsible for enforcement of those requirements.

(b) Municipalities that have not adopted the code may enforce the code requirements for bleacher safety by either entering into a joint powers agreement for enforcement with another municipality that has adopted the code or contracting for enforcement with a qualified and certified building official or state licensed design professional to enforce the code.

(c) Municipalities, school districts, organizations, individuals, and other persons operating or owning places of public accommodation with bleachers shall provide a signed certification of compliance to the commissioner by January 1, 2001. The certification shall be prepared by a qualified and certified building official or state licensed design professional and shall certify that the bleachers have been inspected and are in compliance with the requirements of this section and are structurally sound.

Subd. 5. [PENALTIES.] The commissioner, in addition to other remedies provided for violations of this chapter, shall forbid use of bleachers not in compliance with this section.

Subd. 6. [PERIODIC INSPECTIONS.] Bleacher footboards and guardrails must be reinspected at least every five years and a structural inspection must be made at least every ten years. Inspections may be completed in the same manner as provided in subdivision 4. This section does not preclude a municipal authority from establishing additional reinspections under the State Building Code.

Sec. 61. Minnesota Statutes 1998, section 16B.72, is amended to read:

16B.72 [REFERENDA ON STATE BUILDING CODE IN NONMETROPOLITAN COUNTIES.]

Notwithstanding any other provision of law to the contrary, a county that is not a metropolitan county as defined by section 473.121, subdivision 4, may provide, by a vote of the majority of its electors residing outside of municipalities that have adopted the State Building Code before January 1, 1977, that no part of the State Building Code except the building requirements for handicapped persons, the requirements for bleacher safety, and the requirements for elevator safety applies within its jurisdiction.

The county board may submit to the voters at a regular or special election the question of adopting the building code. The county board shall submit the question to the voters if it receives a petition for the question signed by a number of voters equal to at least five percent of those voting in the last general election. The question on the ballot must be stated substantially as follows:

"Shall the State Building Code be adopted in County?"

If the majority of the votes cast on the proposition is in the negative, the State Building Code does not apply in the subject county, outside home rule charter or statutory cities or towns that adopted the building code before January 1, 1977, except the building requirements for handicapped persons, the requirements for bleacher safety, and the requirements for elevator safety do apply.

Nothing in this section precludes a municipality or town that has not adopted the State Building Code from adopting and enforcing by ordinance or other legal means the State Building Code within its jurisdiction.

Sec. 62. Minnesota Statutes 1998, section 16B.73, is amended to read:

16B.73 [STATE BUILDING CODE IN MUNICIPALITIES UNDER 2,500; LOCAL OPTION.]

The governing body of a municipality whose population is less than 2,500 may provide that the State Building Code, except the requirements for handicapped persons, the requirements for bleacher safety, and the requirements for elevator safety, will not apply within the jurisdiction of the municipality, if the municipality is located in whole or in part within a county exempted from its application under section 16B.72. If more than one municipality has jurisdiction over an area, the State Building Code continues to apply unless all municipalities having jurisdiction over the area have provided that the State Building Code, except the requirements for handicapped persons, the requirements for bleacher safety, and the requirements for elevator safety, does not apply within their respective jurisdictions. Nothing in this section precludes a municipality or town from adopting and enforcing by ordinance or other legal means the State Building Code within its jurisdiction.

Sec. 63. [16C.065] [COST-BENEFIT ANALYSIS.]

(a) The commissioner or an agency official to whom the commissioner has delegated duties under section 16C.03, subdivision 16, may not approve a contract or purchase of goods or services in an amount greater than \$5,000,000 unless a cost-benefit analysis has been completed and shows a positive benefit to the public. The management analysis division must perform or direct the performance of the analysis. A cost-benefit analysis must be performed for a project if an aggregation of contracts or purchases for a project exceeds \$5,000,000.

(b) All cost-benefit analysis documents under this section, including preliminary drafts and notes, are public data.

(c) If a cost-benefit analysis does not show a positive benefit to the public, the governor may approve a contract or purchase of goods or services if a cost-effectiveness study had been done that shows the proposed project is the most effective way to provide a necessary public good.

(d) This section applies to contracts for goods or services that are expected to have a useful life of more than three years. This section does not apply for purchase of goods or services for response to a natural disaster if an emergency has been declared by the governor.

Sec. 64. Minnesota Statutes 1998, section 16C.14, subdivision 1, is amended to read:

Subdivision 1. [CONTRACT CONDITIONS.] The commissioner may contract to purchase by installment payments capital or other equipment or services intended to improve the energy efficiency of a state building or facility if:

(1) the term of the contract does not exceed ten years, with not more than a ten-year payback beginning at the completion of the project;

(2) the entire cost of the contract is a percentage of the resultant savings in energy costs only. "Savings in energy cost" means a comparison of energy cost and energy usage under the precontract conditions, including reasonable projections of energy cost and usage if no change is made to the precontract conditions, against energy cost and usage with the changes made under the contract. If it is impractical to directly measure energy cost and/or energy usage, reasonable engineering estimates may be substituted for measured results;

(3) the contract for purchase must be completed using a solicitation;

(4) the commissioner has determined that the contract vendor is a responsible vendor;

(5) the contract vendor can finance or obtain financing for the performance of the contract without state assistance or guarantee; and

(6) the state may unilaterally cancel the agreement if the legislature fails to appropriate funds to continue the contract or if the contractor at any time during the term of the contract fails to perform its contractual obligations, including failure to deliver or install equipment or materials, failure to replace faulty equipment or materials in a timely fashion, and failure to maintain the equipment as agreed in the contract.

Sec. 65. Minnesota Statutes 1998, section 16D.04, subdivision 2, is amended to read:

Subd. 2. [AGENCY PARTICIPATION.] (a) A state agency may, at its option, refer debts to the commissioner for collection. The ultimate responsibility for the debt, including the reporting of the debt to the commissioner of finance and the decision with regard to the continuing collection and uncollectibility of the debt, remains with the referring state agency.

(b) When a debt owed to a state agency becomes 121 days past due, the state agency must refer the debt to the commissioner for collection. This requirement does not apply if there is a dispute over the amount or validity of the debt, if the debt is the subject of legal action or administrative proceedings, or the agency determines that the debtor is adhering to acceptable payment arrangements. The commissioner, in consultation with the commissioner of finance, may provide that certain types of debt need not be referred to the commissioner for collection under this paragraph. Methods and procedures for referral must follow internal guidelines prepared by the commissioner of finance.

Sec. 66. Minnesota Statutes 1998, section 16E.01, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE.] ~~The office of technology, referred to in this chapter as the "office," is an agency in the executive branch managed by an executive director appointed by the governor under the supervision of the commissioner of administration.~~ The office shall provide leadership and direction for information and communications technology policy in Minnesota. The office shall coordinate strategic investments in information and communications technology to encourage the development of a technically literate society and to ensure sufficient access to and efficient delivery of government services.

Sec. 67. Minnesota Statutes 1998, section 16E.02, is amended to read:

16E.02 [OFFICE OF TECHNOLOGY STRUCTURE AND PERSONNEL.]

Subdivision 1. [OFFICE MANAGEMENT AND STRUCTURE.] ~~The executive director commissioner of administration is the state's chief information officer and technology advisor to the governor. The salary of the executive director may not exceed 85 percent of the governor's salary. The executive director may employ a deputy director, assistant directors, and other employees that the executive director may consider necessary. The executive director and the deputy and assistant directors and one confidential secretary serve in the unclassified service. The staff of the office must include individuals knowledgeable in information and communications technology. The executive director may appoint other personnel as necessary to operate the office of technology in accordance with chapter 43A.~~

Subd. 2. [INTERGOVERNMENTAL PARTICIPATION.] ~~The executive director commissioner of administration or the director's commissioner's designee shall serve as a member of the Minnesota education telecommunications council, the geographic information systems council, the library planning task force, or their respective successor organizations, and as a member of Minnesota Technology, Inc., the Minnesota health data institute as a nonvoting member, and the Minnesota world trade center corporation.~~

Sec. 68. Minnesota Statutes 1998, section 16E.08, is amended to read:

16E.08 [BUSINESS LICENSE INFORMATION.]

The office shall coordinate the design, establishment, implementation, and maintenance of an electronic system to allow the public to retrieve by computer information prepared by the department of trade and economic development bureau of business licenses on licenses and their requirements. The office shall establish the format and standards for retrieval consistent with state information and data interchange policies. The system must also be designed to allow the public to apply for and obtain business licenses and permits on line. The office shall integrate the system with the North Star online information system. The office shall work in collaboration with the department of trade and economic development bureau of business licenses. The bureau is responsible for creating and operating the system.

Sec. 69. Minnesota Statutes 1998, section 43A.047, is amended to read:

43A.047 [CONTRACTED SERVICES.]

(a) Executive agencies, including the Minnesota state colleges and universities system, must demonstrate that they cannot use available staff before hiring outside consultants or services. If use of consultants is necessary, agencies are encouraged to negotiate contracts that will involve permanent staff, so as to upgrade and maximize training of state employees.

(b) If agencies reduce operating budgets, agencies must give priority to reducing spending on professional and technical service contracts before laying off permanent employees.

(c) ~~Agencies must report to the senate finance and house ways and means committees commissioner of administration by August November 1 each year on implementation of this section during the previous fiscal year. The reports must include amounts spent on professional and technical service contracts during the previous fiscal year. The commissioner shall compile the reports into a uniform format and forward them to the chairs of the senate finance and house ways and means committees by November 15.~~

Sec. 70. Minnesota Statutes 1998, section 43A.22, is amended to read:

43A.22 [BENEFITS; INTENT.]

(a) It is the intent of the state to provide eligible employees and other eligible persons with life insurance and hospital, medical, and dental benefits coverage through provider organizations, hereafter referred to as "carriers," authorized to do business in the state.

(b) The commissioner may self-insure any hospital and medical plan offered under sections 43A.22 to 43A.31 to promote reasonably stable and predictable premiums for hospital and medical benefits paid by the state and its employees and to promote affordable, ongoing relationships between employees and dependents and their medical providers. The commissioner shall consult with the commissioners of commerce and health and human services regarding the development and reporting of quality of care measures.

Sec. 71. Minnesota Statutes 1998, section 43A.23, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] The commissioner is authorized to request bids from carriers or to negotiate with carriers and to enter into contracts with carriers which in the judgment of the commissioner are best qualified to underwrite and service the benefit plans. Contracts entered into with carriers are not subject to the requirements of sections 16C.16 to 16C.19. The commissioner may negotiate premium rates and coverage provisions with all carriers licensed under chapters 62A, 62C, and 62D. The commissioner may also negotiate reasonable restrictions to be applied to all carriers under chapters 62A, 62C, and 62D. Contracts to underwrite the benefit plans must be bid or negotiated separately from contracts to service the benefit plans, which may be awarded only on the basis of competitive bids. The commissioner shall consider the cost of the plans, conversion options relating to the contracts, service capabilities, character, financial position, and reputation of the carriers, and any other factors which the commissioner deems appropriate. Each benefit contract must be for a uniform term of at least one year, but may be made automatically renewable from term to term in the absence of notice of termination by either party. The commissioner shall, to the extent feasible, make hospital and medical benefits available from at least one carrier licensed to do business pursuant to each of chapters 62A, 62C, and 62D. The commissioner need not provide health maintenance organization services to an employee who resides in an area which is not served by a licensed health maintenance organization. The commissioner may refuse to allow a health maintenance organization to continue as a carrier. The commissioner may elect not to offer all three types of carriers if there are no bids or no acceptable bids by that type of carrier or if the offering of additional carriers would result in substantial additional administrative costs. A carrier licensed under chapter 62A is exempt from the tax imposed by section 60A.15 on premiums paid to it by the state.

All self-insured hospital and medical service products must comply with coverage mandates, data reporting, and consumer protection requirements applicable to the licensed carrier

administering the product, had the product been insured, including chapters 62J, 62M, and 62Q. Any self-insured products that limit coverage to a network of providers or provide different levels of coverage between network and nonnetwork providers shall comply with section 62D.123 and geographic access standards for health maintenance organizations adopted by the commissioner of health in rule under chapter 62D.

Sec. 72. Minnesota Statutes 1998, section 43A.23, subdivision 2, is amended to read:

Subd. 2. [CONTRACT TO CONTAIN STATEMENT OF BENEFITS.] (a) Each contract under sections 43A.22 to 43A.30 shall contain a detailed statement of benefits offered and shall include any maximums, limitations, exclusions, and other definitions of benefits the commissioner deems necessary or desirable. Each hospital and medical benefits contract shall provide benefits at least equal to those required by section 62E.06, subdivision 2.

(b) All summaries of benefits describing the hospital and medical service benefits offered to state employees must comply with laws and rules for content and clarity applicable to the licensed carrier administering the product. Referral procedures must be clearly described. The commissioners of commerce and health, as appropriate, shall review the summaries of benefits, whether written or electronic, and advise the commissioner of employee relations on any changes needed to ensure compliance.

Sec. 73. Minnesota Statutes 1998, section 43A.30, is amended by adding a subdivision to read:

Subd. 6. [CONTINGENCY RESERVE.] The commissioner shall maintain a contingency reserve within the employee insurance trust fund. The reserve must be used to increase the controls over medical plan provisions and insurance costs for the state's employee populations. The reserve consists of appropriations from the general fund, receipts from billings to agencies, and credited investment gains and losses attributable to balances in the account. The state board of investment shall invest the assets of the account according to section 11A.24.

Sec. 74. Minnesota Statutes 1998, section 43A.31, subdivision 2, is amended to read:

Subd. 2. [COMMISSIONER REPORTS.] The commissioner shall transmit a report each biennium to the legislative commission on employee relations concerning the operation of sections 43A.22 to 43A.30, including a study of local and statewide market trends regarding provider concentration, costs, and other factors as they may relate to the state's health benefits purchasing strategy. The commissioner shall consult with the commissioners of commerce and health in the conduct of this study. The commissioner shall also report the number, type, and disposition of complaints relating to the insurance programs offered by the commissioner.

Sec. 75. Minnesota Statutes 1998, section 43A.31, is amended by adding a subdivision to read:

Subd. 5. [CUSTOMER ASSISTANCE.] The commissioner shall employ staff for the purposes of assisting state employees and their dependents in:

- (1) understanding their benefits and coverage levels;
- (2) obtaining information and responses to questions regarding issues of coverage, benefits, and service from carriers and providers; and
- (3) making use of all grievance, appeals, and complaint resolution processes provided by law or contract.

Sec. 76. [43A.318] [PUBLIC EMPLOYEES GROUP LONG-TERM CARE INSURANCE PROGRAM.]

Subdivision 1. [DEFINITIONS.] (a) [SCOPE.] For the purposes of this section, the terms defined have the meaning given them.

(b) [ADVISORY COMMITTEE; COMMITTEE.] "Advisory committee" or "committee" means the committee created under subdivision 3.

(c) [COMMITTEE MEMBER; MEMBER.] "Committee member" or "member" means a person serving on the advisory committee created under subdivision 3.

(d) [ELIGIBLE PERSON.] "Eligible person" means:

(1) an active, deferred, or retired member, or an annuitant of a public pension plan of the state or a political subdivision of the state;

(2) a public employee or elected official of the state or a political subdivision of the state who is not eligible for participation in a public employee pension plan of the state or a political subdivision of the state; or

(3) a spouse, parent, stepparent, or parent-in-law of a person described in clause (1) or (2), regardless of the enrollment status in the program of the person described in clause (1) or (2).

(e) [PROGRAM.] "Program" means the statewide public employees long-term care insurance program created under subdivision 2.

(f) [PUBLIC EMPLOYEE PENSION PLAN.] "Public employee pension plan" means any Minnesota public pension plan or fund that provides pension or retirement coverage for public employees other than volunteer firefighters, including any plan or fund enumerated in section 356.20, subdivision 2, or 356.30, subdivision 3, any local police or firefighter's relief association to which section 69.77 applies, or any retirement or pension plan or fund, including a supplemental retirement plan or fund, established, maintained or supported by any governmental subdivision or public body whose revenues are derived from taxation, fees, assessments or from other public sources.

(g) [QUALIFIED VENDOR.] "Qualified vendor" means an entity licensed or authorized to underwrite, provide, or administer group long-term care insurance benefits in Minnesota.

Subd. 2. [PROGRAM CREATION; GENERAL PROVISIONS.] (a) The commissioner may administer a program to make long-term care coverage available to eligible persons. The commissioner may determine the program's funding arrangements, request bids from qualified vendors, and negotiate and enter into contracts with qualified vendors. Contracts are not subject to the requirements of section 16C.16 or 16C.19. Contracts must be for a uniform term of at least one year, but may be made automatically renewable from term to term in the absence of notice of termination by either party.

(b) The program may provide coverage for home, community, and institutional long-term care and any other benefits as determined by the commissioner. Coverage is optional. The enrolled eligible person must pay the full cost of the coverage.

(c) The commissioner shall promote activities that attempt to raise awareness of the need for long-term care insurance among residents of the state and encourage the increased prevalence of long-term care coverage. These activities must include the sharing of knowledge gained in the development of the program.

(d) The commissioner may employ and contract with persons and other entities to perform the duties under this section and may determine their duties and compensation consistent with this chapter.

(e) The benefits provided under this section are not terms and conditions of employment as defined under section 179A.03, subdivision 19, and are not subject to collective bargaining.

(f) The commissioner shall establish underwriting criteria for entry of all eligible persons into the program. Eligible persons who would be immediately eligible for benefits may not enroll.

(g) Eligible persons who meet underwriting criteria may enroll in the program upon hiring and at other times established by the commissioner.

(h) An eligible person enrolled in the program may continue to participate in the program even if an event, such as termination of employment, changes the person's employment status.

(i) Participating public employee pension plans and public employers may provide automatic pension or payroll deduction for payment of long-term care insurance premiums to qualified vendors contracted with under this section.

(j) The premium charged to program enrollees must include an administrative fee to cover all program expenses incurred in addition to the cost of coverage. All fees collected are appropriated to the commissioner for the purpose of administrating the program.

Subd. 3. [ADVISORY COMMITTEE.] (a) The committee consists of:

(1) the executive directors or designees of the Minnesota state retirement system, the public employees retirement association, and the teachers retirement association;

(2) one member of the investment advisory committee of the state board of investment provided under section 11A.08 appointed by the board;

(3) one staff member of the department of human services appointed by the commissioner of human services;

(4) one staff member of the department of commerce appointed by the commissioner of commerce;

(5) one member of the medical community with clinical knowledge of long-term care appointed by the commissioner of employee relations; and

(6) six members representing the interests of eligible persons, including exclusive representatives of employees as defined by section 179A.03, subdivision 8, and unrepresented employees appointed by the commissioner of employee relations.

(b) Appointment to and removal from the committee must be in the manner provided in section 15.059.

(c) The members of the committee described in paragraph (a), clauses (1) to (5), serve without term limits. The terms of members described in paragraph (a), clause (6), are governed by section 15.059, subdivision 2.

(d) Members serve without compensation, but are eligible for reimbursement of expenses in the same manner and amount as authorized under section 43A.18, subdivision 2.

(e) The committee shall advise the commissioner on program issues, including, but not limited to, benefits, coverage, funding, eligibility, enrollment, underwriting, and marketing.

Subd. 4. [LONG-TERM CARE INSURANCE TRUST FUND.] (a) The long-term care insurance trust fund in the state treasury consists of deposits of the premiums received from persons enrolled in the program. All money in the fund is appropriated to the commissioner to pay premiums, claims, refunds, administrative costs, and other related service costs. The commissioner shall reserve an amount of money sufficient to cover the actuarially estimated costs of claims incurred but unpaid. The trust fund must be used solely for the purpose of the program.

(b) The state board of investment shall invest the money in the fund according to section 11A.24. Investment income and losses attributable to the fund must be credited to or deducted from the fund.

Subd. 5. [PRIVATE SOURCES.] This section does not prohibit or limit individuals or local governments from purchasing long-term care insurance through other private sources.

Sec. 77. Minnesota Statutes 1998, section 138.17, subdivision 7, is amended to read:

Subd. 7. [RECORDS MANAGEMENT PROGRAM.] A records management program for the application of efficient and economical management methods to the creation, utilization, maintenance, retention, preservation, and disposal of official records shall be administered by the commissioner of administration with assistance from the director of the historical society. The

state records center which stores and services state records not in state archives shall be administered by the commissioner of administration. The commissioner of administration is empowered to (1) establish standards, procedures, and techniques for effective management of government records, (2) make continuing surveys of paper work operations, and (3) recommend improvements in current records management practices including the use of space, equipment, and supplies employed in creating, maintaining, preserving and disposing of government records. It shall be the duty of the head of each state agency and the governing body of each county, municipality, and other subdivision of government to cooperate with the commissioner in conducting surveys and to establish and maintain an active, continuing program for the economical and efficient management of the records of each agency, county, municipality, or other subdivision of government. When requested by the commissioner, public officials shall assist in the preparation of an inclusive inventory of records in their custody, to which shall be attached a schedule, approved by the head of the governmental unit or agency having custody of the records and the commissioner, establishing a time period for the retention or disposal of each series of records. When the schedule is unanimously approved by the records disposition panel, the head of the governmental unit or agency having custody of the records may dispose of the type of records listed in the schedule at a time and in a manner prescribed in the schedule for particular records which were created after the approval. A list of records disposed of pursuant to this subdivision shall be forwarded to the commissioner and the archivist by the head of the governmental unit or agency. The archivist shall maintain a list of all records destroyed.

Sec. 78. Minnesota Statutes 1998, section 138.17, subdivision 8, is amended to read:

Subd. 8. [EMERGENCY RECORDS PRESERVATION.] In light of the danger of nuclear or natural disaster, the commissioner of administration, with the assistance of the director of the historical society, shall establish and maintain a program for the selection and preservation of public records considered essential to the operation of government and to the protection of the rights and interests of persons, and shall make or cause to be made preservation duplicates or designate as preservation duplicates existing copies of such essential public records. Preservation duplicates shall be durable, accurate, complete, and clear, and such duplicates reproduced by photographic or other process which accurately reproduces and forms a durable medium for so reproducing the original shall have the same force and effect for all purposes as the original record whether the original record is in existence or not. A transcript, exemplification, or certified copy of such preservation duplicate shall be deemed for all purposes to be a transcript, exemplification, or certified copy of the original record. Such preservation duplicates shall be preserved in the place and manner of safekeeping prescribed by the commissioner.

Every county, municipality, or other subdivision of government may institute a program for the preservation of necessary documents essential to the continuity of government. Such a program shall first be submitted to the commissioner for approval or disapproval and no such program shall be instituted until such approval is obtained.

Sec. 79. Minnesota Statutes 1998, section 192.49, subdivision 3, is amended to read:

Subd. 3. [ALLOWANCES FOR MILITARY EXPENSE.] (a) Allowances for the necessary military expenses of all organizations, units, or detachments of the military forces, including clerk hire, office supplies, postage, and other actual outlay, ~~shall may~~ be paid by the adjutant general out of the funds appropriated for the maintenance of the military forces, ~~such.~~ These allowances annually may not to exceed:

(1) for the state headquarters and for the division headquarters when located in this state \$2,000 \$2,500 each;

(2) \$3,000 ~~a year~~ for the commanding general of troops;

(3) for any other organization commanded by a general officer \$1,000 ~~plus \$100 for each immediately and directly subordinate organization or unit~~ \$2,200;

(4) for any brigade, group, battalion, squadron, or equivalent organization ~~\$200~~ \$500 plus \$100 for each immediately and directly subordinate organization or unit; and \$300

~~(5) \$600 for incidental expenses of each company, battery, or detachment; and at the time of the annual encampment or maneuvers, for each division or camp headquarters mess \$200; for each officers' mess of a regiment, group, or higher headquarters \$200; and for the officers' mess of each battalion or equivalent headquarters \$100.~~

~~(b) Allowances authorized under this section shall be expended and accounted for as prescribed by the commander-in-chief in orders or rules adjutant general.~~

Sec. 80. Minnesota Statutes 1998, section 197.79, subdivision 10, is amended to read:

Subd. 10. [DEADLINE FOR APPLICATIONS.] The application period for the bonus program established in this section shall be November 1, 1997, to June 30, ~~1999~~ 2001. The department may not receive or accept new applications after June 30, ~~1999~~ 2001.

Sec. 81. Minnesota Statutes 1998, section 202A.18, is amended by adding a subdivision to read:

Subd. 2a. [PREFERENCE BALLOT.] Prior to the opening of nominations for the election of permanent offices and delegates, a ballot must be distributed to permit caucus participants to indicate their preference for the offices of president of the United States or governor. The results of preference voting must be reported to the secretary of state immediately upon conclusion of the voting, in the manner provided by the secretary of state. The secretary of state shall provide the appropriate forms to the party for reporting the results.

Sec. 82. Minnesota Statutes 1998, section 202A.20, subdivision 2, is amended to read:

Subd. 2. [REPORTING CAUCUS RESULTS.] The secretary of state may provide a method for the timely reporting of caucus results to the public shall promptly report to the public the results of preference balloting at the precinct caucuses.

Sec. 83. Minnesota Statutes 1998, section 204B.25, subdivision 2, is amended to read:

Subd. 2. [RULES OF SECRETARY OF STATE.] The secretary of state shall adopt rules establishing a program programs for the training of county auditors, local election officials, and election judges by county auditors as required by this section.

Sec. 84. Minnesota Statutes 1998, section 204B.25, is amended by adding a subdivision to read:

Subd. 4. [TRAINING FOR LOCAL ELECTION OFFICIALS.] At least once every two years, the county auditor shall conduct training sessions for the municipal and school district clerks in the county. The training sessions must be conducted in the manner provided by the secretary of state. No local election official may administer an election without receiving training from the county auditor.

Sec. 85. Minnesota Statutes 1998, section 204B.27, is amended by adding a subdivision to read:

Subd. 10. [TRAINING FOR COUNTY AUDITORS; TRAINING MATERIALS.] The secretary of state shall develop a training program in election administration for county auditors and shall certify each county auditor who successfully completes the training program. The secretary of state shall provide each county auditor with materials for use in training local election officials and election judges.

Sec. 86. Minnesota Statutes 1998, section 204B.28, subdivision 1, is amended to read:

Subdivision 1. [TRAINING PROGRAM FOR MEETING WITH ELECTION OFFICIALS.] At least 12 weeks before each state primary regularly scheduled general election, each county auditor shall conduct a training program for meeting with local election officials to review the procedures for the election. The county auditor may require the municipal clerks and the chairs of the election boards in the county to meet for this training program before the election at a time and place set by the county auditor. The training program shall include instruction in election procedures and the duties of municipal clerks and election judges. The chairs of the election

~~boards shall be compensated by the municipalities for the incidental expenses incurred by them to attend a training program~~ attend this meeting.

Sec. 87. Minnesota Statutes 1998, section 240A.09, is amended to read:

240A.09 [PLAN DEVELOPMENT; CRITERIA.]

The Minnesota amateur sports commission shall develop a plan to promote the development of proposals for new statewide public ice facilities including proposals for ice centers and matching grants based on the criteria in this section.

(a) For ice center proposals, the commission will give priority to proposals that come from more than one local government unit. Institutions of higher education are not eligible to receive a grant.

(b) In the metropolitan area as defined in section 473.121, subdivision 2, the commission is encouraged to give priority to the following proposals:

(1) proposals for construction of two or more ice sheets in a single new facility;

(2) proposals for construction of an additional sheet of ice at an existing ice center;

(3) proposals for construction of a new, single sheet of ice as part of a sports complex with multiple sports facilities; and

(4) proposals for construction of a new, single sheet of ice that will be expanded to a two-sheet facility in the future.

(c) The commission shall administer a site selection process for the ice centers. The commission shall invite proposals from cities or counties or consortia of cities. A proposal for an ice center must include matching contributions including in-kind contributions of land, access roadways and access roadway improvements, and necessary utility services, landscaping, and parking.

(d) Proposals for ice centers and matching grants must provide for meeting the demand for ice time for female groups by offering up to 50 percent of prime ice time, as needed, to female groups. For purposes of this section, prime ice time means the hours of 4:00 p.m. to 10:00 p.m. Monday to Friday and 9:00 a.m. to 8:00 p.m. on Saturdays and Sundays.

(e) The location for all proposed facilities must be in areas of maximum demonstrated interest and must maximize accessibility to an arterial highway.

(f) To the extent possible, all proposed facilities must be dispersed equitably, must be located to maximize potential for full utilization and profitable operation, and must accommodate noncompetitive family and community skating for all ages.

(g) The commission may also use the ~~funds~~ money to upgrade current facilities, purchase girls' ice time, or conduct amateur women's hockey and other ice sport tournaments.

(h) To the extent possible, 50 percent of all grants must be awarded to communities in greater Minnesota.

(i) To the extent possible, technical assistance shall be provided to Minnesota communities by the commission on ice arena planning, design, and operation, including the marketing of ice time.

(j) A grant for new facilities may not exceed \$250,000.

(k) The commission may ~~use funds~~ make grants for rehabilitation and renovation ~~grants~~. A rehabilitation or renovation grant may not exceed \$100,000. Priority must be given to grant applications for indoor air quality improvements, including zero emission ice resurfacing equipment.

~~(k)~~ (l) Grant funds money may be used for ice centers designed for sports other than hockey.

(m) Grant money may be used to upgrade existing facilities to comply with the bleacher safety requirements of section 16B.616.

Sec. 88. [240A.12] [GRANTS FOR ATHLETIC FACILITIES AND PROGRAMS.]

Subdivision 1. [GRANTS.] The commission may make matching grants to political subdivisions of the state:

(1) to acquire and better public land and buildings and other public improvements of a capital nature to be used for community facilities and related infrastructure primarily for amateur athletics;

(2) to renovate existing facilities used primarily for amateur athletics;

(3) to support recreational programs for children and adolescents; and

(4) to support special events involving amateur athletics.

Subd. 2. [GEOGRAPHIC DISPERSAL.] To the extent possible, over time, the commission shall disperse grants equally among the state's congressional districts and award one-half of all grants to communities or institutions outside the metropolitan area as defined in section 473.121, subdivision 2.

Subd. 3. [MAXIMUM GRANTS AND MATCHING CONTRIBUTIONS.] Each grant under this section must be matched by recipient communities or institutions in accordance with this subdivision. A matching contribution may include an in-kind contribution of land, access roadways and access roadway improvements, and necessary utility services, landscaping, and parking. A grant for new facilities may not exceed \$100,000 and must be matched by the recipient at a rate of four times the amount of the grant. A grant for renovation of existing facilities may not exceed \$50,000 and must be matched equally by the recipient. A grant for recreational programs may not exceed \$20,000 and must be matched equally by the recipient. A grant for a special event or program may not exceed \$100,000 and must be matched equally by the recipient.

Sec. 89. Minnesota Statutes 1998, section 297F.08, is amended by adding a subdivision to read:

Subd. 8a. [REVOLVING ACCOUNT.] A heat applied cigarette tax stamp revolving account is created. The commissioner shall use the amounts in this fund to purchase heat applied stamps for resale. The commissioner shall charge distributors for the tax value of the stamps they receive along with the commissioner's cost to purchase the stamps and ship them to the distributor. The stamp purchase and shipping costs recovered must be credited to the revolving account and are appropriated to the commissioner for the further purchases and shipping costs. The revolving account is initially funded by a \$40,000 transfer from the department of revenue.

Sec. 90. [325F.015] [UNSAFE BLEACHERS.]

A person shall not manufacture, sell, distribute, or install bleachers within this state that do not comply with section 16B.616. For purposes of this section, "person" means an individual, public or private entity, however organized, or a unit of state or local government.

Sec. 91. Minnesota Statutes 1998, section 325K.03, is amended by adding a subdivision to read:

Subd. 4. [CERTIFICATION PRACTICE STATEMENT.] The secretary in the role of licensed certification authority may adopt and amend a certification practice statement without using the provisions of chapter 14.

Sec. 92. Minnesota Statutes 1998, section 325K.04, is amended to read:

325K.04 [FEES.]

(a) The secretary may adopt rules establishing shall set reasonable fees for all services rendered under this chapter, in amounts sufficient to compensate for the costs of all services provided by the secretary under this chapter. All fees recovered by the secretary must be deposited in the state general fund. Until July 1, 2001, the fees need not be set by rule.

(b) The digital signature account is created in the special revenue fund. All fees recovered by the secretary must be deposited in the digital signature account. Money in the digital signature account is appropriated to the secretary to pay the costs of all services provided by the secretary.

Sec. 93. Minnesota Statutes 1998, section 325K.05, subdivision 1, is amended to read:

Subdivision 1. [LICENSE CONDITIONS.] To obtain or retain a license, a certification authority must:

- (1) be the subscriber of a certificate published in a recognized repository;
 - (2) employ as operative personnel only persons who have not been convicted within the past 15 years of a felony or a crime involving fraud, false statement, or deception;
 - (3) employ as operative personnel only persons who have demonstrated knowledge and proficiency in following the requirements of this chapter;
 - (4) file with the secretary a suitable guaranty, unless the certification authority is a department, office, or official of a federal, state, city, or county governmental entity that is self-insured;
 - (5) use a trustworthy system, including a secure means for limiting access to its private key;
 - (6) present proof to the secretary of having working capital reasonably sufficient, according to rules adopted by the secretary, to enable the applicant to conduct business as a certification authority;
 - (7) register its business organization with the secretary, unless the applicant is a governmental entity or is otherwise prohibited from registering; and
 - (8) require a potential subscriber to appear in person before the certification authority, or an agent of the certification authority, to prove the subscriber's identity before a certificate is issued to the subscriber; and
 - (9) comply with all further licensing requirements established by rule by the secretary.
- The secretary may, by rule, establish standards by which the in-person registration required in clause (8) may be waived.

Sec. 94. Minnesota Statutes 1998, section 325K.09, is amended by adding a subdivision to read:

Subd. 3. [ACCEPTANCE.] A recipient who accepts a digital signature when the certificate was issued by a licensed certification authority becomes a party to and accepts all of the terms and conditions of the licensed certification authority's certification practice statement.

Sec. 95. Minnesota Statutes 1998, section 325K.10, subdivision 5, is amended to read:

Subd. 5. [ORDER OF SUSPENSION OR REVOCATION.] The secretary may order the licensed certification authority to suspend or revoke a certificate that the certification authority issued if, after giving any required notice and opportunity for the certification authority and subscriber to be heard in accordance with the Administrative Procedure Act, chapter 14, the secretary determines that:

- (1) the certificate was issued without substantial compliance with this section; and
- (2) the noncompliance poses a significant risk to persons reasonably relying on the certificate.

Upon determining that an emergency requires an immediate remedy, and in accordance with

the Administrative Procedure Act, chapter 14, the secretary may issue an order suspending a certificate for a period not to exceed 48 96 hours.

Sec. 96. Minnesota Statutes 1998, section 325K.14, is amended by adding a subdivision to read:

Subd. 9. [ADMINISTRATIVE PROCEDURES.] For purposes of this section, the provisions of chapter 14 do not apply when the secretary acts as a licensed certification authority for governmental entities.

Sec. 97. Minnesota Statutes 1998, section 325K.15, is amended by adding a subdivision to read:

Subd. 8. [ADMINISTRATIVE PROCEDURES.] For purposes of this section, the provisions of chapter 14 do not apply when the secretary acts as a licensed certification authority for governmental entities.

Sec. 98. Minnesota Statutes 1998, section 349.163, subdivision 4, is amended to read:

Subd. 4. [INSPECTION OF MANUFACTURERS.] Employees of the board and the division of alcohol and gambling enforcement may inspect the books, records, inventory, and business premises of a licensed manufacturer without notice during the normal business hours of the manufacturer. The board may charge a manufacturer for the actual cost of conducting scheduled or unscheduled inspections of the manufacturer's facilities, where the amount charged to the manufacturer for such inspections in any year does not exceed \$7,500. The board shall deposit in a separate account in the state treasury all money received as reimbursement for the costs of inspections. ~~Until July 1, 1999, Money in the account is appropriated to the board to pay the costs of the inspections.~~

Sec. 99. Laws 1993, chapter 192, section 16, is amended to read:

Sec. 16. CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD	326,000	334,000
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Any unencumbered balance of the appropriation for the first year does not cancel and is available for use in the second year.

\$75,000 the first year and \$82,000 the second year are to create a memorial to Hubert H. Humphrey in the capitol area. Of these amounts, up to \$75,000 may be used by the board to select an appropriate site for the memorial. ~~\$82,000 is available only as matched, one state dollar for three dollars, by contributions from nonstate sources.~~ The board shall establish design requirements, choose the design, and oversee construction of the memorial. In establishing the memorial, the board may accept money from nonstate sources and contract with other private or public agencies. The appropriation is available until expended.

Sec. 100. Laws 1994, chapter 643, section 69, subdivision 1, is amended to read:

Subdivision 1. [TASK FORCE MEMBERSHIP.] ~~An 18-member~~ A 19-member planning task force for library and information services shall be established and shall be composed of: three representatives appointed by the chancellor of the higher education board, one of whom may be serving on the MINITEX advisory committee; two representatives appointed by the president of the University of Minnesota, one of whom may be serving on the MINITEX advisory committee;

one representative appointed by the president of the Minnesota private college council; the director of MINITEX; one representative appointed by the commissioner of finance; one representative appointed by the commissioner of administration; one representative appointed by the executive director of the Minnesota higher education coordinating board; the director of the office of library development and services; five representatives of public libraries appointed by the director of library development and services; two representatives of elementary and secondary schools appointed by the commissioner of education; and one representative appointed by the governor. The executive director of the Minnesota higher education coordinating board shall confer with the other appointing authorities to ensure that at least one-half of the task force members are employed in occupations unrelated to library science. The executive director of the Minnesota higher education coordinating board shall convene the first meeting of the task force.

Sec. 101. Laws 1995, First Special Session chapter 3, article 12, section 7, subdivision 1, as amended by Laws 1997, First Special Session chapter 4, article 9, section 2, and Laws 1998, chapter 270, section 4, is amended to read:

Subdivision 1. [STATE COUNCIL MEMBERSHIP.] The membership of the Minnesota education telecommunications council established in Laws 1993, First Special Session chapter 2, is expanded to include representatives of elementary and secondary education. The membership shall consist of three representatives from the University of Minnesota; three representatives of the board of trustees for Minnesota state colleges and universities; one representative of the higher education services offices; one representative appointed by the private college council; eight representatives selected by the commissioner of children, families, and learning, at least one of which must come from each of the six higher education telecommunication regions; the director commissioner of the office of technology administration; two members each from the senate and the house of representatives selected by the subcommittee on committees of the committee on rules and administration of the senate and the speaker of the house, one member from each body must be a member of the minority party; and three representatives of libraries, one representing regional public libraries, one representing multitype libraries, and one representing community libraries, selected by the governor. The council shall:

- (1) develop a statewide vision and plans for the use of distance learning technologies and provide leadership in implementing the use of such technologies;
- (2) recommend to the commissioner and the legislature by December 15, 1996, a plan for long-term governance and a proposed structure for statewide and regional telecommunications;
- (3) recommend educational policy relating to telecommunications;
- (4) determine priorities for use;
- (5) oversee coordination of networks for post-secondary campuses, K-12 education, and regional and community libraries;
- (6) review application for telecommunications access grants under Minnesota Statutes, section 124C.74, and recommend to the department grants for funding;
- (7) determine priorities for grant funding proposals; and
- (8) work with the office of technology to ensure consistency of the operation of the learning network with standards of an open system architecture.

The council shall consult with representatives of the telecommunication industry in implementing this section.

Sec. 102. Laws 1995, First Special Session chapter 3, article 12, section 10, is amended to read:

Sec. 10. [ELECTRONIC COST REDUCTION.]

The commissioner of education shall identify methods to reduce the costs of Internet access for school districts. The commissioner shall work in conjunction with MNet the state information

infrastructure, the department of administration, and the telecommunication industry to provide Internet access and long distance phone service at a favorable group rate.

Sec. 103. Laws 1997, chapter 202, article 2, section 61, is amended to read:

Sec. 61. [VOLUNTARY UNPAID LEAVE OF ABSENCE.]

Appointing authorities in state government shall encourage may allow each employee to take an unpaid leave of absence for up to 160 hours during the period ending June 30, 1999 2001. Each appointing authority approving such a leave shall allow the employee to continue accruing vacation and sick leave, be eligible for paid holidays and insurance benefits, accrue seniority, and accrue service credit in state retirement plans permitting service credits for authorized leaves of absence as if the employee had actually been employed during the time of the leave. If the leave of absence is for one full pay period or longer, any holiday pay shall be included in the first payroll warrant after return from the leave of absence. The appointing authority shall attempt to grant requests for unpaid leaves of absence consistent with the need to continue efficient operation of the agency. However, each appointing authority shall retain discretion to grant or refuse to grant requests for leaves of absence and to schedule and cancel leaves, subject to applicable provisions of collective bargaining agreements and compensation plans.

Sec. 104. Laws 1998, chapter 366, section 2, is amended to read:

Sec. 2. LEGISLATURE

25,000

This appropriation is to the legislative coordinating commission for a grant to the Council of State Governments to organize and fund a series of meetings between members of the Minnesota legislature and members of the Manitoba and Ontario parliaments. Approximately Up to six members of each body may attend the meetings. Meetings may involve all three bodies or the legislature and one of the parliaments. The meetings shall be at the capital cities of the state or of the provinces. This appropriation is available until June 30, 2000.

Sec. 105. [URBAN DEVELOPMENT ENVIRONMENTAL STEERING COMMITTEE.]

Subdivision 1. [COMMITTEE; DEFINITION.] (a) The environmental quality board shall establish an urban development environmental steering committee consisting of representatives of developers, environmental interests, agricultural landowners, and other stakeholders. The urban development environmental steering committee shall advise the environmental quality board on the scope and content of the generic environmental impact statement required in subdivision 2.

(b) Compensation of members and reimbursement of their expenses is governed by Minnesota Statutes, section 15.059. The committee expires upon completion of the generic environmental impact statement required in subdivision 2 and presentation of the report to the legislature.

(c) For the purposes of this section, "urban development" means development in:

(1) cities with more than 15,000 population; and

(2) areas with densities greater than 200 people per square mile in proximity to cities with more than 15,000 population.

Subd. 2. [GENERIC ENVIRONMENTAL IMPACT STATEMENT.] A generic environmental impact statement must be prepared under the direction of the environmental quality board to examine the long-term effects of urban development, past, present, and future, upon the economy, environment, and way of life of the residents of this state. The study may address:

(1) the overall dimension of urban development in this state, including the past and current trends of settlement and population growth, the types and location of urban development, and the relationship of past and current development patterns to existing land use policies;

(2) environmental quality issues associated with urban development such as the effects of urban development on air, groundwater, surface water, and land, including the impact of urban development on the loss of agricultural land in urbanizing areas;

(3) economic issues such as the comparative economic impact of alternative means of urban development, including the economic efficiency of the alternatives;

(4) social issues such as the comparative social impact of alternative means of urban development; and

(5) the roles of various units of government in regulating various aspects of land use decisions.

Sec. 106. [STATE TRAVEL OFFICE.]

Subdivision 1. [STUDY.] The commissioner of administration shall study the feasibility and potential advantages of establishing a state travel office in the executive branch to manage and oversee arrangements for air and surface travel by state employees and officials. In conducting the study, the commissioner shall consider travel procedures currently used by the state in comparison with those used by the federal government, other states, and private businesses.

Subd. 2. [ISSUES.] The study required by subdivision 1 must address, at a minimum:

(1) the relative merits of central versus decentralized management and oversight of travel;

(2) current procedures used by the legislative, judicial, and executive branches of the state as well as the Minnesota state colleges and universities and the University of Minnesota;

(3) statutory and other authority necessary to manage and oversee state travel;

(4) the relative merits of state operation of travel services versus the provision of travel services by travel agencies under contract;

(5) the use of one travel agency versus several preferred agencies;

(6) the criteria used in selecting the preferred agencies;

(7) managing frequent-flier miles versus other options; and

(8) the use of Internet-based travel authorization and booking versus traditional methods.

Subd. 3. [REPORT.] The commissioner shall report to the legislature on the conclusions of the study by January 15, 2000. The report must include recommendations for any legislation that might be necessary to implement the report's conclusions.

Sec. 107. [BUDGET PRINCIPLES; BUDGET REVIEW.]

Subdivision 1. [PRINCIPLES.] The legislative commission on planning and fiscal policy shall establish principles and standards related to budgeting that simplify the process, minimize the number of state funds and special accounts, and are consistent with generally accepted accounting principles. The principles must define when it is appropriate to create special or dedicated funds and accounts, when it is appropriate to create open appropriations from the general fund and open appropriations of dedicated receipts, and the appropriate level of budgetary reserves.

Subd. 2. [REVIEW OF PAST BUDGET ACTIONS.] With the assistance of the commissioner of finance and staff of the house and senate, the commission shall:

(1) review the biennial budget instructions issued by the commissioner of finance for the 2000-2001 biennial budget, specifically instructions on how to establish the budget base, the inflation factors used, how to calculate caseload adjustments, and related program requirements;

(2) review all statutory open and standing appropriations and identify any that are inconsistent with the commission's principles;

(3) review all reserve accounts and the level of reserves and identify any that are inconsistent with the commission's principles; and

(4) review other related issues as deemed appropriate by the commission.

Subd. 3. [PROCESS TO REVIEW FUTURE BUDGET ACTIONS.] The commission, in consultation with the commissioner of finance, shall develop and recommend to the legislature a process whereby a bill that affects the budget may be reviewed to determine whether the appropriations and accounts it creates are consistent with the principles adopted by the commission. The commission shall consider how this review should be coordinated or integrated with the process for creating fiscal notes and whether the review should be done by staff of the executive branch or by staff of the legislative branch.

Subd. 4. [REPORT.] The commission shall report the principles and standards it has established, the results of its review of past budget actions, and its recommended process for reviewing future budget actions to the legislature and the governor by December 1, 1999.

Sec. 108. [LOAN REPAYMENT.]

The loan made by the Minneapolis community development agency to the Minneapolis park and recreation board in 1986 to acquire property for the central riverfront regional park must not be repaid by any funds from the state of Minnesota or funds of political subdivisions of the state, including the metropolitan council.

Sec. 109. [EMPLOYEE ASSISTANCE PROGRAM; TRANSFER.]

Responsibility for the state employee assistance program under Minnesota Statutes, section 16B.39, subdivision 2, is transferred from the commissioner of administration to the commissioner of employee relations under Minnesota Statutes, section 15.039.

Sec. 110. [OFFICE OF TECHNOLOGY; TRANSFER.]

In accordance with Minnesota Statutes, sections 15.039 and 43A.045, the responsibilities of the executive director of the office of technology under Minnesota Statutes, chapter 16E, and otherwise, are transferred to the commissioner of administration.

Sec. 111. [INSTRUCTION TO REVISOR.]

(a) The revisor of statutes shall renumber Minnesota Statutes, section 256.482, subdivision 5a, as Minnesota Statutes, section 16B.055, subdivision 2, and renumber the existing text of Minnesota Statutes, section 16B.055, as subdivision 1.

(b) In the next edition of Minnesota Statutes, the revisor of statutes shall change the term "executive director of the office of technology" to "commissioner of administration" and the term "executive director," wherever it refers to the executive director of the office of technology, to "commissioner."

(c) The revisor of statutes shall renumber Minnesota Statutes, section 16B.39, subdivision 2, in chapter 43A.

Sec. 112. [REPEALER.]

(a) Minnesota Rules, part 8275.0045, subpart 2, is repealed.

(b) Minnesota Statutes 1998, sections 16A.103, subdivision 3; 16E.11; 16E.12; and 16E.13, are repealed.

(c) Laws 1991, chapter 235, article 5, section 3, as amended by Laws 1995, chapter 254, article 1, section 91, is repealed.

(d) Minnesota Statutes 1998, section 16A.1285, subdivisions 4 and 5, are repealed.

(e) Minnesota Statutes 1998, sections 207A.01; 207A.02; 207A.03; 207A.04; 207A.06; 207A.07; 207A.08; 207A.09; and 207A.10, are repealed.

Sec. 113. [EFFECTIVE DATE.]

(a) Section 41 is effective January 1, 2001. Section 43 is effective July 1, 2000, with respect to preparation of the model policies and procedures by the commissioner of administration, and January 1, 2001, with respect to the other provisions of section 43.

(b) Sections 60 to 62 and 90 are effective January 1, 2001.

(c) Sections 45 and 91 to 97 are effective the day following final enactment.

(d) Sections 46, 47, and 112, paragraph (d), are effective July 1, 2001.

(e) Sections 56, 58, 59, and 102 are effective April 30, 2000. Sections 56, 58, 59, and 102 do not affect any valid contracts executed before the effective date of sections 56, 58, 59, and 102.

ARTICLE 2

YEAR 2000

Section 1. Minnesota Statutes 1998, section 12.31, subdivision 2, is amended to read:

Subd. 2. [DECLARATION OF PEACETIME EMERGENCY.] The governor may declare a peacetime emergency. A peacetime declaration of emergency may be declared only when an act of nature, a technological failure or malfunction, a terrorist incident, an industrial accident, a hazardous materials accident, or a civil disturbance endangers life and property and local government resources are inadequate to handle the situation. It must not be continued for more than five days unless extended by resolution of the executive council up to 30 days. An order, or proclamation declaring, continuing, or terminating an emergency must be given prompt and general publicity and filed with the secretary of state.

Sec. 2. Minnesota Statutes 1998, section 12.37, is amended to read:

12.37 [POLITICAL SUBDIVISIONS, AUTHORITY TO ENTER INTO CONTRACTS.]

During an emergency or disaster, each political subdivision, notwithstanding any statutory or charter provision to the contrary, and through its governing body acting within or without the corporate limits of the political subdivision, may:

(1) enter into contracts and incur obligations necessary to combat the disaster by protecting the health and safety of persons and property and by providing emergency assistance to the victims of the disaster; and

(2) exercise the powers vested by this subdivision in the light of the exigencies of the disaster without compliance with time-consuming procedures and formalities prescribed by law pertaining to:

- (i) the performance of public work;
- (ii) entering into contracts;
- (iii) incurring of obligations;
- (iv) employment of temporary workers;
- (v) rental of equipment;
- (vi) purchase of supplies and materials;
- (vii) limitations upon tax levies; and

(viii) the appropriation and expenditure of public funds, for example, but not limited to, publication of ordinances and resolutions, publication of calls for bids, provisions of civil service laws and rules, provisions relating to low bids, and requirements for budgets.

The failure or malfunction of public infrastructure or systems critical to the delivery of municipal services due to year 2000 problems with computers and electronically controlled devices shall constitute an emergency for the purposes of this section.

Sec. 3. [604B.01] [YEAR 2000 ACTIVITIES; IMMUNITY.]

Subdivision 1. [DEFINITIONS.] For the purpose of this section, the terms defined in this section have the meanings given them.

Subd. 2. [ASSOCIATION.] "Association" means a trade, professional, governmental, or similar organization the members of which are individuals, enterprises, or governmental units engaged in similar lines of business, services, or activity.

Subd. 3. [STATE AGENCY.] "State agency" means the University of Minnesota, Minnesota state colleges and universities, and the departments, boards, agencies, and commissions in the executive, judicial, and legislative branches.

Subd. 4. [YEAR 2000 SOLUTION INFORMATION.] "Year 2000 solution information" means information related to solutions that address the inability of computer systems, software, or electronically controlled devices to recognize certain dates in 1999 and after December 31, 1999. That inability may cause disruptions in electronic communications or the functioning of electronically controlled equipment resulting or reasonably anticipated to result from erroneous data that is or may be supplied by electronic devices.

Subd. 5. [ASSOCIATION AND RELATED IMMUNITY.] No cause of action may be maintained against an association for damages or harm resulting from the collection of year 2000 solution information or the publication of that information or against any person or entity for providing year 2000 solution information to the association.

Subd. 6. [STATE AGENCY IMMUNITY.] No cause of action may be maintained against a state agency for damages or harm resulting from the collection of year 2000 solution information or the publication of that information.

Subd. 7. [GOVERNMENTAL UNIT IMMUNITY.] No cause of action may be maintained against a governmental unit as defined in section 462.384, subdivision 2, including governmental units acting jointly under section 471.59, for damages or harm resulting from the collection, publication, or dissemination of year 2000 solution information to other governmental units or to the metropolitan council or agencies.

Subd. 8. [EXCEPTION.] Subdivisions 5 to 7 do not apply if the party against whom the claim is brought knew in fact that the year 2000 solution information provided was materially false.

Subd. 9. [NO IMPLIED CAUSE OF ACTION CREATED.] No liability on the part of any person or any public or private entity is implied or created by this section by the absence of a grant of immunity under this section.

Sec. 4. [EMERGENCIES.]

(a) The governor may declare an emergency under this section for purposes of Minnesota Statutes, sections 12.31, 12.36, and 12.37. The governor may declare an emergency under authority of this section only to the extent that actual or potential failure of computers or electronically controlled devices creates an actual or imminent serious threat to the health or safety of persons or an actual or imminent threat of catastrophic loss to property or the environment.

(b) A declaration for purposes of Minnesota Statutes, section 12.31, must be made according to procedures in that section.

(c) The governor may declare an emergency under this section for purposes of Minnesota Statutes, section 12.36 or 12.37, without declaring a peacetime emergency under Minnesota Statutes, section 12.31. A declaration for purposes of Minnesota Statutes, section 12.36 or 12.37, may specify that it applies to all or certain units of state or local government, must specify the time period for which it applies, and must be filed with the secretary of state.

(d) This section is in addition to and does not limit authority granted to the governor or local government officials by Minnesota Statutes, chapter 12, or other law.

(e) After April 1, 2000, the governor may not use this section as authority to declare an emergency.

(f) If an emergency is declared under authority of this section, a unit of state or local government may omit compliance with the procedures and law listed in Minnesota Statutes, sections 12.36, paragraph (a), clause (2), and 12.37, clause (2), only to the extent necessary to protect health and safety of persons or avoid catastrophic loss to property or the environment. A unit of state or local government must report to the year 2000 project office in the department of administration on omitting compliance with procedures and laws. The report must be filed within 30 days of the action that did not comply with the customary laws.

Sec. 5. [YEAR 2000 PROBLEM REPORTS.]

All electric utilities, as defined in Minnesota Statutes, section 216B.38, subdivision 5, and telephone companies, as defined in Minnesota Statutes, section 237.01, subdivisions 2 and 3, must file status reports on year 2000 problems with the public utilities commission and the department of public service, with a copy to the division of emergency management of the department of public safety, on July 1 and October 1, 1999. The status report must include a statement of the percentage of the assessment phase that has been completed to date, the percentage of the remediation phase that has been completed to date, and the percentage of the testing of corrective actions phase that has been complete to date. The foregoing questions, along with others deemed appropriate, must be included in Y2K status report form that must be provided by the department of public safety, division of emergency management. If a report indicates that all year 2000 problems have been remediated, an entity need not file a subsequent report unless there has been a change.

Sec. 6. [YEAR 2000 PROBLEM EXEMPTION FROM UNIFORM MUNICIPAL CONTRACTING LAW.]

Subdivision 1. [MUNICIPAL CONTRACTS.] Minnesota Statutes, section 471.345, does not apply to the purchase or rental of supplies, materials, and equipment nor to the construction, alteration, repair, and maintenance of real or personal property if the governing body of a municipality determines that there is an urgency due to the actual or potential failure or malfunction of public infrastructure or systems critical to the delivery of municipal services due to year 2000 problems with computers and electronically controlled devices.

Subd. 2. [SPECIAL PROCEDURE.] A contract exempted from Minnesota Statutes, section 471.345, by subdivision 1 may, at the discretion of the municipality, be made by direct negotiation by obtaining two or more quotations or in the open market. All quotations shall be kept on file for a period of at least one year after receipt.

Subd. 3. [APPLICABILITY OF OTHER LAWS.] This section supersedes any inconsistent law.

Subd. 4. [REPORTS.] A municipality must report to the year 2000 project office in the department of administration on each instance in which it omitted compliance with the uniform municipal contracting law under authority of this section.

Subd. 5. [EXPIRATION.] This section applies only to a contract entered into or goods or services purchased before April 1, 2000.

Sec. 7. [YEAR 2000 PROBLEM; LOCAL GOVERNMENT DEBT.]

Subdivision 1. [SCOPE.] For the purpose of this section, the terms defined in subdivisions 2 to 4 have the meanings given them.

Subd. 2. [YEAR 2000 PROBLEM.] "Year 2000 problem" means disruptions in electronic communications or the functioning of electronically controlled equipment resulting or reasonably anticipated to result from erroneous data that is or may be supplied by electronic devices in 1999 or on or after January 1, 2000.

Subd. 3. [POLITICAL SUBDIVISION.] "Political subdivision" means a home rule charter city, a statutory city, a school district, a county, a town, the metropolitan council, or any local governmental entity authorized by general or special law or charter to own and operate electronically controlled equipment.

Subd. 4. [YEAR 2000 PROBLEM REMEDIATION COST.] "Year 2000 problem remediation cost" means a cost or expense of any nature incurred by a political subdivision in planning for and taking remedial or preventive action to prepare for or correct the year 2000 problem.

Subd. 5. [AUTHORITY.] Any law or charter provision authorizing a political subdivision to borrow money and incur debt is deemed to include the authority to borrow money and incur that debt for year 2000 problem remediation.

Debt incurred for year 2000 problem remediation is not subject to debt limits and notwithstanding any contrary provision of law or charter provision, need not be approved by the voters of a political subdivision. A political subdivision not otherwise authorized to borrow money and incur debt may, with approval of the appropriate governmental subdivision with taxing authority, incur debt for year 2000 problem remediation in the same manner and subject to the same limitations as statutory cities. A debt may not be incurred until the year 2000 project office in the department of administration certifies to the commissioner of revenue that the proposed use of the debt is related only to remediation of a year 2000 problem.

Subd. 6. [SUNSET.] The authority to incur debt under this section expires December 31, 2000, provided that debt incurred under this section need not be repaid until December 31, 2005.

Subd. 7. [INTERPRETATION.] This section is to be construed liberally to achieve its purpose.

Sec. 8. [DEPARTMENT OF HEALTH; YEAR 2000 ACTIVITY.]

Subdivision 1. [DEPARTMENT OF HEALTH SURVEY.] The department of health must, by July 30, 1999, survey all hospitals, nursing homes, nontransient noncommunity water systems operated by a public entity, and community water supply systems for year 2000 problems and solutions related to their operations. The department, upon request, must disseminate information about those year 2000 problems and proposed solutions to hospitals, nursing homes, and water supply system operators in a prompt and reasonable manner.

Subd. 2. [STATUS REPORTS.] All hospitals, nursing homes, nontransient noncommunity water systems operated by a public entity, and community water supply systems must file status reports on year 2000 problems with the department of health, with a copy to the division of emergency management of the department of public safety, on July 1 and October 1, 1999. The status report must include a statement of the percentage of the assessment phase that has been completed to date, the percentage of the remediation phase that has been completed to date, and the percentage of the testing of corrective actions phase that has been completed to date. The foregoing questions, along with others deemed appropriate, must be included in a Y2K status report form that must be provided by the department of public safety, division of emergency management. If there has been no change since the previous report, the report may indicate only that no change has occurred.

Sec. 9. [DEPARTMENT OF HUMAN SERVICES; YEAR 2000 ACTIVITY.]

If year 2000 computer problems create a failure or malfunction in the infrastructure or systems used by the department of human services for payment to health care providers under state government programs or counties, the commissioner of human services shall continue to pay all

health care providers paid under state government programs or counties by manual warrant or other measures within the statutorily required time period.

Sec. 10. [STATUS REPORTS.]

(a) The recipients of the status reports required by sections 5 and 8, subdivision 2, including the division of emergency management, shall consult with those required to file those reports concerning the form of the report.

(b) All reports provided under sections 5 and 8 shall be considered Year 2000 Readiness Disclosures.

Sec. 11. [USE OF STATUS REPORTS AS EVIDENCE PROHIBITED.]

The status reports required by sections 5 and 8, subdivision 2, may not be used as evidence in any action seeking damages or other relief because of a year 2000 problem.

Sec. 12. [YEAR 2000 LOAN FUND.]

(a) \$20,000,000 is appropriated from the general fund in fiscal year 2000 to the commissioner of finance to capitalize a fund, to be used to make loans to school districts; counties; joint powers boards; home rule charter and statutory cities; and towns to meet the costs they incur in addressing year 2000 problems.

(b) A loan may not be made until the year 2000 project office of the department of administration certifies to the commissioner of finance that:

(1) the proposed use of the loan is related only to remediation of a year 2000 problem;

(2) the unit of local government has insufficient resources available to address year 2000 problems; and

(3) the loan would be used to remediate problems that are likely to affect public health and safety or cause catastrophic loss to property or the environment.

(c) The local units of government that received the loans must repay them by June 30, 2001. Interest is payable on the loan at the rate earned by the state on invested treasurer's cash, as determined monthly by the commissioner of finance. Repayments must be deposited in the general fund.

(d) A unit of local government receiving a loan under this section must report to the year 2000 project office in the department of administration within 60 days of receiving the loan. The report must state how the loan was used in accordance with the criteria of paragraph (b).

(e) This appropriation cancels April 1, 2000.

Any canceled money must be deposited in the general fund.

Sec. 13. [COMMISSIONER REVIEW.]

The commissioner of administration, through staff of the Y2K project office, is responsible for reviewing use of emergency authority and emergency funds under this act and shall review reports from state agencies and political subdivisions under sections 4, 5, 6, and 12. If the commissioner determines that funds obtained under section 12 were not used in a manner consistent with the requirements of section 12, paragraph (b), the political subdivision must pay interest on the loan at the rate of 12 percent, compounded annually from the time the loan was received.

Sec. 14. [EFFECTIVE DATE.]

Section 3 is effective the day following final enactment and does not affect or apply to any lawsuit pending on the effective date. Sections 1, 2, and 4 to 13 are effective the day following final enactment.

ARTICLE 3
CONFORMING CHANGES

Section 1. Minnesota Statutes 1998, section 14.131, is amended to read:

14.131 [STATEMENT OF NEED AND REASONABLENESS.]

Before the agency orders the publication of a rulemaking notice required by section 14.14, subdivision 1a, the agency must prepare, review, and make available for public review a statement of the need for and reasonableness of the rule. The statement of need and reasonableness must be prepared under rules adopted by the chief administrative law judge and must include the following to the extent the agency, through reasonable effort, can ascertain this information:

(1) a description of the classes of persons who probably will be affected by the proposed rule, including classes that will bear the costs of the proposed rule and classes that will benefit from the proposed rule;

(2) the probable costs to the agency and to any other agency of the implementation and enforcement of the proposed rule and any anticipated effect on state revenues;

(3) a determination of whether there are less costly methods or less intrusive methods for achieving the purpose of the proposed rule;

(4) a description of any alternative methods for achieving the purpose of the proposed rule that were seriously considered by the agency and the reasons why they were rejected in favor of the proposed rule;

(5) the probable costs of complying with the proposed rule; and

(6) an assessment of any differences between the proposed rule and existing federal regulations and a specific analysis of the need for and reasonableness of each difference.

~~For rules setting, adjusting, or establishing regulatory, licensure, or other charges for goods and services, the statement of need and reasonableness must include the comments and recommendations of the commissioner of finance and must address any fiscal and policy concerns raised during the review process, as required by section 16A.1285.~~

The statement must describe how the agency, in developing the rules, considered and implemented the legislative policy supporting performance-based regulatory systems set forth in section 14.002.

The statement must also describe the agency's efforts to provide additional notification to persons or classes of persons who may be affected by the proposed rule or must explain why these efforts were not made.

The agency must send a copy of the statement of need and reasonableness to the legislative reference library when it becomes available for public review.

Sec. 2. Minnesota Statutes 1998, section 14.23, is amended to read:

14.23 [STATEMENT OF NEED AND REASONABLENESS.]

Before the date of the section 14.22 notice, the agency shall prepare a statement of need and reasonableness, which must be available to the public. The statement of need and reasonableness must include the analysis required in section 14.131 ~~and the comments and recommendations of the commissioner of finance, and must address any fiscal and policy concerns raised during the review process, as required by section 16A.1285.~~ The statement must also describe the agency's efforts to provide additional notification to persons or classes of persons who may be affected by the proposed rules or must explain why these efforts were not made. For at least 30 days following the notice, the agency shall afford the public an opportunity to request a public hearing and to submit data and views on the proposed rule in writing.

The agency shall send a copy of the statement of need and reasonableness to the legislative reference library when it becomes available to the public.

Sec. 3. Minnesota Statutes 1998, section 16B.748, is amended to read:

16B.748 [RULES.]

The commissioner may adopt rules for the following purposes:

~~(1) to set a fee under section 16A.1285 for processing a construction or installation permit or elevator contractor license application;~~

~~(2) to set a fee under section 16A.1285 to cover the cost of elevator inspections;~~

(3) to establish minimum qualifications for elevator inspectors that must include possession of a current elevator constructor electrician's license issued by the state board of electricity and proof of successful completion of the national elevator industry education program examination or equivalent experience;

(4) ~~(2)~~ to establish criteria for the qualifications of elevator contractors;

(5) ~~(3)~~ to establish elevator standards under sections 16B.61, subdivisions 1 and 2, and 16B.64;

~~(6)~~ (4) to establish procedures for appeals of decisions of the commissioner under chapter 14 and procedures allowing the commissioner, before issuing a decision, to seek advice from the elevator trade, building owners or managers, and others knowledgeable in the installation, construction, and repair of elevators; and

(7) ~~(5)~~ to establish requirements for the registration of all elevators.

Sec. 4. Minnesota Statutes 1998, section 18.54, is amended to read:

18.54 [LOCAL SALES AND MISCELLANEOUS.]

Subdivision 1. [SERVICES AND FEES.] The commissioner may make small lot inspections or perform other necessary services for which another charge is not specified. For these services the commissioner shall set a fee plus expenses that will recover the cost of performing this service, ~~as provided in section 16A.1285.~~ The commissioner may set an additional acreage fee for inspection of seed production fields for exporters in order to meet domestic and foreign plant quarantine requirements.

Subd. 2. [VIRUS DISEASE-FREE CERTIFICATION.] The commissioner shall have the authority to provide special services such as virus disease-free certification and other similar programs. Participation by nursery stock growers shall be voluntary. Plants offered for sale as certified virus-free must be grown according to certain procedures in a manner defined by the commissioner for the purpose of eliminating viruses and other injurious disease or insect pests. The commissioner shall collect reasonable fees from participating nursery stock growers for services and materials that are necessary to conduct this type of work, ~~as provided in section 16A.1285.~~

Sec. 5. Minnesota Statutes 1998, section 21.92, is amended to read:

21.92 [SEED INSPECTION FUND.]

There is established in the state treasury an account known as the seed inspection fund. Fees and penalties collected by the commissioner under sections 21.80 to 21.92 and interest attributable to money in the account shall be deposited into this account. ~~The rates at which the fees are charged may be adjusted pursuant to section 16A.1285.~~

Sec. 6. Minnesota Statutes 1998, section 60A.964, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT.] The licensing fee for a viatical settlement provider license is \$750

for initial licensure and \$250 for each annual renewal. ~~The commissioner may adjust the fees as provided under section 16A.1285 to recover the costs of administration and enforcement.~~ The fees must be limited to the cost of license administration and enforcement and must be deposited in the state treasury, credited to a special account, and appropriated to the commissioner.

Sec. 7. Minnesota Statutes 1998, section 60A.972, subdivision 3, is amended to read:

Subd. 3. [FEES.] The licensing fee for a viatical settlement broker is \$750 for initial licensure and \$250 for each annual renewal. Failure to pay the renewal fee within the time required by the commissioner results in an automatic revocation of the license. ~~The commissioner may adjust the fees as provided under section 16A.1285 to recover the costs of administration and enforcement.~~ The fees must be limited to the cost of license administration and enforcement and must be deposited in the state treasury, credited to a special account, and appropriated to the commissioner.

Sec. 8. Minnesota Statutes 1998, section 97B.025, is amended to read:

97B.025 [ADVANCED HUNTER EDUCATION.]

The commissioner may establish advanced education courses for hunters and trappers. The commissioner, with the approval of the commissioner of finance, may impose a fee not to exceed \$10 for each person attending an advanced education course. ~~The commissioner shall establish the fee under section 16A.1285.~~

Sec. 9. Minnesota Statutes 1998, section 103G.301, subdivision 2, is amended to read:

Subd. 2. [PERMIT APPLICATION FEES.] (a) An application for a permit authorized under this chapter, and each request to amend or transfer an existing permit, must be accompanied by a permit application fee to defray the costs of receiving, recording, and processing the application or request to amend or transfer.

~~(b) The application fee for a permit to appropriate water, a permit to construct or repair a dam that is subject to dam safety inspection, a state general permit, or to apply for the state water bank program is \$75. The application fee for a permit to work in public waters or to divert waters for mining must be at least \$75, but not more than \$500, in accordance with a schedule of fees adopted under section 16A.1285.~~

Sec. 10. Minnesota Statutes 1998, section 103I.525, subdivision 9, is amended to read:

Subd. 9. [INCOMPLETE OR LATE RENEWAL.] If a licensee fails to submit all information required for renewal in subdivision 8 or submits the application and information after the required renewal date:

(1) the licensee must include an additional late fee set by the commissioner ~~under section 16A.1285~~; and

(2) the licensee may not conduct activities authorized by the well contractor's license until the renewal application, renewal application fee, late fee, and all other information required in subdivision 8 are submitted.

Sec. 11. Minnesota Statutes 1998, section 103I.531, subdivision 9, is amended to read:

Subd. 9. [INCOMPLETE OR LATE RENEWAL.] If a licensee fails to submit all information required for renewal in subdivision 8 or submits the application and information after the required renewal date:

(1) the licensee must include an additional late fee set by the commissioner ~~under section 16A.1285~~; and

(2) the licensee may not conduct activities authorized by the limited well contractor's license until the renewal application, renewal application fee, and late fee, and all other information required in subdivision 8 are submitted.

Sec. 12. Minnesota Statutes 1998, section 103I.535, subdivision 9, is amended to read:

Subd. 9. [INCOMPLETE OR LATE RENEWAL.] If a licensee fails to submit all information required for renewal in subdivision 8 or submits the application and information after the required renewal date:

(1) the licensee must include an additional late fee set by the commissioner ~~under section 16A.1285~~; and

(2) the licensee may not conduct activities authorized by the elevator shaft contractor's license until the renewal application, renewal application fee, and late fee, and all other information required in subdivision 8 are submitted.

Sec. 13. Minnesota Statutes 1998, section 103I.541, subdivision 5, is amended to read:

Subd. 5. [INCOMPLETE OR LATE RENEWAL.] If a registered person submits a renewal application after the required renewal date:

(1) the registered person must include an additional late fee set by the commissioner ~~under section 16A.1285~~; and

(2) the registered person may not conduct activities authorized by the monitoring well contractor's registration until the renewal application, renewal application fee, late fee, and all other information required in subdivision 4 are submitted.

Sec. 14. Minnesota Statutes 1998, section 115B.49, subdivision 2, is amended to read:

Subd. 2. [REVENUE SOURCES.] Revenue from the following sources must be deposited in the state treasury and credited to the account:

(1) the proceeds of the fees imposed by subdivision 4;

(2) interest attributable to investment of money in the account;

(3) penalties and interest collected under subdivision 4, paragraph ~~(d)~~ (c); and

(4) money received by the commissioner for deposit in the account in the form of gifts, grants, and appropriations.

Sec. 15. Minnesota Statutes 1998, section 115B.49, subdivision 4, is amended to read:

Subd. 4. [REGISTRATION; FEES.] (a) The owner or operator of a drycleaning facility shall register on or before July 1 of each year with the commissioner of revenue in a manner prescribed by the commissioner of revenue and pay a registration fee for the facility. The amount of the fee is:

(1) \$500, for facilities with a full-time equivalence of fewer than five;

(2) \$1,000, for facilities with a full-time equivalence of five to ten; and

(3) \$1,500, for facilities with a full-time equivalence of more than ten.

(b) A person who sells drycleaning solvents for use by drycleaning facilities in the state shall collect and remit to the commissioner of revenue in a manner prescribed by the commissioner of revenue, on or before the 20th day of the month following the month in which the sales of drycleaning solvents are made, a fee of:

(1) \$3.50 for each gallon of perchloroethylene sold for use by drycleaning facilities in the state; and

(2) 70 cents for each gallon of hydrocarbon-based drycleaning solvent sold for use by drycleaning facilities in the state.

~~(c) The commissioner shall, after a public hearing but notwithstanding section 16A.1285, subdivision 4, annually adjust the fees in this subdivision as necessary to maintain annual income of at least:~~

- ~~(1) \$600,000 beginning July 1, 1997;~~
- ~~(2) \$700,000 beginning July 1, 1998; and~~
- ~~(3) \$800,000 beginning July 1, 1999.~~

~~Any adjustment under this paragraph must be prorated among all the fees in this subdivision. After adjustment under this paragraph, the fees in this subdivision must not be greater than two times their original amount. The commissioner shall notify the commissioner of revenue of an adjustment under this paragraph no later than March 1 of the year in which the adjustment is to become effective. The adjustment is effective for sales of drycleaning solvents made, and annual registration fees due, beginning on July 1 of the same year.~~

~~(d) To enforce this subdivision, the commissioner of revenue may examine documents, assess and collect fees, conduct investigations, issue subpoenas, grant extensions to file returns and pay fees, impose penalties and interest on the annual registration fee under paragraph (a) and the monthly fee under paragraph (b), abate penalties and interest, and administer appeals, in the manner provided in chapters 270 and 289A. The penalties and interest imposed on taxes under chapter 297A apply to the fees imposed under this subdivision. Disclosure of data collected by the commissioner of revenue under this subdivision is governed by chapter 270B.~~

Sec. 16. Minnesota Statutes 1998, section 115B.491, subdivision 2, is amended to read:

Subd. 2. [RETURN REQUIRED.] On or before the 20th of each calendar month, every drycleaning facility that has purchased drycleaning solvents for use in this state during the preceding calendar month, upon which the fee imposed by section 115B.49, subdivision 4, paragraph (b), has not been paid to the seller of the drycleaning solvents, shall file a return with the commissioner of revenue showing the quantity of solvents purchased and a computation of the fee under section 115B.49, subdivision 4, paragraph ~~(d)~~ (c). The fee must accompany the return. The return must be made upon a form furnished and prescribed by the commissioner of revenue and must contain such other information as the commissioner of revenue may require.

Sec. 17. Minnesota Statutes 1998, section 115B.491, subdivision 3, is amended to read:

Subd. 3. [APPLICABILITY.] All of the provisions of section 115B.49, subdivision 4, paragraph ~~(d)~~ (c), apply to this section.

Sec. 18. Minnesota Statutes 1998, section 116.07, subdivision 4d, is amended to read:

Subd. 4d. [PERMIT FEES.] (a) The agency may collect permit fees in amounts not greater than those necessary to cover the reasonable costs of reviewing and acting upon applications for agency permits and implementing and enforcing the conditions of the permits pursuant to agency rules. Permit fees shall not include the costs of litigation. ~~The agency shall adopt rules under section 16A.1285 establishing a system for charging permit fees collected under this subdivision.~~ The fee schedule must reflect reasonable and routine permitting, implementation, and enforcement costs. The agency may impose an additional enforcement fee to be collected for a period of up to two years to cover the reasonable costs of implementing and enforcing the conditions of a permit under the rules of the agency. Any money collected under this paragraph shall be deposited in the environmental fund.

(b) Notwithstanding paragraph (a), and section 16A.1285, subdivision 2, the agency shall collect an annual fee from the owner or operator of all stationary sources, emission facilities, emissions units, air contaminant treatment facilities, treatment facilities, potential air contaminant storage facilities, or storage facilities subject to the requirement to obtain a permit under subchapter V of the federal Clean Air Act, United States Code, title 42, section 7401 et seq., or section 116.081. The annual fee shall be used to pay for all direct and indirect reasonable costs, including attorney general costs, required to develop and administer the permit program

requirements of subchapter V of the federal Clean Air Act, United States Code, title 42, section 7401 et seq., and sections of this chapter and the rules adopted under this chapter related to air contamination and noise. Those costs include the reasonable costs of reviewing and acting upon an application for a permit; implementing and enforcing statutes, rules, and the terms and conditions of a permit; emissions, ambient, and deposition monitoring; preparing generally applicable regulations; responding to federal guidance; modeling, analyses, and demonstrations; preparing inventories and tracking emissions; and providing information to the public about these activities.

(c) ~~The agency shall adopt fee rules in accordance with the procedures in section 16A.1285, subdivision 5, set fees that:~~

(1) will result in the collection, in the aggregate, from the sources listed in paragraph (b), of an amount not less than \$25 per ton of each volatile organic compound; pollutant regulated under United States Code, title 42, section 7411 or 7412 (section 111 or 112 of the federal Clean Air Act); and each pollutant, except carbon monoxide, for which a national primary ambient air quality standard has been promulgated;

(2) may result in the collection, in the aggregate, from the sources listed in paragraph (b), of an amount not less than \$25 per ton of each pollutant not listed in clause (1) that is regulated under this chapter or air quality rules adopted under this chapter; and

(3) shall collect, in the aggregate, from the sources listed in paragraph (b), the amount needed to match grant funds received by the state under United States Code, title 42, section 7405 (section 105 of the federal Clean Air Act).

The agency must not include in the calculation of the aggregate amount to be collected under clauses (1) and (2) any amount in excess of 4,000 tons per year of each air pollutant from a source. The increase in air permit fees to match federal grant funds shall be a surcharge on existing fees. The commissioner may not collect the surcharge after the grant funds become unavailable. In addition, the commissioner shall use nonfee funds to the extent practical to match the grant funds so that the fee surcharge is minimized.

(d) To cover the reasonable costs described in paragraph (b), the agency shall provide in the rules promulgated under paragraph (c) for an increase in the fee collected in each year by the percentage, if any, by which the Consumer Price Index for the most recent calendar year ending before the beginning of the year the fee is collected exceeds the Consumer Price Index for the calendar year 1989. For purposes of this paragraph the Consumer Price Index for any calendar year is the average of the Consumer Price Index for all-urban consumers published by the United States Department of Labor, as of the close of the 12-month period ending on August 31 of each calendar year. The revision of the Consumer Price Index that is most consistent with the Consumer Price Index for calendar year 1989 shall be used.

(e) Any money collected under paragraphs (b) to (d) must be deposited in an air quality account in the environmental fund and must be used solely for the activities listed in paragraph (b).

(f) Persons who wish to construct or expand an air emission facility may offer to reimburse the agency for the costs of staff overtime or consultant services needed to expedite permit review. The reimbursement shall be in addition to fees imposed by paragraphs (a) to (d). When the agency determines that it needs additional resources to review the permit application in an expedited manner, and that expediting the review would not disrupt air permitting program priorities, the agency may accept the reimbursement. Reimbursements accepted by the agency are appropriated to the agency for the purpose of reviewing the permit application. Reimbursement by a permit applicant shall precede and not be contingent upon issuance of a permit and shall not affect the agency's decision on whether to issue or deny a permit, what conditions are included in a permit, or the application of state and federal statutes and rules governing permit determinations.

Sec. 19. Minnesota Statutes 1998, section 116.12, is amended to read:

116.12 [HAZARDOUS WASTE ADMINISTRATION FEES.]

Subdivision 1. [FEE SCHEDULES.] The agency shall establish the fees provided in subdivisions 2 and 3 ~~in the manner provided in section 16A.1285~~ to cover expenditures of amounts appropriated from the environmental fund to the agency for permitting, monitoring, inspection, and enforcement expenses of the hazardous waste activities of the agency.

Subd. 2. [HAZARDOUS WASTE GENERATOR FEE.] (a) Each generator of hazardous waste shall pay a fee on the hazardous waste generated by that generator. ~~The agency shall adopt rules in accordance with chapter 14 establishing a system for charging fees to generators. The rules must include the basis for determining the amount of fees, and procedures and deadlines for payment of fees.~~ The agency shall base the amount of fees on the quantity of hazardous waste generated and may charge a minimum fee for each generator not exempted by the agency. In adopting the fee rules, the agency shall consider:

(1) reducing the fees for generators using environmentally beneficial hazardous waste management methods, including recycling;

(2) the agency resources allocated to regulating the various sizes or types of generators;

(3) adjusting fees for sizes or types of generators that would bear a disproportionate share of the fees to be collected; and

(4) whether implementing clauses (1) to (3) would require excessive staff time compared to staff time available for providing technical assistance to generators or would make the fee system difficult for generators to understand.

(b) The agency may exempt generators of very small quantities of hazardous wastes otherwise subject to the fee if it finds that the cost of administering a fee on those generators is excessive relative to the proceeds of the fee.

(c) The agency shall reduce fees charged to generators in counties which also charge generator fees to reflect a lesser level of activity by the agency in those counties. The fees charged by the agency in those counties shall be collected by the counties in the manner in which and at the same time as those counties collect their generator fees. Counties shall remit to the agency the amount of the fees charged by the agency by the last day of the month following the month in which they were collected. If a county does not collect or remit generator fees due to the agency, the agency may collect fees from generators in that county according to rules adopted under paragraph (a).

(d) The agency may not impose a volume-based fee under this subdivision on material that is reused at the facility where the material is generated in a manner that the facility owner or operator can demonstrate does not increase the toxicity of, or the level of hazardous substances or pollutants or contaminants in, products that leave the facility. The agency may impose a flat annual fee on a facility that generates the type of material described in the preceding sentence, provided that the fee reflects the reasonable and necessary costs of inspections of the facility.

Subd. 3. [FACILITY FEES.] The agency shall charge hazardous waste facility fees including, but not limited to, an original permit fee, a reissuance fee, a major modification fee, and an annual facility fee for any hazardous waste facility regulated by the agency. ~~The agency shall adopt rules in accordance with chapter 14 establishing a system for charging hazardous waste facility fees.~~ The agency may exempt facilities otherwise subject to the fee if regulatory oversight of those facilities is minimal. The agency may include reasonable and necessary costs of any environmental review required under chapter 116D in the original permit fee for any hazardous waste facility.

Sec. 20. Minnesota Statutes 1998, section 116C.834, subdivision 1, is amended to read:

Subdivision 1. [COSTS.] All costs incurred by the state to carry out its responsibilities under the compact and under sections 116C.833 to 116C.843 shall be paid by generators of low-level radioactive waste in this state through fees assessed by the pollution control agency. ~~The agency shall assess the fees in the manner provided in section 16A.1285.~~ Fees may be reasonably assessed on the basis of volume or degree of hazard of the waste produced by a generator. Costs for which fees may be assessed include, but are not limited to:

- (1) the state contribution required to join the compact;
- (2) the expenses of the Commission member and state agency costs incurred to support the work of the Interstate Commission; and
- (3) regulatory costs.

Sec. 21. Minnesota Statutes 1998, section 144.98, subdivision 3, is amended to read:

Subd. 3. [FEES.] (a) An application for certification under subdivision 1 must be accompanied by the biennial fee specified in this subdivision. The fees are for:

- (1) base certification fee, \$500; and
- (2) test category certification fees:

Test Category	Certification Fee
Bacteriology	\$200
Inorganic chemistry, fewer than four constituents	\$100
Inorganic chemistry, four or more constituents	\$300
Chemistry metals, fewer than four constituents	\$200
Chemistry metals, four or more constituents	\$500
Volatile organic compounds	\$600
Other organic compounds	\$600

(b) The total biennial certification fee is the base fee plus the applicable test category fees. The biennial certification fee for a contract laboratory is 1.5 times the total certification fee.

(c) Laboratories located outside of this state that require an on-site survey will be assessed an additional \$1,200 fee.

(d) ~~The commissioner of health may adjust fees under section 16A.1285 without rulemaking.~~ Fees must be set so that the total fees support the laboratory certification program. Direct costs of the certification service include program administration, inspections, the agency's general support costs, and attorney general costs attributable to the fee function.

Sec. 22. Minnesota Statutes 1998, section 176.102, subdivision 14, is amended to read:

Subd. 14. [FEES.] ~~The commissioner shall impose fees under section 16A.1285 sufficient to cover the cost of approving and monitoring qualified rehabilitation consultants, consultant firms, and vendors of rehabilitation services. These fees are payable to the special compensation fund.~~

Sec. 23. Minnesota Statutes 1998, section 183.375, subdivision 5, is amended to read:

Subd. 5. [FEES.] All fees collected by the division of boiler inspection shall be paid into the state treasury in the manner provided by law for fees received by other state departments and credited to the general fund. ~~When fees are to be set by the commissioner, they shall be set pursuant to section 16A.1285.~~

Sec. 24. Minnesota Statutes 1998, section 223.17, subdivision 3, is amended to read:

Subd. 3. [GRAIN BUYERS AND STORAGE FUND; FEES.] The commissioner shall set the fees for inspections under sections 223.15 to 223.22 at levels necessary to pay the expenses of administering and enforcing sections 223.15 to 223.22. ~~These fees may be adjusted pursuant to the provisions of section 16A.1285.~~

The fee for any license issued or renewed after June 30, 1997, shall be set according to the following schedule:

- (a) \$100 plus \$50 for each additional location for grain buyers whose gross annual purchases are less than \$100,000;

(b) \$200 plus \$50 for each additional location for grain buyers whose gross annual purchases are at least \$100,000, but not more than \$750,000;

(c) \$300 plus \$100 for each additional location for grain buyers whose gross annual purchases are more than \$750,000 but not more than \$1,500,000;

(d) \$400 plus \$100 for each additional location for grain buyers whose gross annual purchases are more than \$1,500,000 but not more than \$3,000,000; and

(e) \$500 plus \$100 for each additional location for grain buyers whose gross annual purchases are more than \$3,000,000.

There is created in the state treasury the grain buyers and storage fund. Money collected pursuant to sections 223.15 to 223.19 shall be paid into the state treasury and credited to the grain buyers and storage fund and is appropriated to the commissioner for the administration and enforcement of sections 223.15 to 223.22.

Sec. 25. Minnesota Statutes 1998, section 239.101, subdivision 4, is amended to read:

Subd. 4. [SETTING WEIGHTS AND MEASURES FEES.] The department shall review its schedule of inspection fees at the end of each six months. ~~When a review indicates that the schedule of inspection fees should be adjusted, the commissioner shall fix the fees by rule, in accordance with section 16A.1285, to ensure that the fees charged are sufficient to recover all costs connected with the inspections.~~

Sec. 26. Minnesota Statutes 1998, section 299M.04, is amended to read:

299M.04 [RULES; FEES; ORDERS; PENALTIES.]

The commissioner shall adopt permanent rules for operation of the council; regulation by municipalities; ~~permit, filing, inspection, certificate, and license fees;~~ qualifications, examination, and licensing of fire protection contractors; certification of journeyman sprinkler fitters; registration of apprentices; and the administration and enforcement of this chapter. ~~Fees must be set under section 16A.1285.~~ Permit fees must be a percentage of the total cost of the fire protection work.

The commissioner may issue a cease and desist order to cease an activity considered an immediate risk to public health or public safety. The commissioner shall adopt permanent rules governing when an order may be issued; how long the order is effective; notice requirements; and other procedures and requirements necessary to implement, administer, and enforce the provisions of this chapter.

The commissioner, in place of or in addition to licensing sanctions allowed under this chapter, may impose a civil penalty not greater than \$1,000 for each violation of this chapter or rule adopted under this chapter, for each day of violation. The commissioner shall adopt permanent rules governing and establishing procedures for implementation, administration, and enforcement of this paragraph.

Sec. 27. Minnesota Statutes 1998, section 326.50, is amended to read:

326.50 [APPLICATION; FEES.]

Application for an individual contracting pipefitter competency or an individual journeyman pipefitter competency license shall be made to the department of labor and industry, with fees. The applicant shall be licensed only after passing an examination by the department of labor and industry. ~~Fees and conditions for renewal of an individual contracting pipefitter competency or an individual journeyman pipefitter competency license shall be determined by the department by rule under chapter 14 and section 16A.1285.~~

Sec. 28. Minnesota Statutes 1998, section 326.86, subdivision 1, is amended to read:

Subdivision 1. [LICENSING FEE.] The licensing fee for persons licensed pursuant to sections

326.83 to 326.991 is \$75 per year. ~~The commissioner may adjust the fees under section 16A.1285 to recover the costs of administration and enforcement.~~ The fees must be limited to the cost of license administration and enforcement and must be deposited in the state treasury and credited to the general fund.

Sec. 29. [EFFECTIVE DATE.]

This article is effective July 1, 2001."

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative and administrative expenses of state government with certain conditions; modifying provisions relating to state government operations; amending Minnesota Statutes 1998, sections 3.17; 3C.12, subdivision 2; 8.15, subdivisions 1, 2, and 3; 12.31, subdivision 2; 12.37; 13.03, subdivision 2; 13.05, by adding a subdivision; 13.073, by adding a subdivision; 14.131; 14.23; 15.50, subdivision 2; 16A.102, subdivision 1; 16A.11, by adding a subdivision; 16A.129, subdivision 3; 16A.45, subdivision 1; 16A.85, subdivision 1; 16B.03; 16B.104; 16B.24, subdivision 5; 16B.31, subdivision 2; 16B.32, subdivision 2; 16B.415; 16B.42, subdivision 1; 16B.46; 16B.465; 16B.72; 16B.73; 16B.748; 16C.14, subdivision 1; 16D.04, subdivision 2; 16E.01, subdivision 1; 16E.02; 16E.08; 18.54; 21.92; 43A.047; 43A.22; 43A.23, subdivisions 1 and 2; 43A.30, by adding a subdivision; 43A.31, subdivision 2, and by adding a subdivision; 60A.964, subdivision 1; 60A.972, subdivision 3; 97B.025; 103G.301, subdivision 2; 103I.525, subdivision 9; 103I.531, subdivision 9; 103I.535, subdivision 9; 103I.541, subdivision 5; 115B.49, subdivisions 2 and 4; 115B.491, subdivisions 2 and 3; 116.07, subdivision 4d; 116.12; 116C.834, subdivision 1; 138.17, subdivisions 7 and 8; 144.98, subdivision 3; 176.102, subdivision 14; 183.375, subdivision 5; 192.49, subdivision 3; 197.79, subdivision 10; 202A.18, by adding a subdivision; 202A.20, subdivision 2; 204B.25, subdivision 2, and by adding a subdivision; 204B.27, by adding a subdivision; 204B.28, subdivision 1; 223.17, subdivision 3; 239.101, subdivision 4; 240A.09; 297F.08, by adding a subdivision; 299M.04; 325K.03, by adding a subdivision; 325K.04; 325K.05, subdivision 1; 325K.09, by adding a subdivision; 325K.10, subdivision 5; 325K.14, by adding a subdivision; 325K.15, by adding a subdivision; 326.50; 326.86, subdivision 1; and 349.163, subdivision 4; Laws 1993, chapter 192, section 16; Laws 1994, chapter 643, section 69, subdivision 1; Laws 1995, First Special Session chapter 3, article 12, section 7, subdivision 1, as amended; section 10; Laws 1997, chapter 202, article 2, section 61; and Laws 1998, chapter 366, section 2; proposing coding for new law in Minnesota Statutes, chapters 16A; 16B; 16C; 43A; 240A; and 325F; proposing coding for new law as Minnesota Statutes, chapter 604B; repealing Minnesota Statutes 1998, sections 16A.103, subdivision 3; 16A.1285, subdivisions 4 and 5; 16E.11; 16E.12; 16E.13; 207A.01; 207A.02; 207A.03; 207A.04; 207A.06; 207A.07; 207A.08; 207A.09; and 207A.10; Laws 1991, chapter 235, article 5, section 3, as amended; Minnesota Rules, part 8275.0045, subpart 2."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Leonard R. Price, James P. Metzen, Richard J. Cohen, Dennis R. Frederickson, Dan Stevens

House Conferees: (Signed) Phil Krinkie, Bruce Anderson, Chris Gerlach

Senator Price moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2223 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 2223 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 60 and nays 6, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Kiscaden	Murphy	Sams
Belanger	Higgins	Knutson	Novak	Samuelson
Berg	Hottinger	Krentz	Oliver	Scheid
Berglin	Janezich	Laidig	Olson	Solon
Betzold	Johnson, D.E.	Langseth	Ourada	Spear
Cohen	Johnson, D.H.	Larson	Pappas	Stevens
Day	Johnson, D.J.	Lesewski	Pariseau	Stumpf
Dille	Johnson, J.B.	Lessard	Pogemiller	Ten Eyck
Fischbach	Junge	Lourey	Price	Terwilliger
Flynn	Kelley, S.P.	Marty	Ranum	Vickerman
Foley	Kelly, R.C.	Metzen	Robertson	Wiener
Frederickson	Kierlin	Moe, R.D.	Robling	Wiger

Those who voted in the negative were:

Kleis	Neuville	Runbeck	Scheevel	Ziegler
Limmer				

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Moe, R.D., with the concurrence of the first author, moved that H.F. No. 928 be withdrawn from the Committee on Environment and Natural Resources, given a second reading and placed on General Orders. The motion prevailed.

H.F. No. 928 was read the second time.

SUSPENSION OF RULES

Senator Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 928 and that the rules of the Senate be so far suspended as to give H.F. No. 928, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

H.F. No. 928: A bill for an act relating to recreational vehicles; prohibiting the use of metal traction devices on paved public trails; requiring a metal traction device sticker; defining terms; providing for duplicate state trail and metal traction device stickers; appropriating money; amending Minnesota Statutes 1998, sections 84.81, by adding a subdivision; and 84.8205, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 84; repealing Minnesota Statutes 1998, section 84.871, subdivision 2; Laws 1998, chapter 401, section 23; and Laws 1999, chapter 4, section 2, subdivision 1.

Senator Lessard moved to amend H.F. No. 928 as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 17.452, subdivision 5, is amended to read:

Subd. 5. [RAISING FARMED CERVIDAE IS AN AGRICULTURAL PURSUIT.] Raising farmed cervidae is agricultural production and an agricultural pursuit, which may include the sale of farmed cervidae to a person for personal consumption. Personal consumption may include the harvesting of farmed elk by firearms or archery on a licensed shooting preserve.

Sec. 2. Minnesota Statutes 1998, section 17.452, subdivision 8, is amended to read:

Subd. 8. [SLAUGHTER.] Farmed cervidae that are to be sold for commercial meat purposes must be slaughtered and inspected in accordance with the United States Department of Agriculture voluntary program for exotic animals, Code of Federal Regulations, title 9, part 352.

Sec. 3. [17.4521] [ELK SHOOTING PRESERVES.]

Subdivision 1. [FEES FOR SHOOTING PRESERVES.] (a) The fee for an elk shooting preserve license is \$900 annually and will be deposited in the game and fish fund.

(b) Shooting preserve licenses issued under this subdivision expire on the last day of March.

Subd. 2. [SHOOTING PRESERVE APPLICATION.] The commissioner may license up to ten elk shooting preserves in the state. An application for an elk shooting preserve license must be filed with the commissioner. The application must include a legal description of the shooting preserve land, number of acres, species to be harvested, and other necessary information prescribed by the commissioner.

Subd. 3. [GAME AVAILABLE.] Game that may be released and harvested in a licensed elk shooting preserve must be specified in the license and are limited to species raised as farmed elk under sections 17.451 and 17.452. Only farmed elk from herds in the accredited program of the board of animal health may be transported to and released in a licensed elk shooting preserve.

Subd. 4. [LOCATION; SIZE OF PRESERVE.] A shooting preserve must be separated from any farmed elk breeding pens or pastures. A shooting preserve must be contiguous and contain at least 320 acres but no more than 960 acres, including any water area, and must have areas of cover to provide for concealment of the elk sufficient to prevent the elk from being visible in all parts of the preserve at one time and must afford elk the chance of escape from pursuit by patrons of the shooting preserve.

Subd. 5. [POSTING OF BOUNDARIES.] The boundaries of a shooting preserve must be clearly posted in a manner prescribed by the commissioner. The operator must post signs around the entire perimeter of the preserve at intervals not to exceed 500 feet.

Subd. 6. [FENCING AND ENCLOSURES.] All perimeter fencing must be paid for and maintained by the licensee and comply with farmed elk requirements in section 17.452.

Subd. 7. [REMOVAL OF ALL WILD CERVIDAE.] To the extent practicable, all wild cervidae must be removed from the shooting preserve property at the owner's expense prior to final issuance of the shooting preserve license. After the owner's removal efforts are completed, the commissioner shall determine the number and type of wild cervidae remaining on the shooting preserve property. The shooting preserve operator shall pay the restitution value, adopted under section 97A.345, for each wild cervidae remaining on the shooting preserve property. Money received under this subdivision shall be credited to the game and fish fund.

Subd. 8. [REVOCAION OF LICENSE.] The commissioner may revoke a shooting preserve license if the licensee or persons authorized to harvest in the shooting preserve have been convicted of a violation under this section. After revocation, a new license may be issued at the discretion of the commissioner.

Subd. 9. [HUNTING LICENSE NOT REQUIRED.] A hunting license is not required to harvest authorized species of elk on a licensed shooting preserve.

Subd. 10. [SEASON.] (a) The open season for harvesting in a shooting preserve is August 15 through March 31.

(b) The commissioner may restrict the open season after receiving a complaint, holding a public hearing, and finding that the population of a particular species of wild elk is harmed by harvesting in the shooting preserve.

Subd. 11. [WEAPONS LIMITATIONS.] A person may harvest farmed elk on a shooting preserve by archery or firearms authorized by law to take wild elk in the same area.

Subd. 12. [LICENSEE MAY ESTABLISH RESTRICTIONS.] A shooting preserve licensee is responsible for determining who is allowed to harvest in the preserve. In each preserve, the licensee may establish the charge for harvesting elk, the shooting hours, the season, weapon

limitations, and restrictions on the age, sex, and number of each species that may be harvested. These provisions may not conflict with this section and may not be less restrictive than any rule.

Subd. 13. [IDENTIFICATION AND MARKING OF ELK.] All elk must be identified by permanent tattoo, electronic implant, or other means of identification that comply with section 17.452.

Subd. 14. [MARKING HARVESTED ELK.] Harvested elk must be marked in accordance with or identified by the shooting preserve operator in a manner prescribed by the commissioner. The commissioner may issue the tags or other markings at a cost not to exceed \$2 each. The marking must remain attached on the elk while the elk is transported.

Subd. 15. [RECORDKEEPING.] A shooting preserve must maintain a registration book listing the names, addresses, and hunting license numbers, if applicable, of all patrons of the shooting preserve, the date when they harvested, the amount and species of elk taken, and the tag numbers or other markings affixed to each animal. A shooting preserve must keep records of the number of each species raised and purchased and the date and number of each species released. An annual report shall be made to the commissioner by the date herd registration is required. The records must be open to inspection by the commissioner at all reasonable times.

Sec. 4. Minnesota Statutes 1998, section 97A.435, subdivision 4, is amended to read:

Subd. 4. [SEPARATE SELECTION OF ELIGIBLE LICENSEES.] (a) The commissioner may conduct a separate selection for up to 20 percent of the turkey licenses to be issued for any area. Only persons that are owners or tenants of and that live on at least 40 acres of agricultural or grazing land in the area, and their family members, are eligible applicants for turkey licenses for the separate selection. Persons that are unsuccessful in a separate selection must be included in the selection for the remaining licenses. Persons that obtain a license in a separate selection must allow public turkey hunting on their land during that turkey season. The qualifying agricultural or grazing land may be noncontiguous.

(b) The commissioner may by rule establish criteria for determining eligible family members under this subdivision.

Sec. 5. Minnesota Statutes 1998, section 97A.441, is amended by adding a subdivision to read:

Subd. 7a. [SPECIAL LICENSE FOR AGRICULTURAL LANDOWNERS.] (a) The commissioner shall issue, without a fee, a license to take a deer either sex to a person who is an owner or tenant and is living and actively farming on at least 80 acres of agricultural land, as defined in section 97B.001, in deer permit areas that have deer archery licenses to take additional deer under section 97B.301, subdivision 4. A person may receive only one license per year under this subdivision. For properties with co-owners or co-tenants, only one co-owner or co-tenant may receive a license under this subdivision per year. The license issued under this subdivision is restricted to the land owned or leased by the holder of the license within the permit area where the qualifying land is located. The holder of the license may transfer the license to the holder's spouse or dependent. Notwithstanding sections 97A.415, subdivision 1, and 97B.301, subdivision 2, the holder of the license may purchase an additional license for taking deer and may take an additional deer under that license.

(b) A person who obtains a license under paragraph (a) must allow public deer hunting on their land during that deer hunting season, with the exception of the first Saturday and Sunday during the deer hunting season applicable to the license issued under section 97A.475, subdivision 2, clause (4).

Sec. 6. Minnesota Statutes 1998, section 97A.475, subdivision 2, is amended to read:

Subd. 2. [RESIDENT HUNTING.] Fees for the following licenses, to be issued to residents only, are:

(1) for persons under age 65 to take small game, \$10 ~~\$12~~;

- (2) for persons age 65 or over, \$5 \$6;
- (3) to take turkey, \$16 \$18;
- (4) to take deer with firearms, \$22 \$25;
- (5) to take deer by archery, \$22 \$25;
- (6) to take one antlered deer by firearms and one antlered deer by archery, \$44;
- ~~(6)~~ (7) to take moose, for a party of not more than six persons, \$275 \$310;
- ~~(7)~~ (8) to take bear, \$33 \$38;
- ~~(8)~~ (9) to take elk, for a party of not more than two persons, \$220 \$250;
- ~~(9)~~ (10) to take antlered deer in more than one zone, \$44 \$50; and
- ~~(10)~~ (11) to take Canada geese during a special season, \$3 \$4.

Sec. 7. Minnesota Statutes 1998, section 97A.475, subdivision 3, is amended to read:

Subd. 3. [NONRESIDENT HUNTING.] Fees for the following licenses, to be issued to nonresidents, are:

- (1) to take small game, \$56 \$73;
- (2) to take deer with firearms, \$110 \$125;
- (3) to take deer by archery, \$110 \$125;
- (4) to take bear, \$165 \$195;
- (5) to take turkey, \$56 \$73;
- (6) to take raccoon, bobcat, fox, coyote, or lynx, \$137.50 \$155;
- (7) to take antlered deer in more than one zone, \$220 \$250; and
- (8) to take Canada geese during a special season, \$3 \$4.

Sec. 8. Minnesota Statutes 1998, section 97A.475, subdivision 6, is amended to read:

Subd. 6. [RESIDENT FISHING.] Fees for the following licenses, to be issued to residents only, are:

- (1) to take fish by angling, for persons under age 65, \$15 \$16;
- (2) to take fish by angling, for persons age 65 and over, \$5.50 \$6.50;
- (3) to take fish by angling, for a combined license for a married couple, \$20.50 \$25;
- (4) to take fish by spearing from a dark house, \$15 \$16; and
- (5) to take fish by angling for a 24-hour period selected by the licensee, \$8 \$8.50.

Sec. 9. Minnesota Statutes 1998, section 97A.475, subdivision 7, is amended to read:

Subd. 7. [NONRESIDENT FISHING.] Fees for the following licenses, to be issued to nonresidents, are:

- (1) to take fish by angling, \$31 \$34;
- (2) to take fish by angling limited to seven consecutive days selected by the licensee, \$21.50 \$24;

- (3) to take fish by angling for a 72-hour period selected by the licensee, ~~\$18~~ \$20;
- (4) to take fish by angling for a combined license for a family, ~~\$41.50~~ \$46;
- (5) to take fish by angling for a 24-hour period selected by the licensee, ~~\$8~~ \$8.50; and
- (6) to take fish by angling for a combined license for a married couple, limited to 14 consecutive days selected by one of the licensees, ~~\$32~~ \$35.

Sec. 10. Minnesota Statutes 1998, section 97A.475, subdivision 8, is amended to read:

Subd. 8. [MINNESOTA SPORTING.] The commissioner shall issue Minnesota sporting licenses to residents only. The licensee may take fish by angling and small game. The fee for the license is:

- (1) for an individual, ~~\$20~~ \$23; and
- (2) for a combined license for a married couple to take fish and for one spouse to take small game, ~~\$27.50~~ \$32.

Sec. 11. Minnesota Statutes 1998, section 97A.475, subdivision 11, is amended to read:

Subd. 11. [FISH HOUSES AND DARK HOUSES; RESIDENTS.] Fees for the following licenses are:

- (1) for a fish house or dark house that is not rented, ~~\$10~~ \$11.50; and
- (2) for a fish house or dark house that is rented, ~~\$23~~ \$26.

Sec. 12. Minnesota Statutes 1998, section 97A.475, subdivision 12, is amended to read:

Subd. 12. [FISH HOUSES; NONRESIDENT.] Fees for fish house licenses for a nonresident are:

- (1) annual, ~~\$31.50~~ \$33; and
- (2) seven consecutive days, ~~\$18.50~~ \$19.

Sec. 13. Minnesota Statutes 1998, section 97A.475, subdivision 13, is amended to read:

Subd. 13. [NETTING WHITEFISH AND CISCOES FOR PERSONAL CONSUMPTION.] The fee for a license to net whitefish and ciscoes in inland lakes and international waters for personal consumption is, for each net, ~~\$9~~ \$10.

Sec. 14. Minnesota Statutes 1998, section 97A.475, subdivision 20, is amended to read:

Subd. 20. [TRAPPING LICENSE.] The fee for a license to trap fur-bearing animals is:

- (1) for persons over age 13 and under age 18, ~~\$5.50~~ \$6; and
- (2) for persons age 18 and older, ~~\$18~~ \$20.

Sec. 15. Minnesota Statutes 1998, section 97A.485, subdivision 12, is amended to read:

Subd. 12. [YOUTH DEER LICENSE.] The commissioner may, for a fee of ~~\$5~~ \$5.50, issue to a resident under the age of 16 a license, without a tag, to take deer with firearms. A youth holding a license issued under this subdivision may hunt under the license only if accompanied by a licensed hunter who is at least 18 years of age and possesses a valid tag. A deer taken by a youth holding a license issued under this subdivision must be promptly tagged by the licensed hunter accompanying the youth. Section 97B.301, subdivision 6, does not apply to a youth holding a license issued under this subdivision.

Sec. 16. Minnesota Statutes 1998, section 97B.031, subdivision 1, is amended to read:

Subdivision 1. [FIREARMS AND AMMUNITION THAT MAY BE USED TO TAKE BIG GAME.] (a) A person may take big game with a firearm only if:

- (1) the rifle, shotgun, and handgun used is a caliber of at least .23 inches;
 - (2) the firearm is loaded only with single projectile ammunition;
 - (3) a projectile used is a caliber of at least .23 inches and has a soft point or is an expanding bullet type;
 - (4) the ammunition has a case length of at least 1.285 inches;
 - (5) the muzzle-loader used is incapable of being loaded at the breech;
 - (6) the smooth-bore muzzle-loader used is a caliber of at least .45 inches; and
 - (7) the rifled muzzle-loader used is a caliber of at least .40 inches.
- (b) A person may not take big game with a .30 caliber M-1 carbine cartridge.

(c) Notwithstanding paragraph (a), clause (4), a person may take big game with a ten millimeter cartridge that is at least 0.95 inches in length and may take big game with a .45 Winchester Magnum cartridge.

Sec. 17. Minnesota Statutes 1998, section 97B.051, is amended to read:

97B.051 [TRANSPORTATION OF ARCHERY BOWS.]

A person may not transport an archery bow in a motor vehicle unless the bow is:

- (1) unstrung;
- (2) completely contained in a case; or
- (3) in the closed trunk or rear-most enclosed portion of a motor vehicle that is not accessible from the passenger compartment.

Sec. 18. Minnesota Statutes 1998, section 97B.071, is amended to read:

97B.071 [BLAZE ORANGE REQUIREMENTS.]

(a) Except as provided in rules adopted under paragraph (c), a person may not hunt or trap during the open season where deer may be taken by firearms under applicable laws and ordinances, unless the visible portion of the person's cap and outer clothing above the waist, excluding sleeves and gloves, is blaze orange. Blaze orange includes a camouflage pattern of at least 50 percent blaze orange within each foot square. This section does not apply to migratory waterfowl hunters on waters of this state or in a stationary shooting location or to trappers on waters of this state.

(b) Except as provided in rules adopted under paragraph (c), and in addition to the requirement in paragraph (a), a person may not take small game other than turkey, migratory birds, raccoons, and predators, except when hunting with nontoxic shot or while trapping, unless a visible portion of at least one article of the person's clothing above the waist is blaze orange. This paragraph does not apply to a person hunting by falconry.

(c) The commissioner may, by rule, prescribe an alternative color in cases where paragraph (a) or (b) would violate the Religious Freedom Restoration Act of 1993, Public Law Number 103-141.

(d) A violation of paragraph (b) shall not result in a penalty, but is punishable only by a safety warning.

Sec. 19. Laws 1993, chapter 273, section 1, as amended by Laws 1994, chapter 623, article 1,

section 41, Laws 1995, chapter 186, section 110, and Laws 1997, chapter 226, section 45, is amended to read:

Section 1. [AUTHORIZATION TO TAKE TWO DEER IN CERTAIN COUNTIES.]

Notwithstanding Minnesota Statutes, section 97B.301, subdivision 2, during the 1997 1999 and 1998 2000 hunting seasons in Kittson, Lake of the Woods, Marshall, Pennington, and Roseau counties a person may obtain one firearms deer license and one archery deer license in the same license year and may take one deer under each license.

Sec. 20. [APPROPRIATION.]

\$4,100,000 in fiscal year 2000 and \$4,100,000 in fiscal year 2001 is appropriated from the game and fish fund to the commissioner of natural resources for field operation costs associated with the division of fish and wildlife. Eighty-five percent of this appropriation must be used for regional field operations. The commissioner must provide a report by February 1, 2000, to the legislative finance committees on natural resources on how and where the money for regional field operations has been spent.

Sec. 21. [EFFECTIVE DATE.]

Sections 5 to 14 are effective on March 1, 2000."

Delete the title and insert:

"A bill for an act relating to natural resources; exempting trappers from blaze orange requirements; providing that for certain turkey license applicants qualifying land may be noncontiguous; increasing hunting and fishing license fees; allowing elk shooting preserves; establishing special deer license for agricultural landowners; establishing a new license category for taking one deer by archery and one by firearm; allowing a 45 magnum for taking big game; modifying archery bow transportation requirements; extending the special two-deer season in certain counties; appropriating money; amending Minnesota Statutes 1998, sections 17.452, subdivisions 5 and 8; 97A.435, subdivision 4; 97A.441, by adding a subdivision; 97A.475, subdivisions 2, 3, 6, 7, 8, 11, 12, 13, and 20; 97A.485, subdivision 12; 97B.031, subdivision 1; 97B.051; and 97B.071; Laws 1993, chapter 273, section 1, as amended; proposing coding for new law in Minnesota Statutes, chapter 17."

Senator Lessard then moved to amend the Lessard amendment to H.F. No. 928 as follows:

Page 5, line 17, delete "\$44" and insert "\$50"

The motion prevailed. So the amendment to the amendment was adopted.

Senator Johnson, D.J. moved to amend the Lessard amendment to H.F. No. 928 as follows:

Pages 1 to 5, delete sections 1 to 5

Renumber the sections in sequence and correct the internal references

Amend the title amendment accordingly

The motion did not prevail. So the amendment to the amendment was not adopted.

The question recurred on the adoption of the Lessard amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

H.F. No. 928 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 35 and nays 32, as follows:

Those who voted in the affirmative were:

Berg	Johnson, D.H.	Langseth	Olson	Scheevel
Cohen	Johnson, J.B.	Larson	Ourada	Solon
Dille	Junge	Lessard	Pappas	Stevens
Frederickson	Kelly, R.C.	Limmer	Pariseau	Stumpf
Hanson	Kierlin	Moe, R.D.	Robertson	Ten Eyck
Higgins	Knutson	Murphy	Runbeck	Terwilliger
Hottinger	Krentz	Novak	Sams	Ziegler

Those who voted in the negative were:

Anderson	Foley	Laidig	Piper	Spear
Belanger	Janezich	Lesewski	Pogemiller	Vickerman
Berglin	Johnson, D.E.	Lourey	Price	Wiener
Betzold	Johnson, D.J.	Marty	Ranum	Wiger
Day	Kelley, S.P.	Metzen	Robling	
Fischbach	Kiscaden	Neuville	Samuelson	
Flynn	Kleis	Oliver	Scheid	

So the bill, as amended, was passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2333, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2333 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 17, 1999

CONFERENCE COMMITTEE REPORT ON H.F. NO. 2333

A bill for an act relating to education; prekindergarten through grade 12; providing for general education; special programs; lifework development; facilities and technology; education excellence; other programs; nutrition programs; libraries; education policy; and state agencies; appropriating money; amending Minnesota Statutes 1998, sections 13.46, subdivision 2; 43A.18, subdivision 4a; 119A.01, subdivisions 1 and 2; 120A.22, subdivision 5; 120A.24, subdivision 1; 120A.41; 121A.15, subdivision 1; 121A.23; 121A.45, subdivision 2; 122A.07, subdivision 1; 122A.18, by adding a subdivision; 122A.28; 122A.60, subdivision 3; 122A.61, subdivisions 1 and 2; 123A.05, subdivision 2; 123A.48, subdivision 10; 123B.195; 123B.36, subdivision 1; 123B.49, subdivision 4; 123B.53, subdivisions 4, 5, and 6; 123B.54; 123B.57, subdivision 4; 123B.61; 123B.75, by adding a subdivision; 123B.79, by adding a subdivision; 123B.92, subdivision 9; 123B.93; 124C.55, by adding a subdivision; 124D.10, subdivisions 3, 4, 5, 6, 10, 11, and by adding a subdivision; 124D.11, subdivisions 4, 6, 7, 8, and by adding a subdivision; 124D.453, subdivision 3; 124D.454; 124D.68, subdivision 9; 124D.69, subdivision 1; 124D.87; 124D.88, subdivision 3; 124D.94, subdivisions 3, 6, and 7; 125A.09, subdivision 4; 125A.50, subdivisions 2 and 5; 125A.75, subdivision 8; 125A.76, subdivisions 1, 4, and 5; 125A.79, subdivisions 1, 2, and by adding subdivisions; 125B.05, subdivision 3; 125B.20; 126C.05, subdivisions 1, 3, 15, and by adding a subdivision; 126C.10, subdivisions 1, 2, 3, 4, 10, 14, 19, 21, and by adding subdivisions; 126C.12; 126C.13, subdivisions 1 and 2; 126C.15; 126C.17, subdivisions 2, 5, and 6; 126C.40, subdivision 4; 126C.42, subdivisions 1 and 2; 126C.46; 126C.63, subdivisions 5 and 8; 126C.69,

subdivisions 2 and 9; 127A.44, subdivision 2; 127A.45, subdivisions 2, 3, 4, 13, and by adding a subdivision; 127A.47, subdivisions 2 and 7; 127A.49, subdivisions 2 and 3; 128C.01, subdivisions 4 and 5; 128C.02, by adding a subdivision; 128C.12, subdivision 1; 128C.20; and 626.556, by adding a subdivision; Laws 1993, chapter 224, article 3, section 32, as amended; Laws 1995, First Special Session chapter 3, article 12, section 7, as amended; Laws 1996, chapter 412, article 1, section 35; Laws 1997, First Special Session chapter 4, article 1, section 61, subdivisions 1, 2, 3, as amended, and 4; article 2, section 51, subdivision 29, as amended; article 8, section 4; article 9, section 13; and Laws 1998, chapter 397, article 12, section 8; chapter 398, article 6, sections 38 and 39; proposing coding for new law in Minnesota Statutes, chapters 120B; 121A; 124D; 125A; 125B; 128C; and 134; repealing Minnesota Statutes 1998, sections 120B.05; 122A.31, subdivision 4; 123B.05; 123B.64, subdivisions 1, 2, 3, and 4; 123B.92, subdivisions 2, 4, 6, 7, 8, and 10; 124D.112; 124D.113; 124D.116; 124D.24; 124D.25; 124D.26; 124D.27; 124D.28; 124D.29; 124D.30; 124D.32; 124D.453; 124D.65, subdivision 3; 124D.67; 124D.70; 124D.90; 125A.76, subdivision 6; 125A.77; 125A.79, subdivision 3; 126C.05, subdivision 4; 126C.06; 127A.45, subdivision 5; 134.155; 135A.081; Laws 1995, First Special Session chapter 3, article 3, section 11; Laws 1997, First Special Session chapter 4, article 1, section 62, subdivision 5; article 2, section 51, subdivision 10; article 3, section 5; and article 8, section 5; and Laws 1998, chapter 398, article 2, section 57.

May 17, 1999

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

We, the undersigned conferees for H.F. No. 2333, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 2333 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

GENERAL EDUCATION

Section 1. Minnesota Statutes 1998, section 123B.92, subdivision 9, is amended to read:

Subd. 9. [NONPUBLIC PUPIL TRANSPORTATION AID.] (a) A district's nonpublic pupil transportation aid for the 1996-1997 and later school years for transportation services for nonpublic school pupils according to sections 123B.88, 123B.84 to 123B.86, and this section, equals the sum of the amounts computed in paragraphs (b) and (c). This aid does not limit the obligation to transport pupils under sections 123B.84 to 123B.87.

(b) For regular and excess transportation according to subdivision 1, paragraph (b), clauses (1) and (2), an amount equal to the product of:

(1) the district's actual expenditure per pupil transported in the regular and excess transportation categories during the second preceding school year; times

(2) the number of nonpublic school pupils residing in the district who receive regular or excess transportation service or reimbursement for the current school year; times

(3) the ratio of the formula allowance pursuant to section 126C.10, subdivision 2, for the current school year to the formula allowance pursuant to section 126C.10, subdivision 2, for the second preceding school year.

(c) For nonpublic nonregular transportation according to subdivision 1, paragraph (b), clause (5), an amount equal to the product of:

(1) the district's actual expenditure for nonpublic nonregular transportation during the second preceding school year; times

(2) the ratio of the formula allowance pursuant to section 126C.10, subdivision 2, for the current school year to the formula allowance pursuant to section 126C.10, subdivision 2, for the second preceding school year.

(d) Notwithstanding the amount of the formula allowance for fiscal years ~~1997 and 1998~~ 2000, 2001, and 2002 in section 126C.10, subdivision 2, the commissioner shall use the amount of the formula allowance for the current year ~~less \$300 plus \$87~~ in determining the nonpublic pupil transportation revenue in paragraphs (b) and (c) for ~~fiscal years 1997 and 1998~~ year 2000, and the amount of the formula allowance less \$110 in determining the nonpublic pupil transportation revenue in paragraphs (b) and (c) for fiscal years 2001 and 2002.

Sec. 2. Minnesota Statutes 1998, section 124D.11, subdivision 1, is amended to read:

Subdivision 1. [GENERAL EDUCATION REVENUE.] General education revenue must be paid to a charter school as though it were a district. The general education revenue for each adjusted marginal cost pupil unit is the state average general education revenue per pupil unit, plus the referendum equalization aid allowance in the pupil's district of residence, minus an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2, times .0485, calculated without basic skills revenue, transportation sparsity revenue, and the transportation portion of the transition revenue adjustment, plus basic skills revenue as though the school were a school district.

Sec. 3. Minnesota Statutes 1998, section 124D.65, subdivision 1, is amended to read:

Subdivision 1. [ADJUSTED LEP BASE REVENUE.] (a) A district's adjusted limited English proficiency programs base revenue for fiscal year ~~1996 and later~~ 2000 equals the product of:

(1) the district's base revenue for limited English proficiency programs under this section and section 125A.77, times

(2) the ratio of:

(i) the greater of 20 or the number of pupils of limited English proficiency enrolled in the district during the current fiscal year to

(ii) the greater of 20 or the number of pupils of limited English proficiency enrolled in the district during the base year.

(b) For the purposes of this section, the base year for fiscal year 1996 is fiscal year 1995. The base year for later fiscal years is the second fiscal year preceding the fiscal year for which aid shall be paid. The current year is the fiscal year for which aid shall be paid.

(c) For the purposes of this section, a teacher includes nonlicensed personnel who provide direct instruction to students of limited English proficiency under the supervision of a licensed teacher.

Sec. 4. Minnesota Statutes 1998, section 124D.65, subdivision 5, is amended to read:

Subd. 5. [SCHOOL DISTRICT LEP REVENUE.] (a) A school district's limited English proficiency programs revenue for fiscal year ~~1996 and later~~ 2000 equals the state total limited English proficiency programs revenue, minus the amount determined under paragraph (b), times the ratio of the district's adjusted limited English proficiency programs base revenue to the state total adjusted limited English proficiency programs base revenue.

(b) Notwithstanding paragraph (a), if the limited English proficiency programs base revenue for a district equals zero, the limited English proficiency programs revenue equals the sum of the following amounts, computed using current year data:

(1) 68 percent of the salary of one full-time equivalent teacher for each 40 pupils of limited

English proficiency enrolled, or 68 percent of the salary of one-half of a full-time teacher in a district with 20 or fewer pupils of limited English proficiency enrolled; and

(2) for supplies and equipment purchased or rented for use in the instruction of pupils of limited English proficiency an amount equal to 47 percent of the sum actually spent by the district but not to exceed an average of \$47 in any one school year for each pupil of limited English proficiency receiving instruction.

(c) A district's limited English proficiency programs revenue for fiscal year 2001 and later equals the product of \$584 times the greater of 20 or the number of adjusted marginal cost pupils of limited English proficiency enrolled in the district during the current fiscal year.

Sec. 5. Minnesota Statutes 1998, section 124D.68, subdivision 9, is amended to read:

Subd. 9. [ENROLLMENT VERIFICATION.] (a) For a pupil attending an eligible program full time under subdivision 3, paragraph (d), the department must pay 90 percent of the district's average general education revenue less ~~compensatory basic skills~~ revenue to the eligible program and ten percent of the district's average general education revenue less ~~compensatory basic skills~~ revenue to the resident district within 30 days after the eligible program verifies enrollment using the form provided by the department. For a pupil attending an eligible program part time, revenue shall be reduced proportionately, according to the amount of time the pupil attends the program, and the payments to the eligible program and the resident district shall be reduced accordingly. A pupil for whom payment is made according to this section may not be counted by any district for any purpose other than computation of general education revenue. If payment is made for a pupil under this subdivision, a district shall not reimburse a program under section 124D.69 for the same pupil. ~~Compensatory~~ Basic skills revenue shall be paid according to section 126C.10, subdivision ~~3~~ 4.

(b) The department must pay up to 100 percent of the revenue to the eligible program if there is an agreement to that effect between the school district and the eligible program.

Sec. 6. Minnesota Statutes 1998, section 124D.69, subdivision 1, is amended to read:

Subdivision 1. [AID.] If a pupil enrolls in an alternative program, eligible under section 124D.68, subdivision 3, paragraph (d), or subdivision 4, operated by a private organization that has contracted with a school district to provide educational services for eligible pupils under section 124D.68, subdivision 2, the district contracting with the private organization must reimburse the provider an amount equal to at least 90 percent of the district's average general education less ~~compensatory basic skills~~ revenue per pupil unit times the number of pupil units for pupils attending the program. Basic skills revenue shall be paid according to section 126C.10, subdivision 4. ~~Compensatory revenue must be allocated according to section 126C.15, subdivision 2.~~ For a pupil attending the program part time, the revenue paid to the program must be reduced proportionately, according to the amount of time the pupil attends the program, and revenue paid to the district shall be reduced accordingly. Pupils for whom a district provides reimbursement may not be counted by the district for any purpose other than computation of general education revenue. If payment is made to a district or program for a pupil under this section, the department must not make a payment for the same pupil under section 124D.68, subdivision 9.

Sec. 7. Minnesota Statutes 1998, section 124D.86, subdivision 3, is amended to read:

Subd. 3. [INTEGRATION REVENUE.] For fiscal year ~~1999~~ 2000 and later fiscal years, integration revenue equals the following amounts:

(1) for independent school district No. 709, Duluth, ~~\$193~~ \$207 times the ~~resident~~ adjusted pupil units for the school year;

(2) for independent school district No. 625, St. Paul, ~~\$427~~ \$446 times the ~~resident~~ adjusted pupil units for the school year;

(3) for special school district No. 1, Minneapolis, ~~\$523~~ \$536 times the ~~resident~~ adjusted pupil units for the school year; and

(4) for a district not listed in clause (1), (2), or (3) that is required to implement a plan according to the requirements of Minnesota Rules, parts 3535.0200 to 3535.2200, the lesser of the actual cost of implementing the plan during the fiscal year or \$93 times the ~~resident~~ adjusted pupil units for the school year.

Sec. 8. Minnesota Statutes 1998, section 126C.05, subdivision 1, is amended to read:

Subdivision 1. [PUPIL UNIT.] Pupil units for each Minnesota resident pupil in average daily membership enrolled in the district of residence, in another district under sections 123A.05 to 123A.08, 124D.03, 124D.06, 124D.07, 124D.08, or 124D.68; in a charter school under section 124D.10; or for whom the resident district pays tuition under section 123A.18, 123A.22, 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04, 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65, shall be counted according to this subdivision.

(a) A prekindergarten pupil with a disability who is enrolled in a program approved by the commissioner and has an individual education plan is counted as the ratio of the number of hours of assessment and education service to 825 times 1.25 with a minimum of 0.28, but not more than ~~one~~ 1.25.

(b) A prekindergarten pupil who is assessed but determined not to be handicapped is counted as the ratio of the number of hours of assessment service to 825 times 1.25.

(c) A kindergarten pupil with a disability who is enrolled in a program approved by the commissioner is counted as the ratio of the number of hours of assessment and education services required in the fiscal year by the pupil's individual education program plan to 875, but not more than one.

(d) A kindergarten pupil who is not included in paragraph (c) is counted as ~~.53~~ .557 of a pupil unit for fiscal year ~~1995~~ 2000 and thereafter.

(e) A pupil who is in any of grades 1 to 3 is counted as 1.115 pupil units for fiscal year 2000 and thereafter.

(f) A pupil who is any of grades 4 to 6 is counted as 1.06 pupil units for fiscal year 1995 and thereafter.

(~~f~~) (g) A pupil who is in any of grades 7 to 12 is counted as 1.3 pupil units.

(~~g~~) (h) A pupil who is in the post-secondary enrollment options program is counted as 1.3 pupil units.

Sec. 9. Minnesota Statutes 1998, section 126C.05, subdivision 3, is amended to read:

Subd. 3. [COMPENSATION REVENUE PUPIL UNITS.] Compensation revenue pupil units for fiscal year 1998 and thereafter must be computed according to this subdivision.

(a) The compensation revenue concentration percentage for each building in a district equals the product of 100 times the ratio of:

(1) the sum of the number of pupils enrolled in the building eligible to receive free lunch plus one-half of the pupils eligible to receive reduced priced lunch on October 1 of the previous fiscal year; to

(2) the number of pupils enrolled in the building on October 1 of the previous fiscal year.

(b) The compensation revenue pupil weighting factor for a building equals the lesser of one or the quotient obtained by dividing the building's compensation revenue concentration percentage by 80.0.

(c) The compensation revenue pupil units for a building equals the product of:

(1) the sum of the number of pupils enrolled in the building eligible to receive free lunch and

one-half of the pupils eligible to receive reduced priced lunch on October 1 of the previous fiscal year; times

(2) the compensation revenue pupil weighting factor for the building; times

(3) .60.

(d) Notwithstanding paragraphs (a) to (c), for charter schools and contracted alternative programs in the first year of operation, compensation revenue pupil units shall be computed using data for the current fiscal year. If the charter school or contracted alternative program begins operation after October 1, compensatory revenue pupil units shall be computed based on pupils enrolled on an alternate date determined by the commissioner, and the compensation revenue pupil units shall be prorated based on the ratio of the number of days of student instruction to 170 days.

(e) The percentages in this subdivision must be based on the count of individual pupils and not on a building average or minimum.

Sec. 10. Minnesota Statutes 1998, section 126C.05, subdivision 5, is amended to read:

Subd. 5. [ADJUSTED PUPIL UNITS.] (a) Adjusted pupil units for a district or charter school means the sum of:

(1) the number of ~~resident~~ pupil units served, according to subdivision ~~4g 7~~, plus

(2) ~~shared time pupil units, according to section 126C.01, subdivision 6, plus~~

(3) ~~pupil units according to subdivision 1 for pupils attending the district for which general education aid adjustments are made according to section 127A.47, subdivision 7; minus~~

(4) ~~pupil units according to subdivision 1 for resident pupils attending other districts for which general education aid adjustments are made according to section 127A.47, subdivision 7, whom the district or charter school pays tuition under section 123A.18, 123A.22, 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04, 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65, minus~~

(3) pupil units according to subdivision 1 for whom the district or charter school receives tuition under section 123A.18, 123A.22, 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04, 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65.

(b) Adjusted marginal cost pupil units means the sum of .9 times the pupil units defined in paragraph (a) for the current school year and .1 times the pupil units defined in paragraph (a) for the previous school year.

Sec. 11. Minnesota Statutes 1998, section 126C.05, subdivision 6, is amended to read:

Subd. 6. [RESIDENT PUPIL UNITS.] (a) Resident pupil units for a district means the number of pupil units according to subdivision 1 residing in the district.

(b) Resident marginal cost pupil units means the sum of .9 times the pupil units defined in paragraph (a) for the current year and .1 times the pupil units defined in paragraph (a) for the previous school year.

Sec. 12. Minnesota Statutes 1998, section 126C.05, subdivision 7, is amended to read:

Subd. 7. [PUPIL UNITS SERVED.] Pupil units served for a district or charter school means the number of pupil units according to subdivision 1 enrolled in the district or charter school.

Sec. 13. Minnesota Statutes 1998, section 126C.10, subdivision 1, is amended to read:

Subdivision 1. [GENERAL EDUCATION REVENUE.] For fiscal year ~~1999~~ 2000 and thereafter, the general education revenue for each district equals the sum of the district's basic revenue, basic skills revenue, training and experience revenue, secondary sparsity revenue,

elementary sparsity revenue, transportation sparsity revenue, total operating capital revenue, ~~graduation standards implementation revenue,~~ equity revenue, referendum offset adjustment, transition revenue, and supplemental revenue.

Sec. 14. Minnesota Statutes 1998, section 126C.10, subdivision 2, is amended to read:

Subd. 2. [BASIC REVENUE.] The basic revenue for each district equals the formula allowance times the resident pupil units for the school year. ~~The formula allowance for fiscal year 1997 is \$3,505. The formula allowance for fiscal year 1998 is \$3,581 and. The formula allowance for fiscal year 1999 and fiscal year 2000 is \$3,530. The formula allowance for fiscal year 2000 is \$3,740.~~ The formula allowance for fiscal year 2001 and subsequent fiscal years is \$3,597 \$3,875.

Sec. 15. Minnesota Statutes 1998, section 126C.10, subdivision 4, is amended to read:

Subd. 4. [BASIC SKILLS REVENUE.] For fiscal year 1999 and thereafter, a school district's basic skills revenue equals the sum of:

- (1) compensatory revenue under subdivision 3; plus
- (2) limited English proficiency revenue according to section 124D.65, subdivision 5; plus
- (3) \$190 times the limited English proficiency pupil units according to section 126C.05, subdivision 17; plus
- (4) ~~the lesser of: (i) \$22.50 times the number of adjusted marginal cost pupil units in kindergarten to grade 8; or (ii) the amount of district money provided to match basic skills revenue for the purposes described in section 126C.15.~~

Sec. 16. Minnesota Statutes 1998, section 126C.10, subdivision 5, is amended to read:

Subd. 5. [TRAINING AND EXPERIENCE REVENUE.] The training and experience revenue for each district equals the greater of zero or the result of the following computation:

- (1) subtract .8 from the training and experience index;
- (2) multiply the result in clause (1) by the product of \$660 times the ~~resident~~ adjusted marginal cost pupil units for the school year.

Sec. 17. Minnesota Statutes 1998, section 126C.10, subdivision 6, is amended to read:

Subd. 6. [DEFINITIONS.] The definitions in this subdivision apply only to subdivisions 7 and 8.

(a) "High school" means a secondary school that has pupils enrolled in at least the 10th, 11th, and 12th grades. If there is no secondary school in the district that has pupils enrolled in at least the 10th, 11th, and 12th grades, and the school is at least 19 miles from the next nearest school, the commissioner must designate one school in the district as a high school for the purposes of this section.

(b) "Secondary average daily membership" means, for a district that has only one high school, the average daily membership of ~~resident~~ pupils served in grades 7 through 12. For a district that has more than one high school, "secondary average daily membership" for each high school means the product of the average daily membership of ~~resident~~ pupils served in grades 7 through 12 in the high school, times the ratio of six to the number of grades in the high school.

(c) "Attendance area" means the total surface area of the district, in square miles, divided by the number of high schools in the district. For a district that does not operate a high school and is less than 19 miles from the nearest operating high school, the attendance area equals zero.

(d) "Isolation index" for a high school means the square root of 55 percent of the attendance area plus the distance in miles, according to the usually traveled routes, between the high school and the nearest high school. For a district in which there is located land defined in section 84A.01, 84A.20, or 84A.31, the distance in miles is the sum of:

- (1) the square root of one-half of the attendance area; and
- (2) the distance from the border of the district to the nearest high school.

(e) "Qualifying high school" means a high school that has an isolation index greater than 23 and that has secondary average daily membership of less than 400.

(f) "Qualifying elementary school" means an elementary school that is located 19 miles or more from the nearest elementary school or from the nearest elementary school within the district and, in either case, has an elementary average daily membership of an average of 20 or fewer per grade.

(g) "Elementary average daily membership" means, for a district that has only one elementary school, the average daily membership of ~~resident~~ pupils served in kindergarten through grade 6. For a district that has more than one elementary school, "average daily membership" for each school means the average daily membership of pupils served in kindergarten through grade 6 multiplied by the ratio of seven to the number of grades in the elementary school. ~~For a building in a district where the nearest elementary school is at least 65 miles distant, pupils served must be used to determine average daily membership.~~

Sec. 18. Minnesota Statutes 1998, section 126C.10, subdivision 7, is amended to read:

Subd. 7. [SECONDARY SPARSITY REVENUE.] (a) A district's secondary sparsity revenue for a school year equals the sum of the results of the following calculation for each qualifying high school in the district:

- (1) the formula allowance for the school year, multiplied by
- (2) the secondary average daily membership of pupils served in the high school, multiplied by
- (3) the quotient obtained by dividing 400 minus the secondary average daily membership by 400 plus the secondary daily membership, multiplied by
- (4) the lesser of 1.5 or the quotient obtained by dividing the isolation index minus 23 by ten.

(b) A newly formed district that is the result of districts combining under the cooperation and combination program or consolidating under section 123A.48 must receive secondary sparsity revenue equal to the greater of: (1) the amount calculated under paragraph (a) for the combined district; or (2) the sum of the amounts of secondary sparsity revenue the former districts had in the year prior to consolidation, increased for any subsequent changes in the secondary sparsity formula.

Sec. 19. Minnesota Statutes 1998, section 126C.10, subdivision 8, is amended to read:

Subd. 8. [ELEMENTARY SPARSITY REVENUE.] A district's elementary sparsity revenue equals the sum of the following amounts for each qualifying elementary school in the district:

- (1) the formula allowance for the year, multiplied by
- (2) the elementary average daily membership of pupils served in the school, multiplied by
- (3) the quotient obtained by dividing 140 minus the elementary average daily membership by 140 plus the average daily membership.

Sec. 20. Minnesota Statutes 1998, section 126C.10, subdivision 9, is amended to read:

Subd. 9. [SUPPLEMENTAL REVENUE.] (a) A district's supplemental revenue allowance for fiscal year 1994 and later fiscal years equals the district's supplemental revenue for fiscal year 1993 divided by the district's 1992-1993 resident pupil units.

(b) A district's supplemental revenue allowance is reduced for fiscal year 1995 and later according to subdivision 12.

(c) A district's supplemental revenue equals the supplemental revenue allowance, if any, times its resident adjusted marginal cost pupil units for that year.

(d) A district may cancel its supplemental revenue by notifying the commissioner of education prior to June 30, 1994. A district that is reorganizing under section 122A.35, 123A.46, or 123A.48 may cancel its supplemental revenue by notifying the commissioner of children, families, and learning before July 1 of the year of the reorganization. If a district cancels its supplemental revenue according to this paragraph, its supplemental revenue allowance for fiscal year 1993 for purposes of subdivision 12 and section 124A.03, subdivision 3b, equals zero.

Sec. 21. Minnesota Statutes 1998, section 126C.10, subdivision 10, is amended to read:

Subd. 10. [SUPPLEMENTAL LEVY.] To obtain supplemental revenue, a district may levy an amount not more than the product of its supplemental revenue for the school year times the lesser of one or the ratio of its adjusted net tax capacity per resident adjusted marginal cost pupil unit to ~~\$10,000~~ \$8,404.

Sec. 22. Minnesota Statutes 1998, section 126C.10, is amended by adding a subdivision to read:

Subd. 12a. [SUPPLEMENTAL REVENUE REDUCTION.] If a district's ratio of 1992 adjusted net tax capacity divided by 1994-1995 actual pupil units to \$9,025 is less than or equal to .25, then the difference under subdivision 12, clause (2), is equal to \$0 for purposes of computing the district's supplemental revenue under subdivision 9.

Sec. 23. Minnesota Statutes 1998, section 126C.10, subdivision 13, is amended to read:

Subd. 13. [TOTAL OPERATING CAPITAL REVENUE.] (a) For fiscal year ~~1999~~ 2000 and thereafter, total operating capital revenue for a district equals the amount determined under paragraph (b) or (c), plus \$68 times the resident adjusted marginal cost pupil units for the school year. The revenue must be placed in a reserved account in the general fund and may only be used according to subdivision 14.

(b) For fiscal years ~~1999~~ 2000 and later, capital revenue for a district equals \$100 times the district's maintenance cost index times its resident adjusted marginal cost pupil units for the school year.

(c) ~~For 1996 and later fiscal years, the previous formula revenue for a district equals \$128 times its resident pupil units for the school year.~~

(d) For fiscal years ~~1998~~ 2000 and later, the revenue for a district that operates a program under section 124D.128, is increased by an amount equal to \$30 times the number of resident marginal cost pupil units served at the site where the program is implemented.

Sec. 24. Minnesota Statutes 1998, section 126C.10, subdivision 14, is amended to read:

Subd. 14. [USES OF TOTAL OPERATING CAPITAL REVENUE.] Total operating capital revenue may be used only for the following purposes:

- (1) to acquire land for school purposes;
- (2) to acquire or construct buildings for school purposes;
- (3) to rent or lease buildings, including the costs of building repair or improvement that are part of a lease agreement;
- (4) to improve and repair school sites and buildings, and equip or reequip school buildings with permanent attached fixtures;
- (5) for a surplus school building that is used substantially for a public nonschool purpose;
- (6) to eliminate barriers or increase access to school buildings by individuals with a disability;

(7) to bring school buildings into compliance with the Uniform Fire Code adopted according to chapter 299F;

(8) to remove asbestos from school buildings, encapsulate asbestos, or make asbestos-related repairs;

(9) to clean up and dispose of polychlorinated biphenyls found in school buildings;

(10) to clean up, remove, dispose of, and make repairs related to storing heating fuel or transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section 296A.01;

(11) for energy audits for school buildings and to modify buildings if the audit indicates the cost of the modification can be recovered within ten years;

(12) to improve buildings that are leased according to section 123B.51, subdivision 4;

(13) to pay special assessments levied against school property but not to pay assessments for service charges;

(14) to pay principal and interest on state loans for energy conservation according to section 216C.37 or loans made under the Northeast Minnesota Economic Protection Trust Fund Act according to sections 298.292 to 298.298;

(15) to purchase or lease interactive telecommunications equipment;

(16) by board resolution, to transfer money into the debt redemption fund to: (i) pay the amounts needed to meet, when due, principal and interest payments on certain obligations issued according to chapter 475; or (ii) pay principal and interest on debt service loans or capital loans according to section 126C.70;

(17) to pay ~~capital expenditure equipment-related~~ operating capital-related assessments of any entity formed under a cooperative agreement between two or more districts;

(18) to purchase or lease computers and related materials, copying machines, telecommunications equipment, and other noninstructional equipment;

(19) to purchase or lease assistive technology or equipment for instructional programs;

(20) to purchase textbooks;

(21) to purchase new and replacement library books or technology;

(22) to purchase vehicles;

(23) to purchase or lease telecommunications equipment, computers, and related equipment for integrated information management systems for:

(i) managing and reporting learner outcome information for all students under a results-oriented graduation rule;

(ii) managing student assessment, services, and achievement information required for students with individual education plans; and

(iii) other classroom information management needs; and

(24) to pay personnel costs directly related to the acquisition, operation, and maintenance of telecommunications systems, computers, related equipment, and network and applications software.

Sec. 25. Minnesota Statutes 1998, section 126C.10, subdivision 18, is amended to read:

Subd. 18. [TRANSPORTATION SPARSITY REVENUE ALLOWANCE.] (a) A district's

transportation sparsity allowance equals the greater of zero or the result of the following computation:

- (i) Multiply the formula allowance according to subdivision 2, by .1469.
- (ii) Multiply the result in clause (i) by the district's sparsity index raised to the 26/100 power.
- (iii) Multiply the result in clause (ii) by the district's density index raised to the 13/100 power.
- (iv) Multiply the formula allowance according to subdivision 2, by .0485.
- (v) Subtract the result in clause (iv) from the result in clause (iii).

(b) Transportation sparsity revenue is equal to the transportation sparsity allowance times the resident adjusted marginal cost pupil units.

Sec. 26. Minnesota Statutes 1998, section 126C.10, subdivision 19, is amended to read:

Subd. 19. [TRANSITION ALLOWANCE.] (a) A district's transportation transition allowance for fiscal year 1998 and later equals the result of the following:

(1) if the result in subdivision 18, paragraph (a), clause (iii), for fiscal year 1998 is less than the fiscal year 1996 base allowance, the transportation transition allowance equals the fiscal year 1996 base allowance minus the result in subdivision 18, paragraph (a), clause (iii); or

(2) if the result in subdivision 18, paragraph (a), clause (iii), for fiscal year 1998 and later is greater than or equal to the fiscal year 1996 base allowance, the transportation transition allowance equals zero.

(b) A district's compensatory transition allowance equals the greater of zero or the difference between:

(1) the amount of compensatory revenue the district would have received under Minnesota Statutes 1996, section 124A.22, subdivision 3, for fiscal year 1998 computed using a basic formula allowance of \$3,281; and

(2) the amount the district receives under subdivision 3; divided by

(3) the district's actual pupil units for fiscal year 1998.

(c) A district's cooperation transition allowance for fiscal year 2001 and later equals the greater of zero or the difference between:

(1) \$25,000; and

(2) \$67 times the district's resident pupil units for fiscal year 2001 divided by;

(3) the district's resident pupil units for fiscal year 2001.

(d) A district's transition allowance for fiscal year years 1999 and 2000 is equal to the sum of its transportation transition allowance and its compensatory transition allowance. A district's transition allowance for fiscal year 2000 2001 and thereafter is equal to the sum of its transportation transition allowance, its compensatory transition allowance, and its cooperation transition allowance.

Sec. 27. Minnesota Statutes 1998, section 126C.10, subdivision 20, is amended to read:

Subd. 20. [TRANSITION REVENUE ADJUSTMENT.] A district's transition revenue adjustment equals the district's transition allowance times the resident adjusted marginal cost pupil units for the school year.

Sec. 28. Minnesota Statutes 1998, section 126C.10, subdivision 21, is amended to read:

Subd. 21. [TRANSITION LEVY ADJUSTMENT.] A district's general education levy shall be adjusted by an amount equal to the district's transition revenue times the lesser of 1 or the ratio of its adjusted net tax capacity per resident adjusted marginal cost pupil unit to \$10,000 \$8,404.

Sec. 29. Minnesota Statutes 1998, section 126C.10, is amended by adding a subdivision to read:

Subd. 23. [REFERENDUM OFFSET ADJUSTMENT.] A district that qualifies for the referendum allowance reduction under section 126C.17, subdivision 12, and whose referendum allowance under section 126C.17, subdivision 1, as adjusted under section 126C.17, subdivisions 2 and 12, does not exceed the referendum allowance limit under section 126C.17, subdivision 2, clause (2), shall receive a referendum offset adjustment. In fiscal year 2000 and thereafter, the referendum offset adjustment is equal to \$25 per resident pupil unit.

Sec. 30. Minnesota Statutes 1998, section 126C.10, is amended by adding a subdivision to read:

Subd. 24. [EQUITY REVENUE.] (a) A school district qualifies for equity revenue if the school district's adjusted marginal cost pupil unit amount of basic revenue, supplemental revenue, transition revenue, and referendum revenue is less than the 90th percentile of school districts in its equity region for those revenue categories and the school district's administrative offices are not located in a city of the first class on July 1, 1999.

(b) Equity revenue for a qualifying district that receives referendum revenue under section 126C.17, subdivision 4, equals the product of (1) the district's adjusted marginal cost pupil units for that year; times (2) the sum of (i) \$10, plus (ii) \$30, times the school district's equity index computed under section 126C.10, subdivision 6.

(c) Equity revenue for a qualifying district that does not receive referendum revenue under section 126C.17, subdivision 4, equals the product of the district's adjusted marginal cost pupil units for that year times \$10.

Sec. 31. Minnesota Statutes 1998, section 126C.10, is amended by adding a subdivision to read:

Subd. 25. [REGIONAL EQUITY GAP.] The regional equity gap equals the difference between the fifth and the 90th percentile of adjusted general revenue per marginal cost pupil unit.

Sec. 32. Minnesota Statutes 1998, section 126C.10, is amended by adding a subdivision to read:

Subd. 26. [DISTRICT EQUITY GAP.] A district's equity gap equals the greater of zero or the difference between the district's adjusted general revenue and the regional 90th percentile of adjusted general revenue per marginal cost pupil unit.

Sec. 33. Minnesota Statutes 1998, section 126C.10, is amended by adding a subdivision to read:

Subd. 27. [DISTRICT EQUITY INDEX.] A district's equity index equals the ratio of the sum of the district equity gap amount to the regional equity gap amount.

Sec. 34. Minnesota Statutes 1998, section 126C.10, is amended by adding a subdivision to read:

Subd. 28. [EQUITY REGION.] For the purposes of computing equity revenue under subdivision 23, a district whose administrative offices on July 1, 1999, is located in Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington county is part of the metro equity region. Districts whose administrative offices on July 1, 1999, are not located in Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington county are part of the rural equity region.

Sec. 35. Minnesota Statutes 1998, section 126C.12, subdivision 1, is amended to read:

Subdivision 1. [REVENUE.] ~~Of a district's general education revenue an amount equal to the sum of the number of elementary fund balance pupils in average daily membership defined in section 126C.05, subdivision 5, and one-half of the number of kindergarten fund balance pupils in average daily membership as defined in section 126C.05, subdivision 5, times .06 for fiscal year 1995 and thereafter times the formula allowance must be reserved according to this section. for fiscal year 2000 and thereafter each school district shall reserve an amount equal to the formula allowance multiplied by the following calculation:~~

(1) the sum of adjusted marginal cost pupil units in average daily membership, according to section 126C.05, subdivision 5, in kindergarten times .057; plus

(2) the sum of adjusted marginal cost pupil units in average daily membership, according to section 126C.05, subdivision 5, in grades 1 to 3 times .115; plus

(3) the sum of adjusted marginal cost pupil units in average daily membership, according to section 126C.05, subdivision 5, in grades 4 to 6 times .06.

Sec. 36. Minnesota Statutes 1998, section 126C.12, subdivision 4, is amended to read:

Subd. 4. [REVENUE USE.] (a) Revenue must be used according to either paragraph (b) or (c).

(b) Revenue must be used to reduce and maintain the district's instructor to learner ratios in kindergarten through grade 6 to a level of 1 to 17 on average. The district must prioritize the use of the revenue to attain this level initially in kindergarten and grade 1 and then through the subsequent grades as revenue is available.

(c) The revenue may be used to prepare and use an individualized learning plan for each learner. A district must not increase the district wide instructor-to-learner ratios in other grades as a result of reducing instructor-to-learner ratios in kindergarten through grade 6. Revenue may not be used to provide instructor preparation time ~~or to provide the district's share of revenue required under section 124D.67.~~ A district may use a portion of the revenue reserved under this section to employ up to the same number of full-time equivalent education assistants or aides as the district employed during the 1992-1993 school year under Minnesota Statutes 1992, section 124.331, subdivision 2.

Sec. 37. Minnesota Statutes 1998, section 126C.13, subdivision 1, is amended to read:

Subdivision 1. [GENERAL EDUCATION TAX RATE.] The commissioner must establish the general education tax rate by July 1 of each year for levies payable in the following year. The general education tax capacity rate must be a rate, rounded up to the nearest hundredth of a percent, that, when applied to the adjusted net tax capacity for all districts, raises the amount specified in this subdivision. The general education tax rate must be the rate that raises ~~\$1,385,500,000 for fiscal year 1999, \$1,325,500,000 for fiscal year 2000, and \$1,387,100,000~~ \$1,330,000,000 for fiscal year 2001, and later fiscal years. The general education tax rate may not be changed due to changes or corrections made to a district's adjusted net tax capacity after the tax rate has been established. ~~If the levy target for fiscal year 1999 or fiscal year 2000 is changed by another law enacted during the 1997 or 1998 session, the commissioner shall reduce the general education levy target in this section by the amount of the reduction in the enacted law.~~

Sec. 38. Minnesota Statutes 1998, section 126C.13, subdivision 2, is amended to read:

Subd. 2. [GENERAL EDUCATION LEVY.] To obtain general education revenue, excluding transition revenue and supplemental revenue, a district may levy an amount not to exceed the general education tax rate times the adjusted net tax capacity of the district for the preceding year. If the amount of the general education levy would exceed the general education revenue, excluding transition revenue and supplemental revenue, the general education levy must be determined according to subdivision 3.

Sec. 39. Minnesota Statutes 1998, section 126C.15, is amended to read:

126C.15 [COMPENSATORY EDUCATION REVENUE.]

Subdivision 1. [USE OF THE REVENUE.] ~~The compensatory education basic skills revenue~~ under section 126C.10, subdivision 3 ~~4~~, and the portion of the transition revenue adjustment under section 126C.10, subdivision 20, attributable to the compensatory transition allowance under section 126C.10, subdivision 19, paragraph (b), must be reserved and used to meet the educational needs of pupils who enroll under-prepared to learn and whose progress toward meeting state or local content or performance standards is below the level that is appropriate for learners of their age. Any of the following may be provided to meet these learners' needs:

(1) direct instructional services under the assurance of mastery program according to section 124D.66;

(2) remedial instruction in reading, language arts, mathematics, other content areas, or study skills to improve the achievement level of these learners;

(3) additional teachers and teacher aides to provide more individualized instruction to these learners through individual tutoring, lower instructor-to-learner ratios, or team teaching;

(4) a longer school day or week during the regular school year or through a summer program that may be offered directly by the site or under a performance-based contract with a community-based organization;

(5) comprehensive and ongoing staff development consistent with district and site plans according to section 122A.60, for teachers, teacher aides, principals, and other personnel to improve their ability to identify the needs of these learners and provide appropriate remediation, intervention, accommodations, or modifications;

(6) instructional materials and technology appropriate for meeting the individual needs of these learners;

(7) programs to reduce truancy, encourage completion of high school, enhance self-concept, provide health services, provide nutrition services, provide a safe and secure learning environment, provide coordination for pupils receiving services from other governmental agencies, provide psychological services to determine the level of social, emotional, cognitive, and intellectual development, and provide counseling services, guidance services, and social work services;

(8) bilingual programs, bicultural programs, and programs for learners of limited English proficiency;

(9) all day kindergarten;

(10) extended school day and extended school year programs;

(11) substantial parent involvement in developing and implementing remedial education or intervention plans for a learner, including learning contracts between the school, the learner, and the parent that establish achievement goals and responsibilities of the learner and the learner's parent or guardian; and

(12) other methods to increase achievement, as needed.

Subd. 2. [BUILDING ALLOCATION.] (a) A district must allocate its compensatory revenue to each school building in the district where the children who have generated the revenue are served.

(b) Notwithstanding paragraph (a), for fiscal years 1999, and 2000, and 2001, upon approval by the commissioner, a district may allocate up to five percent of the amount of compensatory revenue that the district would have received under Minnesota Statutes 1996, section 126C.10 124A.22, subdivision 3, for fiscal year 1998, computed using a basic formula allowance of \$3,581 to school sites according to a plan adopted by the school board.

(c) For the purposes of this section and section 126C.05, subdivision 3, "building" means education site as defined in section 123B.04, subdivision 1.

(d) If the pupil is served at a site other than one owned and operated by the district, the revenue shall be paid to the district and used for services for pupils who generate the revenue.

Subd. 3. [RECOMMENDATION.] A school site decision-making team, as defined in section 123B.04, subdivision 3, paragraph (a), or the instruction and curriculum advisory committee under section 120B.11, if the school has no school site decision team, shall recommend how the compensatory education revenue will be used to carry out the purpose of this section.

Subd. 4. [SEPARATE ACCOUNTS.] Each district that receives ~~compensatory education~~ basic skills revenue shall maintain separate accounts to identify expenditures for salaries and programs related to basic skills revenue.

Subd. 5. [ANNUAL EXPENDITURE REPORT.] Each year a district that receives ~~compensatory education~~ basic skills revenue must submit a report identifying the expenditures it incurred to meet the needs of eligible learners under subdivision 1. The report must conform to uniform financial and reporting standards established for this purpose.

Sec. 40. Minnesota Statutes 1998, section 126C.17, subdivision 1, is amended to read:

Subdivision 1. [REFERENDUM ALLOWANCE.] A district's referendum revenue allowance equals the referendum revenue authority for that year divided by its resident marginal cost pupil units for that school year.

Sec. 41. Minnesota Statutes 1998, section 126C.17, subdivision 2, is amended to read:

Subd. 2. [REFERENDUM ALLOWANCE LIMIT.] Notwithstanding subdivision 1, a district's referendum allowance must not exceed the greater of:

- (1) the district's referendum allowance for fiscal year 1994;
- (2) 25 percent of the formula allowance ~~minus \$300 for fiscal year 1997 and later;~~ or
- (3) for a newly reorganized district created after July 1, 1994, the sum of the referendum revenue authority for the reorganizing districts for the fiscal year preceding the reorganization, divided by the sum of the resident marginal cost pupil units of the reorganizing districts for the fiscal year preceding the reorganization.

Sec. 42. Minnesota Statutes 1998, section 126C.17, subdivision 4, is amended to read:

Subd. 4. [TOTAL REFERENDUM REVENUE.] The total referendum revenue for each district equals the district's referendum allowance times the resident marginal cost pupil units for the school year.

Sec. 43. Minnesota Statutes 1998, section 126C.17, subdivision 5, is amended to read:

Subd. 5. [REFERENDUM EQUALIZATION REVENUE.] (a) A district's referendum equalization revenue equals ~~\$350~~ the referendum equalization allowance times the district's resident marginal cost pupil units for that year.

(b) The referendum equalization allowance equals \$350 for fiscal year 2000 and \$415 for fiscal year 2001 and later.

(c) Referendum equalization revenue must not exceed a district's total referendum revenue for that year.

Sec. 44. Minnesota Statutes 1998, section 126C.17, subdivision 6, is amended to read:

Subd. 6. [REFERENDUM EQUALIZATION LEVY.] (a) ~~For fiscal year 1999 and thereafter,~~ A district's referendum equalization levy for a referendum levied against the referendum market value of all taxable property as defined in section 126C.01, subdivision 3, equals the district's referendum equalization revenue times the lesser of one or the ratio of the district's referendum market value per resident marginal cost pupil unit to \$476,000.

~~(b) For fiscal year 1999 and thereafter,~~ A district's referendum equalization levy for a referendum levied against the net tax capacity of all taxable property equals the district's referendum equalization revenue times the lesser of one or the ratio of the district's adjusted net tax capacity per resident marginal cost pupil unit to ~~\$10,000~~ \$8,404.

Sec. 45. Minnesota Statutes 1998, section 126C.17, subdivision 9, is amended to read:

Subd. 9. [REFERENDUM REVENUE.] (a) The revenue authorized by section 126C.10, subdivision 1, may be increased in the amount approved by the voters of the district at a referendum called for the purpose. The referendum may be called by the board or shall be called by the board upon written petition of qualified voters of the district. The referendum must be conducted one or two calendar years before the increased levy authority, if approved, first becomes payable. Only one election to approve an increase may be held in a calendar year. Unless the referendum is conducted by mail under paragraph (g), the referendum must be held on the first Tuesday after the first Monday in November. The ballot must state the maximum amount of the increased revenue per resident marginal cost pupil unit, the estimated referendum tax rate as a percentage of market value in the first year it is to be levied, and that the revenue must be used to finance school operations. The ballot may state a schedule, determined by the board, of increased revenue per resident pupil units that differs from year to year over the number of years for which the increased revenue is authorized. If the ballot contains a schedule showing different amounts, it must also indicate the estimated referendum tax rate as a percent of market value for the amount specified for the first year and for the maximum amount specified in the schedule. The ballot may state that existing referendum levy authority is expiring. In this case, the ballot may also compare the proposed levy authority to the existing expiring levy authority, and express the proposed increase as the amount, if any, over the expiring referendum levy authority. The ballot must designate the specific number of years, not to exceed ten, for which the referendum authorization applies. The notice required under section 275.60 may be modified to read, in cases of renewing existing levies:

"BY VOTING "YES" ON THIS BALLOT QUESTION, YOU MAY BE VOTING FOR A PROPERTY TAX INCREASE."

The ballot may contain a textual portion with the information required in this subdivision and a question stating substantially the following:

"Shall the increase in the revenue proposed by (petition to) the board of, School District No. ..., be approved?"

If approved, an amount equal to the approved revenue per resident marginal cost pupil unit times the resident marginal cost pupil units for the school year beginning in the year after the levy is certified shall be authorized for certification for the number of years approved, if applicable, or until revoked or reduced by the voters of the district at a subsequent referendum.

(b) The board must prepare and deliver by first class mail at least 15 days but no more than 30 days before the day of the referendum to each taxpayer a notice of the referendum and the proposed revenue increase. The board need not mail more than one notice to any taxpayer. For the purpose of giving mailed notice under this subdivision, owners must be those shown to be owners on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer. Every property owner whose name does not appear on the records of the county auditor or the county treasurer is deemed to have waived this mailed notice unless the owner has requested in writing that the county auditor or county treasurer, as the case may be, include the name on the records for this purpose. The notice must project the anticipated amount of tax increase in annual dollars and annual percentage for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the school district.

The notice for a referendum may state that an existing referendum levy is expiring and project the anticipated amount of increase over the existing referendum levy in the first year, if any, in annual dollars and annual percentage for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the district.

The notice must include the following statement: "Passage of this referendum will result in an increase in your property taxes." However, in cases of renewing existing levies, the notice may include the following statement: "Passage of this referendum may result in an increase in your property taxes."

(c) A referendum on the question of revoking or reducing the increased revenue amount

authorized pursuant to paragraph (a) may be called by the board and shall be called by the board upon the written petition of qualified voters of the district. A referendum to revoke or reduce the levy amount must be based upon the dollar amount, local tax rate, or amount per resident marginal cost pupil unit, that was stated to be the basis for the initial authorization. Revenue approved by the voters of the district pursuant to paragraph (a) must be received at least once before it is subject to a referendum on its revocation or reduction for subsequent years. Only one revocation or reduction referendum may be held to revoke or reduce referendum revenue for any specific year and for years thereafter.

(d) A petition authorized by paragraph (a) or (c) is effective if signed by a number of qualified voters in excess of 15 percent of the registered voters of the district on the day the petition is filed with the board. A referendum invoked by petition must be held on the date specified in paragraph (a).

(e) The approval of 50 percent plus one of those voting on the question is required to pass a referendum authorized by this subdivision.

(f) At least 15 days before the day of the referendum, the district must submit a copy of the notice required under paragraph (b) to the commissioner and to the county auditor of each county in which the district is located. Within 15 days after the results of the referendum have been certified by the board, or in the case of a recount, the certification of the results of the recount by the canvassing board, the district must notify the commissioner of the results of the referendum.

(g) Except for a referendum held under subdivision 11, any referendum under this section held on a day other than the first Tuesday after the first Monday in November must be conducted by mail in accordance with section 204B.46. Notwithstanding paragraph (b) to the contrary, in the case of a referendum conducted by mail under this paragraph, the notice required by paragraph (b) must be prepared and delivered by first class mail at least 20 days before the referendum.

Sec. 46. Minnesota Statutes 1998, section 126C.41, subdivision 2, is amended to read:

Subd. 2. [RETIRED EMPLOYEE HEALTH BENEFITS.] ~~For taxes payable in 1996, 1997, 1998, and 1999 only,~~ A district may levy an amount up to the amount the district is required by the collective bargaining agreement in effect on March 30, 1992, to pay for health insurance or unreimbursed medical expenses for licensed and nonlicensed employees who have terminated services in the employing district and withdrawn from active teaching service or other active service, as applicable, before July 1, 1992. The total amount of the levy each year may not exceed \$300,000.

Sec. 47. Minnesota Statutes 1998, section 127A.44, subdivision 2, is amended to read:

Subd. 2. [ADJUSTMENT TO AIDS.] (a) The amount specified in subdivision 1 shall be used to adjust the following state aids and credits in the order listed:

- (1) general education aid authorized in section 126C.13;
- (2) secondary vocational aid authorized in section 124D.453;
- (3) special education aid authorized in sections 125A.75 and 125A.76;
- (4) ~~school-to-work~~ career and technical program aid for children with a disability authorized in section 124D.454;
- (5) ~~aid for pupils of limited English proficiency authorized in section 124D.65;~~
- (6) transportation aid authorized in section 123B.92;
- (7) (6) community education programs aid authorized in section 124D.20;
- (8) (7) adult education aid authorized in section 124D.52;
- (9) (8) early childhood family education aid authorized in section 124D.135;

- (40) (9) capital expenditure aid authorized in section 123B.57;
- (41) (10) school district cooperation aid authorized in section 126C.22;
- ~~(12) assurance of mastery aid according to section 124D.67;~~
- (43) (11) homestead and agricultural credit aid, disparity credit and aid, and changes to credits for prior year adjustments according to section 273.1398, subdivisions 2, 3, 4, and 7;
- (44) (12) attached machinery aid authorized in section 273.138, subdivision 3;
- ~~(15) alternative delivery aid authorized in section 125A.78;~~
- ~~(16) special education equalization aid authorized in section 125A.77;~~
- (47) (13) special education excess cost aid authorized in section 125A.79; and
- (48) (14) learning readiness aid authorized in section 124D.16; and
- ~~(19) cooperation-combination aid authorized in section 123A.39, subdivision 3.~~

(b) The commissioner shall schedule the timing of the adjustments to state aids and credits specified in subdivision 1, as close to the end of the fiscal year as possible.

Sec. 48. Minnesota Statutes 1998, section 127A.47, subdivision 1, is amended to read:

Subdivision 1. ~~[AID TO SERVING DISTRICT OF RESIDENCE.]~~ (a) Unless otherwise specifically provided by law, general education aid must be paid to the district of residence unless otherwise specifically provided by law according to this subdivision.

(b) Except as provided in paragraph (c), general education aid must be paid to the serving district.

(c) If the resident district pays tuition for a pupil under section 123A.18, 123A.22, 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04, 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65, general education aid, excluding basic skills revenue under section 126C.10, subdivision 4, must be paid to the resident district.

Sec. 49. Minnesota Statutes 1998, section 127A.47, subdivision 7, is amended to read:

Subd. 7. ~~[ALTERNATIVE ATTENDANCE PROGRAMS.]~~ The general education aid for districts must be adjusted for each pupil attending a nonresident district under sections 123A.05 to 123A.08, 124D.03, 124D.06, 124D.07, 124D.08, and 124D.68. The adjustments must be made according to this subdivision.

(a) General education aid paid to a resident district must be reduced by an amount equal to the general education revenue exclusive of basic skills revenue referendum equalization aid attributable to the pupil in the resident district.

(b) General education aid paid to a district serving a pupil in programs listed in this subdivision must be increased by an amount equal to the general education revenue exclusive of basic skills revenue referendum equalization aid attributable to the pupil in the nonresident district.

(c) If the amount of the reduction to be made from the general education aid of the resident district is greater than the amount of general education aid otherwise due the district, the excess reduction must be made from other state aids due the district.

(d) The district of residence must pay tuition to a district or an area learning center, operated according to paragraph (e), providing special instruction and services to a pupil with a disability, as defined in section 125A.02, or a pupil, as defined in section 125A.51, who is enrolled in a program listed in this subdivision. The tuition must be equal to (1) the actual cost of providing special instruction and services to the pupil, including a proportionate amount for debt service and for capital expenditure facilities and equipment, and debt service but not including any amount for

transportation, minus (2) the amount of general education aid revenue and special education aid but not including any amount for transportation, attributable to that pupil, that is received by the district providing special instruction and services.

(e) An area learning center operated by a service cooperative, intermediate district, education district, or a joint powers cooperative may elect through the action of the constituent boards to charge tuition for pupils rather than to calculate general education aid adjustments under paragraph (a), (b), or (c). The tuition must be equal to the greater of the average general education revenue per pupil unit attributable to the pupil, or the actual cost of providing the instruction, excluding transportation costs, if the pupil meets the requirements of section 125A.02 or 125A.51.

Sec. 50. Minnesota Statutes 1998, section 127A.47, subdivision 8, is amended to read:

Subd. 8. [CHARTER SCHOOLS.] (a) The general education aid for districts must be adjusted for each pupil attending a charter school under section 124D.10. The adjustments must be made according to this subdivision.

~~(b) General education aid paid to a resident district must be reduced by an amount equal to the general education revenue exclusive of basic skills revenue.~~

~~(c) General education aid paid to a district in which a charter school not providing transportation according to section 124D.10, subdivision 16, is located must be increased by an amount equal to the product of: (1) the sum of an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2, times .0485, plus the transportation sparsity allowance for the district, plus the transportation transition allowance for the district; times (2) the pupil units attributable to the pupil.~~

~~(d) If the amount of the reduction to be made from the general education aid of the resident district is greater than the amount of general education aid otherwise due the district, the excess reduction must be made from other state aids due the district.~~

Sec. 51. Minnesota Statutes 1998, section 127A.49, subdivision 2, is amended to read:

Subd. 2. [ABATEMENTS.] Whenever by virtue of chapter 278, sections 270.07, 375.192, or otherwise, the net tax capacity of any district for any taxable year is changed after the taxes for that year have been spread by the county auditor and the local tax rate as determined by the county auditor based upon the original net tax capacity is applied upon the changed net tax capacities, the county auditor shall, prior to February 1 of each year, certify to the commissioner of children, families, and learning the amount of any resulting net revenue loss that accrued to the district during the preceding year. Each year, the commissioner shall pay an abatement adjustment to the district in an amount calculated according to the provisions of this subdivision. This amount shall be deducted from the amount of the levy authorized by section 126C.46. The amount of the abatement adjustment must be the product of:

(1) the net revenue loss as certified by the county auditor, times

(2) the ratio of:

(i) the sum of the amounts of the district's certified levy in the preceding year according to the following:

(A) section 126C.13 if the district received general education aid according to that section for the second preceding year;

~~(B) section 124.226, subdivisions 1 and 4, if the district received transportation aid according to section 123B.92 for the second preceding year;~~

~~(C) section 124.243, if the district received capital expenditure facilities aid according to that section for the second preceding year;~~

~~(D) section 124.244, if the district received capital expenditure equipment aid according to that section for the second preceding year;~~

~~(E)~~ section 123B.57, if the district received health and safety aid according to that section for the second preceding year;

~~(F)~~ ~~(C)~~ sections 124D.20, 124D.21, and 124D.56, if the district received aid for community education programs according to any of those sections for the second preceding year;

~~(G)~~ ~~(D)~~ section 124D.135, subdivision 3, if the district received early childhood family education aid according to section 124D.135 for the second preceding year; and

~~(H)~~ ~~section 125A.77, subdivision 3, if the district received special education levy equalization aid according to that section for the second preceding year;~~

~~(I)~~ ~~(E)~~ section 126C.17, subdivision 6, if the district received referendum equalization aid according to that section for the second preceding year; and

~~(J)~~ ~~section 124A.22, subdivision 4a, if the district received training and experience aid according to that section for the second preceding year; to~~

(ii) the total amount of the district's certified levy in the preceding ~~October~~ December, plus or minus auditor's adjustments.

Sec. 52. Minnesota Statutes 1998, section 127A.49, subdivision 3, is amended to read:

Subd. 3. [EXCESS TAX INCREMENT.] (a) If a return of excess tax increment is made to a district pursuant to section 469.176, subdivision 2, or upon decertification of a tax increment district, the school district's aid and levy limitations must be adjusted for the fiscal year in which the excess tax increment is paid under the provisions of this subdivision.

(b) An amount must be subtracted from the district's aid for the current fiscal year equal to the product of:

(1) the amount of the payment of excess tax increment to the district, times

(2) the ratio of:

(i) the sum of the amounts of the district's certified levy for the fiscal year in which the excess tax increment is paid according to the following:

(A) section 126C.13, if the district received general education aid according to that section for the second preceding year;

~~(B) section 124.226, subdivisions 1 and 4, if the district received transportation aid according to section 123B.92 for the second preceding year;~~

~~(C) section 124.243, if the district received capital expenditure facilities aid according to that section for the second preceding year;~~

~~(D) section 124.244, if the district received capital expenditure equipment aid according to that section for the second preceding year;~~

~~(E)~~ section 123B.57, if the district received health and safety aid according to that section for the second preceding year;

~~(F)~~ ~~(C)~~ sections 124D.20, 124D.21, and 124D.56, if the district received aid for community education programs according to any of those sections for the second preceding year;

~~(G)~~ ~~(D)~~ section 124D.135, subdivision 3, if the district received early childhood family education aid according to section 124D.135 for the second preceding year; and

~~(H)~~ ~~section 125A.77, subdivision 3, if the district received special education levy equalization aid according to that section for the second preceding year;~~

~~(I)~~ ~~(E)~~ section 126C.17, subdivision 6, if the district received referendum equalization aid according to that section for the second preceding year; and

~~(J) section 124A.22, subdivision 4a, if the district received training and experience aid according to that section for the second preceding year; to~~

(ii) the total amount of the district's certified levy for the fiscal year, plus or minus auditor's adjustments.

(c) An amount must be subtracted from the school district's levy limitation for the next levy certified equal to the difference between:

(1) the amount of the distribution of excess increment; and

(2) the amount subtracted from aid pursuant to clause (a).

If the aid and levy reductions required by this subdivision cannot be made to the aid for the fiscal year specified or to the levy specified, the reductions must be made from aid for subsequent fiscal years, and from subsequent levies. The school district must use the payment of excess tax increment to replace the aid and levy revenue reduced under this subdivision.

(d) This subdivision applies only to the total amount of excess increments received by a district for a calendar year that exceeds \$25,000.

Sec. 53. Minnesota Statutes 1998, section 127A.51, is amended to read:

127A.51 [STATEWIDE AVERAGE REVENUE.]

By October 1 of each year the commissioner must estimate the statewide average adjusted general revenue per resident adjusted marginal cost pupil unit and the disparity in adjusted general revenue among pupils and districts by computing the ratio of the ninety-fifth percentile to the fifth percentile of adjusted general revenue. The commissioner must provide that information to all districts.

If the disparity in adjusted general revenue as measured by the ratio of the ninety-fifth percentile to the fifth percentile increases in any year, the commissioner shall recommend to the legislature options for change in the general education formula that will limit the disparity in adjusted general revenue to no more than the disparity for the previous school year. The commissioner must submit the recommended options to the education committees of the legislature by January 15.

For purposes of this section, adjusted general revenue means the sum of basic revenue under section 126C.10, subdivision 2; supplemental revenue under section 126C.10, subdivisions 9 and 12; transition revenue under section 126C.10, subdivision 20; and referendum revenue under section 126C.17.

Sec. 54. Laws 1992, chapter 499, article 7, section 31, as amended by Laws 1998, chapter 398, article 1, section 39, is amended to read:

Sec. 31. [REPEALER.]

Minnesota Statutes 1990, sections 124A.02, subdivision 24; 124A.23, subdivisions 2 and 3; 124A.26, subdivisions 2 and 3; 124A.27; 124A.28; and 124A.29, subdivision 2; and Minnesota Statutes 1991 Supplement, sections 124A.02, subdivisions 16 and 23; 124A.03, subdivisions 1b, 1c, 1d, 1e, 1f, 1g, 1h, and 1i; 124A.04; 124A.22, subdivisions 2, 3, 4, 4a, 4b, 8, and 9; 124A.23, subdivisions 1, 4, and 5; 124A.24; 124A.26, subdivision 1; and 124A.29, subdivision 1, are repealed effective June 30, 2001 2002; Laws 1991, chapter 265, article 7, section 35, is repealed.

Sec. 55. Laws 1996, chapter 412, article 1, section 35, is amended to read:

Sec. 35. [REPEALER.]

Laws 1993, chapter 224, article 1, section 34, subdivision 1, is repealed. ~~Section 8 is repealed July 1, 1999.~~

Sec. 56. Laws 1997, First Special Session chapter 4, article 1, section 61, subdivision 1, is amended to read:

Subdivision 1. [REVENUE CONVERSION.] For taxes payable in 1998 and 1999, the commissioner of children, families, and learning shall adjust each school district's revenue authority that is established as a rate times net tax capacity or adjusted net tax capacity under Minnesota Statutes, chapters ~~124 and 124A~~ 120B, 122A, 123A, 123B, 124D, 125A, 126C, and 127A, by multiplying each revenue amount by the ratio of the statewide tax capacity as calculated using the class rates in effect for assessment year 1996 to the statewide tax capacity using the class rates for that assessment year. Tax rates for referendum revenues according to Minnesota Statutes, section 126C.17, and operating debt levies according to Minnesota Statutes, section 126C.42, established for an individual district under this subdivision for taxes payable in 1999 shall remain in effect for later years for which the revenue is authorized to be computed as a rate times net tax capacity or adjusted net tax capacity.

Sec. 57. Laws 1997, First Special Session chapter 4, article 1, section 61, subdivision 2, is amended to read:

Subd. 2. [TAX RATE ADJUSTMENT.] For taxes payable in 1998 and 1999, the commissioner shall adjust each tax rate established under Minnesota Statutes, chapters ~~124 and 124A~~ 120B, 122A, 123A, 123B, 124D, 125A, 126C, and 127A, by multiplying the rate by the ratio of the statewide tax capacity as calculated using the class rates in effect for assessment year 1996 to the statewide tax capacity using the class rates for that assessment year.

Sec. 58. Laws 1997, First Special Session chapter 4, article 1, section 61, subdivision 3, as amended by Laws 1998, chapter 398, article 1, section 41, is amended to read:

Subd. 3. [EQUALIZING FACTORS.] For taxes payable in 1998 and 1999, the commissioner shall adjust each equalizing factor established using adjusted net tax capacity per actual pupil unit under Minnesota Statutes, chapters ~~124 and 124A~~ 120B, 122A, 123A, 123B, 124D, 125A, 126C, and 127A, by dividing the equalizing factor by the ratio of the statewide tax capacity as calculated using the class rates in effect for assessment year 1996 to the statewide tax capacity using the class rates for that assessment year.

Sec. 59. Laws 1997, First Special Session chapter 4, article 1, section 61, subdivision 4, is amended to read:

Subd. 4. [QUALIFYING RATE.] For taxes payable in 1998 and 1999, the commissioner shall adjust the qualifying rate under Minnesota Statutes, section 124.95, subdivision 3, by multiplying the qualifying rate times the ratio of the statewide tax capacity, as calculated using the class rates in effect for assessment year 1996, to the statewide tax capacity using the class rates for that assessment year.

Sec. 60. [FUND TRANSFERS.]

Subdivision 1. [MONTICELLO.] Notwithstanding Minnesota Statutes, sections 123B.79, 123B.80, and 475.61, subdivision 4, on June 30, 1999, independent school district No. 882, Monticello, may permanently transfer up to \$650,000 from its debt redemption fund to its general fund.

Subd. 2. [WHITE BEAR LAKE.] Notwithstanding Minnesota Statutes, sections 123B.79, 123B.80, and 475.61, subdivision 4, on June 30, 1999, independent school district No. 624, White Bear Lake, a district recently out of statutory operating debt, may permanently transfer up to \$650,000 from its debt redemption fund to its general fund without making a levy reduction.

Subd. 3. [OKLEE.] Notwithstanding Minnesota Statutes, section 123B.53, on June 30, 1999, independent school district No. 627, Oklee, may permanently transfer \$44,300 from its debt service fund to its general fund.

Subd. 4. [DEER RIVER.] Notwithstanding Minnesota Statutes, sections 123B.79, 123B.80, and 475.61, subdivision 4, on June 30, 1999, independent school district No. 317, Deer River, may

permanently transfer up to \$315,000 from the debt redemption fund to its building construction fund without making a levy reduction.

Subd. 5. [FARIBAULT.] Notwithstanding Minnesota Statutes, section 123B.79, or other law, on or before June 30, 2000, independent school district No. 656, Faribault, may transfer an amount equal to the sale of the school district's excess property from its capital operating account to the undesignated general fund, not to exceed \$1,000,000. This transfer shall be used for the purposes of defraying the district's operating debt and shall not be subject to salary negotiations.

Subd. 6. [WESTONKA.] Notwithstanding Minnesota Statutes, sections 123B.79, 123B.80, and 475.61, subdivision 4, on June 30, 1999, independent school district No. 277, Westonka, may permanently transfer up to \$235,000 from its debt redemption fund to its general fund without making a levy reduction to help the school district out of statutory operating debt.

Sec. 61. [LEASE LEVY FOR ADMINISTRATIVE SPACE; EDEN PRAIRIE.]

Each year, independent school district No. 272, Eden Prairie, may levy the amount necessary to rent or lease administrative space so that space previously used for administrative purposes may be used for instructional purposes.

Sec. 62. [OPERATING DEBT LEVY FOR TRACY SCHOOL DISTRICT.]

Subdivision 1. [OPERATING DEBT ACCOUNT.] On July 1, 1999, independent school district No. 417, Tracy, shall establish a reserve account in the general fund. The balance in this fund shall equal the unreserved undesignated fund balance in the operating funds of the district as of June 30, 1999.

Subd. 2. [LEVY.] For taxes payable in each of the years 2000 to 2004, the district may levy an amount up to 20 percent of the balance in the account on July 1, 1999. The balance in the account shall be adjusted each year by the amount of the proceeds of the levy. The proceeds of the levy shall be used only for cash flow requirements and shall not be used to supplement district revenues or income for the purposes of increasing the district's expenditures or budgets.

Subd. 3. [NO LOCAL APPROVAL.] Pursuant to Minnesota Statutes, section 645.023, subdivision 1, paragraph (a), this section is effective without local approval.

Sec. 63. [DIRECTION TO THE DEPARTMENT.]

For fiscal year 2000 only, the department of children, families, and learning shall make appropriate weighting adjustments to fiscal year 1999 pupil units to reflect the impact of Minnesota Statutes, section 126C.05, subdivision 5, paragraph (b), and subdivision 6, paragraph (b).

Sec. 64. [CONTINGENT FORMULA INCREASE.]

(a) If on the basis of the November 1999 forecast there is an available unrestricted general fund balance projected for June 30, 2001, the commissioner of finance shall implement the provisions in paragraphs (b) to (f) before giving effect to Minnesota Statutes, section 16A.152, subdivision 2.

(b) The general education formula allowance, as defined in Minnesota Statutes, section 126C.10, subdivision 2, shall be increased in fiscal year 2001 and later years by an amount not to exceed \$50, rounded to the nearest dollar, if the planning estimates in the November 1999 forecast for fiscal year 2002 and fiscal year 2003 show that projected revenues, excluding prior year balances and excluding settlement payments received pursuant to section IIB of the settlement document filed May 18, 1998, in State v. Philip Morris, Inc., No. C1-94-8565 (Minnesota District Court, Second Judicial District), will be greater than projected expenditures for each year.

(c) The amount available to fund the increase in paragraph (b) is the lesser of:

(1) the available unrestricted general fund balance projected for June 30, 2001; or

(2) the lowest amount to which projected revenues, excluding prior year balances and

excluding settlement payments received pursuant to section IIB of the settlement document filed May 18, 1998, in State v. Philip Morris, Inc., No. C1-94-8565 (Minnesota District Court, Second Judicial District), exceed projected expenditures for any year.

(d) The amount necessary to implement this section is appropriated from the general fund.

(e) The amount available to increase the formula allowance shall be certified to the commissioner of children, families, and learning the day after release of the November 1999 forecast.

(f) The commissioner of the department of children, families, and learning shall notify school districts of the resulting increase in the formula within two weeks of the certification.

Sec. 65. [SUPPLEMENTAL REVENUE.]

Supplemental revenue for fiscal years 2000 and later under Minnesota Statutes, section 126C.10, subdivision 9, is increased by the following amounts:

(1) for independent school district No. 11, Anoka, \$2,000,000; and

(2) for independent school district No. 279, Osseo, \$500,000.

Supplemental revenue increased under this section is not subject to reduction under Minnesota Statutes, section 126C.10, subdivision 12.

Sec. 66. [EQUITY REVENUE ADJUSTMENT.]

For fiscal years 2000 and 2001, a school district that does not have an operating referendum is eligible for additional equity revenue under section 30 equal to \$12 times the district's adjusted marginal cost pupil units for that year.

Sec. 67. [CLASS SIZE, ALL-DAY KINDERGARTEN, AND SPECIAL EDUCATION STUDENT-TO-INSTRUCTOR RATIO RESERVE.]

A district is required to reserve \$3 in fiscal year 2000 and \$11 in fiscal year 2001 and later per adjusted marginal cost pupil unit for class size reduction, all-day kindergarten, or for reducing special education student-to-instructor ratios. The school board of each district must pass a resolution stating which one of these three programs will be funded with this reserve. The reserve amount under this section must be allocated to the education site as defined in Minnesota Statutes, section 123B.04, subdivision 1.

Sec. 68. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING.] The sums indicated in this section are appropriated from the general fund to the department of children, families, and learning for the fiscal years designated.

Subd. 2. [GENERAL AND SUPPLEMENTAL EDUCATION AID.] For general and supplemental education aid:

<u>\$3,062,321,000</u>	<u>.....</u>	<u>2000</u>
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<u>\$3,160,518,000</u>	<u>.....</u>	<u>2001</u>
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The 2000 appropriation includes \$272,186,000 for 1999 and \$2,790,135,000 for 2000.

The 2001 appropriation includes \$310,015,000 for 2000 and \$2,850,503,000 for 2001.

Subd. 3. [TRANSPORTATION SAFETY.] For student transportation safety aid according to Minnesota Statutes, section 123B.92, subdivision 4:

<u>\$144,000</u>	<u>.....</u>	<u>2000</u>
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The 2000 appropriation includes \$144,000 for 1999.

Subd. 4. [TRANSPORTATION AID FOR ENROLLMENT OPTIONS.] For transportation of pupils attending post-secondary institutions according to Minnesota Statutes, section 124D.09, or for transportation of pupils attending nonresident districts according to Minnesota Statutes, section 124D.03:

<u>\$102,000</u>	<u>.....</u>	<u>2000</u>
<u>\$102,000</u>	<u>.....</u>	<u>2001</u>

Any balance in the first year does not cancel but is available in the second year.

Subd. 5. [DISTRICT COOPERATION REVENUE.] For district cooperation revenue aid:

<u>\$5,940,000</u>	<u>.....</u>	<u>2000</u>
<u>\$ 563,000</u>	<u>.....</u>	<u>2001</u>

The 2000 appropriation includes \$869,000 for 1999 and \$5,071,000 for 2000.

The 2001 appropriation includes \$563,000 for 2000 and \$0 for 2001.

Sec. 69. [REPEALER.]

(a) Minnesota Statutes 1998, sections 123B.89; and 123B.92, subdivisions 2, 4, 6, 7, 8, and 10, are repealed.

(b) Minnesota Statutes 1998, section 120B.05, is repealed effective for revenue for fiscal year 2000.

(c) Minnesota Statutes 1998, section 124D.65, subdivisions 1, 2, and 3, are repealed effective for revenue for fiscal year 2001.

(d) Minnesota Statutes 1998, sections 124D.67; 126C.05, subdivision 4; and 126C.06, are repealed effective the day following final enactment.

This appropriation is available until June 30, 2001.

Sec. 70. [EFFECTIVE DATES.]

Sections 13, 14, 26, 30, 37, and 39 are effective for revenue for fiscal year 2000 and later. Sections 46, 47, and 55 to 60 are effective the day following final enactment. Section 61 is effective for taxes payable in 2000 and later.

ARTICLE 2 SPECIAL PROGRAMS

Section 1. Minnesota Statutes 1998, section 121A.23, is amended to read:

121A.23 [HEALTH-RELATED PROGRAMS.]

Subdivision 1. [AIDS SEXUALLY TRANSMITTED DISEASES PROGRAM.] The commissioner of children, families, and learning, in consultation with the commissioner of health, shall assist districts in developing and implementing a program to prevent and reduce the risk of ~~acquired immune deficiency syndrome~~ sexually transmitted infections and diseases, including but not exclusive to human immune deficiency virus and human papilloma virus. Each district must have a program that includes at least:

- (1) planning materials, guidelines, and other technically accurate and updated information;
- (2) a comprehensive, technically accurate, and updated curriculum that includes helping students to abstain from sexual activity until marriage;
- (3) cooperation and coordination among districts and SCs;

(4) a targeting of adolescents, especially those who may be at high risk of contracting AIDS sexually transmitted infections and diseases, for prevention efforts;

(5) involvement of parents and other community members;

(6) in-service training for appropriate district staff and school board members;

(7) collaboration with state agencies and organizations having ~~an AIDS~~ a sexually transmitted infection and disease prevention or AIDS sexually transmitted infection and disease risk reduction program;

(8) collaboration with local community health services, agencies and organizations having ~~an AIDS~~ a sexually transmitted infection and disease prevention or AIDS sexually transmitted infection and disease risk reduction program; and

(9) participation by state and local student organizations.

The department may provide assistance at a neutral site to a nonpublic school participating in a district's program. District programs must not conflict with the health and wellness curriculum developed under Laws 1987, chapter 398, article 5, section 2, subdivision 7.

If a district fails to develop and implement a program to prevent and reduce the risk of AIDS sexually transmitted infection and disease, the department must assist the service cooperative in the region serving that district to develop or implement the program.

Subd. 2. [FUNDING SOURCES.] Districts may accept funds for AIDS sexually transmitted infection and disease prevention programs developed and implemented under this section from public and private sources including public health funds and foundations, department professional development funds, federal block grants or other federal or state grants.

Sec. 2. Minnesota Statutes 1998, section 121A.43, as amended by Laws 1999, chapter 123, section 2, is amended to read:

121A.43 [EXCLUSION AND EXPULSION OF PUPILS WITH A DISABILITY.]

When a pupil who has an individual education plan is excluded or expelled under sections 121A.40 to 121A.56 for misbehavior that is not a manifestation of the pupil's disability, the district shall continue to provide special education and related services after a period of suspension, if suspension is imposed. The district shall initiate a review of the ~~student's~~ pupil's individual education plan and conduct a review of the relationship between the ~~student's~~ pupil's disability and the behavior subject to disciplinary action and determine the appropriateness of the ~~student's~~ pupil's education plan before commencing an expulsion or exclusion.

Sec. 3. Minnesota Statutes 1998, section 122A.28, is amended to read:

122A.28 [TEACHERS OF DEAF AND HARD-OF-HEARING STUDENTS; LICENSURE REQUIREMENTS.]

Subdivision 1. [K-12 LICENSE TO TEACH DEAF AND HARD-OF-HEARING STUDENTS.] The board of teaching must review and determine appropriate licensure requirements for a candidate for a license or an applicant for a continuing license to teach deaf and hard-of-hearing students in prekindergarten through grade 12. In addition to other requirements, a candidate must demonstrate the minimum level of proficiency in American sign language as determined by the board.

Subd. 2. [LICENSURE FOR TEACHING ORAL/AURAL DEAF EDUCATION PROGRAMS.] (a) The board of teaching shall adopt a separate licensure rule for a candidate for a license or an applicant for a continuing license to teach in oral/aural deaf education programs or to provide services, including itinerant oral/aural deaf education services, to deaf and hard-of-hearing students in prekindergarten through grade 12.

(b) The board shall design rule requirements for teaching oral/aural deaf education in

collaboration with representatives of parents and educators of deaf and hard-of-hearing students, post-secondary programs preparing teachers of deaf and hard-of-hearing students, and the department of children, families, and learning.

(c) Rule requirements for teaching oral/aural deaf education shall reflect best practice research in oral/aural deaf education. Advanced competencies in teaching deaf and hard-of-hearing students through oral/aural modes shall be included.

(d) Licensure requirements for teachers of oral/aural deaf education must include minimum competency in American sign language, but are not subject to the guidelines established in Laws 1993, chapter 224, article 3, section 32, as amended by Laws 1998, chapter 398, article 2, section 47. The signed communication proficiency interview shall not be required for teachers licensed to teach deaf and hard-of-hearing students through oral/aural deaf education methods.

(e) Requirements for teachers or oral/aural deaf education shall include appropriate continuing education requirements for renewing this licensure.

Sec. 4. Minnesota Statutes 1998, section 123A.05, subdivision 2, is amended to read:

Subd. 2. [RESERVE REVENUE.] Each district that is a member of an area learning center must reserve revenue in an amount equal to at least 90 percent of the district average general education revenue less compensatory per pupil unit minus an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2, times .0485, calculated without basic skills revenue ~~unit~~, transportation sparsity revenue, and the transportation portion of the transition revenue adjustment, times the number of pupil units attending an area learning center program under this section. The amount of reserved revenue under this subdivision may only be spent on program costs associated with the area learning center. Compensatory revenue must be allocated according to section 126C.15, subdivision 2.

Sec. 5. Minnesota Statutes 1998, section 123A.05, subdivision 3, is amended to read:

Subd. 3. [ACCESS TO SERVICES.] A center shall have access to the district's regular education programs, special education programs, technology facilities, and staff. It may contract with individuals or post-secondary institutions. It shall seek the involvement of community education programs, post-secondary institutions, interagency collaboratives, culturally based organizations, mutual assistance associations, and other community resources, businesses, and other federal, state, and local public agencies.

Sec. 6. Minnesota Statutes 1998, section 123A.06, subdivision 1, is amended to read:

Subdivision 1. [PROGRAM FOCUS.] (a) The programs and services of a center must focus on academic and learning skills, applied learning opportunities, trade and vocational skills, work-based learning opportunities, work experience, youth service to the community, ~~and~~ transition services, and English language and literacy programs for children whose primary language is a language other than English. Applied learning, work-based learning, and service learning may best be developed in collaboration with a local education and transitions partnership, culturally based organizations, mutual assistance associations, or other community resources. In addition to offering programs, the center shall coordinate the use of other available educational services, special education services, social services, health services, and post-secondary institutions in the community and services area.

(b) Consistent with the requirements of sections 121A.40 to 121A.56, a school district may provide an alternative education program for a student who is within the compulsory attendance age under section 120A.20, and who is involved in severe or repeated disciplinary action.

Sec. 7. Minnesota Statutes 1998, section 123A.06, subdivision 2, is amended to read:

Subd. 2. [PEOPLE TO BE SERVED.] A center shall provide programs for secondary pupils and adults. A center may also provide programs and services for elementary and secondary pupils who are not attending the center to assist them in being successful in school. A center shall use research-based best practices for serving limited English proficient students and their parents. An

individual education plan team may identify a center as an appropriate placement to the extent a center can provide the student with the appropriate special education services described in the student's plan. Pupils eligible to be served are those age five to adults 22 and older who qualify under the graduation incentives program in section 124D.68, subdivision 2, or those pupils who are eligible to receive special education services under sections 125A.03 to 125A.24, and 125A.65.

Sec. 8. Minnesota Statutes 1998, section 123B.75, is amended by adding a subdivision to read:

Subd. 6a. [INTEGRATION AID.] Integration aid received under section 127A.45, subdivision 12a, must be recognized in the same fiscal year as the integration levy.

Sec. 9. Minnesota Statutes 1998, section 124D.081, subdivision 3, is amended to read:

Subd. 3. [QUALIFYING SCHOOL SITE.] (a) The commissioner shall rank all school sites with kindergarten programs that do not exclusively serve students under sections 125A.03 to 125A.24, and 125A.65. The ranking must be from highest to lowest based on the site's free and reduced lunch count as a percent of the fall enrollment using the preceding October 1 enrollment data. Once a school site is calculated to be eligible, it remains eligible for the duration of the pilot program, unless the site's ranking falls below the state average for elementary schools. For each school site, the percentage used to calculate the ranking must be the greater of (1) the percent of the fall kindergarten enrollment receiving free and reduced lunch, or (2) the percent of the total fall enrollment receiving free and reduced lunch. The list of ranked sites must be separated into the following geographic areas: Minneapolis district, St. Paul district, suburban Twin Cities districts in the seven-county metropolitan area, and school districts in greater Minnesota.

(b) The commissioner shall establish a process and timelines to qualify school sites for the next school year. School sites must be qualified in each geographic area from the list of ranked sites until the estimated revenue available for this program has been allocated. The total estimated revenue must be distributed to qualified school sites in each geographic area as follows: 25 percent for Minneapolis sites, 25 percent for St. Paul sites, 25 percent for suburban Twin Cities sites, and 25 percent for greater Minnesota.

Sec. 10. Minnesota Statutes 1998, section 124D.454, subdivision 5, is amended to read:

Subd. 5. [STATE TOTAL SCHOOL-TO-WORK PROGRAM-DISABLED REVENUE.] The state total school-to-work program-disabled revenue for fiscal year 1998 2000 equals \$8,924,000 \$8,982,000. The state total school-to-work program-disabled revenue for fiscal year 1999 2001 equals \$8,976,000 \$8,966,000. The state total school-to-work program-disabled revenue for later fiscal years equals:

- (1) the state total school-to-work program-disabled revenue for the preceding fiscal year; times
- (2) the program growth factor; times
- (3) the ratio of the state total average daily membership for the current fiscal year to the state total average daily membership for the preceding fiscal year.

Sec. 11. Minnesota Statutes 1998, section 124D.65, subdivision 4, is amended to read:

Subd. 4. [STATE TOTAL LEP REVENUE.] (a) The state total limited English proficiency programs revenue for fiscal year 1998 2000 equals \$14,629,000 \$27,454,000. The state total limited English proficiency programs revenue for fiscal year 1999 2001 equals \$16,092,000 \$31,752,000.

- (b) The state total limited English proficiency programs revenue for later fiscal years equals:
- (1) the state total limited English proficiency programs revenue for the preceding fiscal year; times
 - (2) the program growth factor under section 125A.76 subdivision 1; times

(3) the ratio of the state total number of pupils with limited English proficiency for the current fiscal year to the state total number of pupils with limited English proficiency for the preceding fiscal year.

Sec. 12. Minnesota Statutes 1998, section 124D.87, is amended to read:

124D.87 [INTERDISTRICT DESEGREGATION OR INTEGRATION TRANSPORTATION GRANTS AID.]

(a) A district that provides transportation of pupils to and from an interdistrict program for desegregation or integration purposes ~~may apply to the commissioner~~ is eligible for a grant state aid to cover the additional costs of transportation.

(b) A district in the metropolitan area may apply to the commissioner for a ~~grant state aid to cover the costs of transporting pupils who are enrolled under section 124D.03 if the enrollment of the student in the nonresident district contributes to desegregation or integration purposes.~~ The commissioner shall develop the form and manner of applications for state aid, the criteria to be used to determine when transportation is for desegregation or integration purposes, and the accounting procedure to be used to determine excess costs. ~~In determining the grant amount aid amounts, the commissioner shall consider other revenue received by the district for transportation for desegregation or integration purposes.~~

(c) ~~Grants may be awarded~~ Aid must be paid under paragraph (b) only if grants-awarded aid amounts under paragraph (a) have been fully funded.

Sec. 13. Minnesota Statutes 1998, section 125A.09, subdivision 4, is amended to read:

Subd. 4. [DISPUTE RESOLUTION.] Parents and guardians must have an opportunity to meet with appropriate district staff in at least one conciliation conference, mediation, or other method of alternative dispute resolution that the parties agree to, if they object to any proposal of which they are notified under subdivision 1. The state intends to encourage parties to resolve disputes through mediation or other form of alternative dispute resolution. A school district and a parent or guardian must participate in mediation using mediation services acceptable to both parties, unless a party objects to the mediation. Mediation shall remain available to the parties until a party objects to the mediation, or the mediator determines that further efforts to mediate a dispute are not warranted. All mediation is subject to the confidentiality requirements under rule 114.08 of the general rules of practice for the district courts. Alternative dispute resolution must not be used to deny or delay a parent or guardian's right to a due process hearing. If the parent or guardian refuses efforts by the district to conciliate the dispute with the district, the requirement of an opportunity for conciliation or other alternative dispute resolution must be deemed to be satisfied. Notwithstanding other law, in any proceeding following a conciliation conference, the district must not offer a conciliation conference memorandum into evidence, except for any portions that describe the district's final proposed offer of service. Otherwise, with respect to forms of dispute resolution, mediation, or conciliation, Minnesota Rule of Evidence 408 applies. ~~The department may reimburse the districts or directly pay the costs of lay advocates, not to exceed \$150 per dispute, used in conjunction with alternative dispute resolution.~~

Sec. 14. Minnesota Statutes 1998, section 125A.15, is amended to read:

125A.15 [PLACEMENT IN ANOTHER DISTRICT; RESPONSIBILITY.]

The responsibility for special instruction and services for a child with a disability temporarily placed in another district for care and treatment shall be determined in the following manner:

(a) The district of residence of a child shall be the district in which the child's parent resides, if living, or the child's guardian, or the district designated by the commissioner if neither parent nor guardian is living within the state.

(b) When a child is temporarily placed for care and treatment in a day program located in another district and the child continues to live within the district of residence during the care and treatment, the district of residence is responsible for providing transportation to and from the care

and treatment facility and an appropriate educational program for the child. Transportation shall only be provided by the district during regular operating hours of the district. The district may provide the educational program at a school within the district of residence, at the child's residence, or in the district in which the day treatment center is located by paying tuition to that district.

(c) When a child is temporarily placed in a residential program for care and treatment, the nonresident district in which the child is placed is responsible for providing an appropriate educational program for the child and necessary transportation while the child is attending the educational program; and must bill the district of the child's residence for the actual cost of providing the program, as outlined in section 125A.11. However, the board, lodging, and treatment costs incurred in behalf of a child with a disability placed outside of the school district of residence by the commissioner of human services or the commissioner of corrections or their agents, for reasons other than providing for the child's special educational needs must not become the responsibility of either the district providing the instruction or the district of the child's residence. For the purposes of this section, the state correctional facilities operated on a fee-for-service basis are considered to be residential programs for care and treatment.

(d) The district of residence shall pay tuition and other program costs, not including transportation costs, to the district providing the instruction and services. The district of residence may claim general education aid for the child as provided by law. Transportation costs must be paid by the district responsible for providing the transportation and the state must pay transportation aid to that district.

Sec. 15. [125A.155] [SPECIAL EDUCATION RECIPROCITY; COMMISSIONER DUTIES.]

The commissioner of children, families, and learning must develop a special education reciprocity agreement form. The reciprocity form must specify the procedures used to calculate special education tuition charges for both Minnesota students that are served in other states and for out-of-state students who are served in Minnesota. The commissioner shall attempt to enter into reciprocity agreements with any state that sends students to Minnesota and any state that provides services to Minnesota students.

Sec. 16. Minnesota Statutes 1998, section 125A.50, subdivision 2, is amended to read:

Subd. 2. [APPLICATION CONTENTS.] The application must set forth:

(1) instructional services available to eligible pupils under section ~~124D.67~~ 124D.66, subdivision 3 2, and pupils with a disability under section 125A.02;

(2) criteria to select pupils for the program and the assessment procedures to determine eligibility;

(3) involvement in the program of parents of pupils in the program, parent advocates, and community special education advocates;

(4) accounting procedures to document that federal special education money is used to supplement or increase the level of special education instruction and related services provided with state and local revenue, but in no case to supplant the state and local revenue, and that districts are expending at least the amount for special education instruction and related services required by federal law;

(5) the role of regular and special education teachers in planning and implementing the program; and

(6) other information requested by the commissioner.

Sec. 17. Minnesota Statutes 1998, section 125A.50, subdivision 5, is amended to read:

Subd. 5. [ANNUAL REPORT.] Each year the district must submit to the commissioner a report containing the information described in subdivision 3 ~~and section 124D.67, subdivision 7.~~

Sec. 18. Minnesota Statutes 1998, section 125A.51, is amended to read:

125A.51 [PLACEMENT OF CHILDREN WITHOUT DISABILITIES; EDUCATION AND TRANSPORTATION.]

The responsibility for providing instruction and transportation for a pupil without a disability who has a short-term or temporary physical or emotional illness or disability, as determined by the standards of the state board, and who is temporarily placed for care and treatment for that illness or disability, must be determined as provided in this section.

(a) ~~The school district of residence of the pupil is the district in which the pupil's parent or guardian resides or the district designated by the commissioner if neither parent nor guardian is living within the state and tuition has been denied.~~

(b) When parental rights have been terminated by court order, the legal residence of a child placed in a residential or foster facility for care and treatment is the district in which the child resides when parental rights have been terminated.

~~(b)~~ (c) Before the placement of a pupil for care and treatment, the district of residence must be notified and provided an opportunity to participate in the placement decision. When an immediate emergency placement is necessary and time does not permit resident district participation in the placement decision, the district in which the pupil is temporarily placed, if different from the district of residence, must notify the district of residence of the emergency placement within 15 days of the placement.

~~(e)~~ (d) When a pupil without a disability is temporarily placed for care and treatment in a day program and the pupil continues to live within the district of residence during the care and treatment, the district of residence must provide instruction and necessary transportation to and from the treatment facility for the pupil. Transportation shall only be provided by the district during regular operating hours of the district. The district may provide the instruction at a school within the district of residence, at the pupil's residence, or in the case of a placement outside of the resident district, in the district in which the day treatment program is located by paying tuition to that district. The district of placement may contract with a facility to provide instruction by teachers licensed by the state board of teaching.

~~(d)~~ (e) When a pupil without a disability is temporarily placed in a residential program for care and treatment, the district in which the pupil is placed must provide instruction for the pupil and necessary transportation while the pupil is receiving instruction, and in the case of a placement outside of the district of residence, the nonresident district must bill the district of residence for the actual cost of providing the instruction for the regular school year and for summer school, excluding transportation costs. When a pupil without a disability is temporarily placed in a residential program outside the district of residence, the administrator of the court placing the pupil must send timely written notice of the placement to the district of residence. The district of placement may contract with a residential facility to provide instruction by teachers licensed by the state board of teaching. For purposes of this section, the state correctional facilities operated on a fee-for-service basis are considered to be residential programs for care and treatment.

~~(e)~~ (f) The district of residence must include the pupil in its residence count of pupil units and pay tuition as provided in section 123A.488 to the district providing the instruction. Transportation costs must be paid by the district providing the transportation and the state must pay transportation aid to that district. For purposes of computing state transportation aid, pupils governed by this subdivision must be included in the disabled transportation category.

Sec. 19. [125A.515] [PLACEMENT OF CHILDREN WITHOUT DISABILITIES; APPROVAL OF EDUCATION PROGRAM.]

The commissioner shall approve education programs in care and treatment facilities for placement of children without disabilities, including detention centers, before being licensed by the department of human services or the department of corrections.

Sec. 20. Minnesota Statutes 1998, section 125A.62, is amended to read:

125A.62 [DUTIES OF STATE THE BOARD OF EDUCATION THE MINNESOTA STATE ACADEMIES.]

Subdivision 1. [GOVERNANCE.] The board of the ~~Faribault academy~~ Minnesota state academies shall govern the state academies for the deaf and the state academy for the blind. The board must promote academic standards based on high expectation and an assessment system to measure academic performance toward the achievement of those standards. The board must focus on the academies' needs as a whole and not prefer one school over the other. The board of the ~~Faribault~~ Minnesota state academies shall consist of ~~seven~~ nine persons. The members of the board shall be appointed by the governor with the advice and consent of the senate. ~~Three members~~ One member must be from the seven-county metropolitan area, ~~three members~~ one member must be from greater Minnesota, and one member may be appointed at-large. The board must be composed of:

- (1) one present or former superintendent of an independent school district;
- (2) one present or former special education director;
- (3) the commissioner of children, families, and learning or the commissioner's designee;
- (4) one member of the blind community;
- (5) one member of the deaf community; ~~and~~
- (6) two members of the general public with business, administrative, or financial expertise;
- (7) one nonvoting, unpaid ex officio member appointed by the site council for the state academy for the deaf; and
- (8) one nonvoting, unpaid ex officio member appointed by the site council for the state academy for the blind.

Subd. 2. [TERMS; COMPENSATION; AND OTHER.] The membership terms, compensation, removal of members, and filling of vacancies shall be as provided for in section 15.0575. Notwithstanding section 15.0575, a member may serve not more than two consecutive four-year terms.

Subd. 3. [MEETINGS.] All meetings of the board shall be as provided in section 471.705 and must be held in Faribault.

Subd. 4. [MOST BENEFICIAL, LEAST RESTRICTIVE.] The board must do what is necessary to provide the most beneficial and least restrictive program of education for each pupil at the academies who is handicapped by visual disability or deafness.

Subd. 5. [PLANNING, EVALUATION, AND REPORTING.] To the extent required in school districts, the board must establish a process for the academies to include parent and community input in the planning, evaluation, and reporting of curriculum and pupil achievement.

Subd. 6. [SITE COUNCILS.] The board ~~may~~ must establish, and appoint members to, a site council at each academy. The site councils shall exercise power and authority granted by the board. The board must appoint to each site council the exclusive representative's employee designee from each exclusive representative at the academies. The site councils may make a recommendation to the governor regarding board appointments no more than 30 days after receiving the list of applicants from the governor.

Subd. 7. [TRUSTEE OF ACADEMIES' PROPERTY.] The board is the trustee of the academies' property. Securities and money, including income from the property, must be deposited in the state treasury according to section 16A.275. The deposits are subject to the order of the board.

Subd. 8. [GRANTS.] The board, through the chief administrators of the academies, may apply for all competitive grants administered by agencies of the state and other government or

nongovernment sources. Application may not be made for grants over which the board has discretion.

Sec. 21. Minnesota Statutes 1998, section 125A.64, is amended to read:

125A.64 [POWERS OF BOARD OF THE FARIBAULT MINNESOTA STATE ACADEMIES.]

Subdivision 1. [PERSONNEL.] The board of the Faribault Minnesota state academies may employ central administrative staff members and other personnel necessary to provide and support programs and services at each academy.

Subd. 2. [GET HELP FROM DEPARTMENT.] The board of the Faribault Minnesota state academies may require the department of children, families, and learning to provide program leadership, program monitoring, and technical assistance at the academies.

Subd. 3. [UNCLASSIFIED POSITIONS.] The board of the Faribault Minnesota state academies may place any position other than residential academies administrator in the unclassified service. The position must meet the criteria in section 43A.08, subdivision 1a.

Subd. 4. [RESIDENTIAL AND BUILDING MAINTENANCE SERVICES.] The board of the Faribault Minnesota state academies may enter into agreements with public or private agencies or institutions to provide residential and building maintenance services. The board of the Faribault Minnesota state academies must first decide that contracting for the services is more efficient and less expensive than not contracting for them.

Subd. 5. [STUDENT TEACHERS AND PROFESSIONAL TRAINEES.] (a) The board of the Faribault Minnesota state academies may enter into agreements with teacher preparation institutions for student teachers to get practical experience at the academies. A licensed teacher must provide appropriate supervision of each student teacher.

(b) The board of the Faribault Minnesota state academies may enter into agreements with accredited higher education institutions for certain student trainees to get practical experience at the academies. The students must be preparing themselves in a professional field that provides special services to children with a disability in school programs. To be a student trainee in a field, a person must have completed at least two years of an approved program in the field. A person who is licensed or registered in the field must provide appropriate supervision of each student trainee.

Sec. 22. Minnesota Statutes 1998, section 125A.65, subdivision 3, is amended to read:

Subd. 3. [EDUCATIONAL PROGRAM; TUITION.] When it is determined pursuant to section 125A.69, subdivision 1 or 2, that the child is entitled to attend either school, the board of the Faribault Minnesota state academies must provide the appropriate educational program for the child. The board of the Faribault Minnesota state academies must make a tuition charge to the child's district of residence for the cost of providing the program. The amount of tuition charged must not exceed the basic revenue of the district for that child, for the amount of time the child is in the program. For purposes of this subdivision, "basic revenue" has the meaning given it in section 126C.10, subdivision 2. The district of the child's residence must pay the tuition and may claim general education aid for the child. Tuition received by the board of the Faribault Minnesota state academies, except for tuition received under subdivision 4, must be deposited in the state treasury as provided in subdivision 8.

Sec. 23. Minnesota Statutes 1998, section 125A.65, subdivision 5, is amended to read:

Subd. 5. [PROVIDING APPROPRIATE EDUCATIONAL PROGRAMS.] When it is determined that the child can benefit from public school enrollment but that the child should also remain in attendance at the applicable school, the district where the institution is located must provide an appropriate educational program for the child and must make a tuition charge to the board of the Faribault Minnesota state academies for the actual cost of providing the program, less any amount of aid received pursuant to section 125A.75. The board of the Faribault Minnesota

state academies must pay the tuition and other program costs including the unreimbursed transportation costs. Aids for children with a disability must be paid to the district providing the special instruction and services. Special transportation must be provided by the district providing the educational program and the state must reimburse that district within the limits provided by law.

Sec. 24. Minnesota Statutes 1998, section 125A.65, subdivision 6, is amended to read:

Subd. 6. [TUITION REDUCTION.] Notwithstanding the provisions of subdivisions 3 and 5, the board of the Faribault Minnesota state academies may agree to make a tuition charge for less than the amount specified in subdivision 3 for pupils attending the applicable school who are residents of the district where the institution is located and who do not board at the institution, if that district agrees to make a tuition charge to the board of the Faribault Minnesota state academies for less than the amount specified in subdivision 5 for providing appropriate educational programs to pupils attending the applicable school.

Sec. 25. Minnesota Statutes 1998, section 125A.65, subdivision 7, is amended to read:

Subd. 7. [STAFF ALLOCATION.] Notwithstanding the provisions of subdivisions 3 and 5, the board of the Faribault Minnesota state academies may agree to supply staff from the Minnesota state academy for the deaf and the Minnesota state academy for the blind to participate in the programs provided by the district where the institutions are located when the programs are provided to students in attendance at the state schools.

Sec. 26. Minnesota Statutes 1998, section 125A.65, subdivision 8, is amended to read:

Subd. 8. [STUDENT COUNT; TUITION.] On May 1 of each year, the board of the Faribault Minnesota state academies shall count the actual number of Minnesota resident kindergarten and elementary students and the actual number of Minnesota resident secondary students enrolled and receiving education services at the Minnesota state academy for the deaf and the Minnesota state academy for the blind. The board of the Faribault Minnesota state academies shall deposit in the state treasury an amount equal to all tuition received less:

(1) the total number of students on May 1 less 175, times the ratio of the number of kindergarten and elementary students to the total number of students on May 1, times the general education formula allowance; plus

(2) the total number of students on May 1 less 175, times the ratio of the number of secondary students on May 1 to the total number of students on May 1, times 1.3, times the general education formula allowance.

Sec. 27. Minnesota Statutes 1998, section 125A.65, subdivision 10, is amended to read:

Subd. 10. [ANNUAL APPROPRIATION.] There is annually appropriated to the department for the Faribault Minnesota state academies the tuition amounts received and credited to the general operation account of the academies under this section. A balance in an appropriation under this paragraph does not cancel but is available in successive fiscal years.

Sec. 28. Minnesota Statutes 1998, section 125A.68, subdivision 1, is amended to read:

Subdivision 1. [SUBJECTS.] The board of the Faribault Minnesota state academies must establish procedures for:

- (1) admission, including short-term admission, to the academies;
- (2) discharge from the academies;
- (3) decisions on a pupil's program at the academies; and
- (4) evaluation of a pupil's progress at the academies.

Sec. 29. Minnesota Statutes 1998, section 125A.69, subdivision 1, is amended to read:

Subdivision 1. [TWO KINDS.] There are two kinds of admission to the Minnesota state academies.

(a) A pupil who is deaf, hard of hearing, or blind-deaf, may be admitted to the academy for the deaf. A pupil who is blind or visually impaired, blind-deaf, or multiply handicapped may be admitted to the academy for the blind. For a pupil to be admitted, two decisions must be made under sections 125A.03 to 125A.24 and 125A.65.

(1) It must be decided by the individual education planning team that education in regular or special education classes in the pupil's district of residence cannot be achieved satisfactorily because of the nature and severity of the deafness or blindness or visual impairment respectively.

(2) It must be decided by the individual education planning team that the academy provides the most appropriate placement within the least restrictive alternative for the pupil.

(b) A deaf or hard of hearing child or a visually impaired pupil may be admitted to get socialization skills or on a short-term basis for skills development.

Sec. 30. Minnesota Statutes 1998, section 125A.69, subdivision 3, is amended to read:

Subd. 3. [OUT-OF-STATE ADMISSIONS.] An applicant from another state who can benefit from attending either academy may be admitted to the academy if the admission does not prevent an eligible Minnesota resident from being admitted. ~~The state board of education~~ board of the Minnesota state academies must obtain reimbursement from the other state for the costs of the out-of-state admission. ~~The state board~~ may enter into an agreement with the appropriate authority in the other state for the reimbursement. Money received from another state must be deposited in the general fund and credited to the general operating account of the academies. The money is appropriated to the academies.

Sec. 31. Minnesota Statutes 1998, section 125A.70, subdivision 2, is amended to read:

Subd. 2. [LOCAL SOCIAL SERVICES AGENCY.] If the person liable for support of a pupil cannot support the pupil, the local social services agency of the county of the pupil's residence must do so. The commissioner of children, families, and learning must decide how much the local social services agency must pay. The board of the ~~Faribault~~ Minnesota state academies must adopt rules that tell how the commissioner is to fix the amount. ~~The local social services agency~~ must make the payment to the superintendent of the school district of residence.

Sec. 32. Minnesota Statutes 1998, section 125A.71, subdivision 3, is amended to read:

Subd. 3. [CONTRACTS; FEES; APPROPRIATION.] ~~The state board of the Minnesota state academies~~ may enter into agreements for the academies to provide respite care and supplemental educational instruction and services including assessments and counseling. The agreements may be made with public or private agencies or institutions, school districts, service cooperatives, or counties. The board may authorize the academies to provide conferences, seminars, nondistrict and district requested technical assistance, and production of instructionally related materials.

Sec. 33. Minnesota Statutes 1998, section 125A.72, is amended to read:

125A.72 [STUDENT ACTIVITIES ACCOUNT.]

Subdivision 1. [STUDENT ACTIVITIES; RECEIPTS; APPROPRIATION.] All receipts of any kind generated to operate student activities, including student fees, donations and contributions, and gate receipts must be deposited in the state treasury. The receipts are appropriated annually to the ~~residential~~ Minnesota state academies for student activities purposes. They are not subject to budgetary control by the commissioner of finance.

Subd. 2. [TO STUDENT ACTIVITIES ACCOUNT.] The money appropriated in subdivision 1 to the ~~residential~~ Minnesota state academies for student activities must be credited to a ~~Faribault Minnesota state academies'~~ Minnesota state academies' student activities account and may be spent only for ~~Faribault Minnesota state academies'~~ Minnesota state academies' student activities purposes.

Subd. 3. [CARRYOVER.] An unexpended balance in the Faribault Minnesota state academies' student activities account may be carried over from the first fiscal year of the biennium into the second fiscal year of the biennium and from one biennium to the next. The amount carried over must not be taken into account in determining state appropriations and must not be deducted from a later appropriation.

Subd. 4. [MONEY FROM CERTAIN STUDENT ACTIVITIES SPECIFICALLY INCLUDED AMONG RECEIPTS.] Any money generated by a Faribault Minnesota state academies' student activity that involves:

- (1) state employees who are receiving compensation for their involvement with the activity;
- (2) the use of state facilities; or
- (3) money raised for student activities in the name of the ~~residential~~ Minnesota state academies is specifically included among the kinds of receipts that are described in subdivision 1.

Sec. 34. Minnesota Statutes 1998, section 125A.73, is amended to read:

125A.73 [DUTIES OF STATE DEPARTMENTS.]

Subdivision 1. [DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING.] The department of children, families, and learning must assist the board of the Faribault Minnesota state academies in preparing reports on the academies.

Subd. 2. [DEPARTMENT OF EMPLOYEE RELATIONS.] The department of employee relations, in cooperation with the board of the Faribault Minnesota state academies, must develop a statement of necessary qualifications and skills for all staff members of the academies.

Sec. 35. Minnesota Statutes 1998, section 125A.75, subdivision 3, is amended to read:

Subd. 3. [FULL STATE PAYMENT.] The state must pay each district the actual cost incurred in providing instruction and services for a child ~~with a disability~~ whose district of residence has been determined by section 125A.17 or 125A.51, paragraph (b), and who is temporarily placed in a state institution ~~or, a licensed residential facility, or foster facility for care and treatment. This section does not apply to a child placed in a foster home or a foster group home.~~ The regular education program at the facility must be an approved program according to section 125A.515.

Upon following the procedure specified by the commissioner, the district may bill the state the actual cost incurred in providing the services including transportation costs and a proportionate amount of capital expenditures and debt service, minus the amount of the basic revenue, as defined in section 126C.10, subdivision 2, of the district for the child and the special education aid, transportation aid, and any other aid earned on behalf of the child. The limit in subdivision 2 applies to aid paid pursuant to this subdivision.

To the extent possible, the commissioner shall obtain reimbursement from another state for the cost of serving any child whose parent or guardian resides in that state. The commissioner may contract with the appropriate authorities of other states to effect reimbursement. All money received from other states must be paid to the state treasury and placed in the general fund.

Sec. 36. Minnesota Statutes 1998, section 125A.75, subdivision 8, is amended to read:

Subd. 8. [LITIGATION AND HEARING COSTS.] (a) For fiscal year 1999 and thereafter, the commissioner of children, families, and learning, or the commissioner's designee, shall use state funds to pay school districts for the administrative costs of a due process hearing incurred under section 125A.09, subdivisions 6, 10, and 11, including hearing officer fees, court reporter fees, mileage costs, transcript costs, interpreter and transliterator fees, independent evaluations ordered by the hearing officer, and rental of hearing rooms, but not including district attorney fees. ~~To receive state aid under this paragraph, a school district shall submit to the commissioner at the end of the school year by August 1 an itemized list of unreimbursed actual costs for fees and other expenses under this paragraph incurred after June 30, 1998, for hearings completed during the~~

previous fiscal year. State funds used for aid to school districts under this paragraph shall be based on the unreimbursed actual costs and fees submitted by a district ~~from previous school years.~~

~~(b) For fiscal year 1999 and thereafter, a school district, to the extent to which it prevails under United States Code, title 20, section 1415(i)(3)(B)(D) and Rule 68 of the Federal Rules of Civil Procedure, shall receive state aid equal to 50 percent of the total actual cost of attorney fees incurred after a request for a due process hearing under section 125A.09, subdivisions 6, 9, and 11, is served upon the parties. A district is eligible for reimbursement for attorney fees under this paragraph only if:~~

~~(1) a court of competent jurisdiction determines that the parent is not the prevailing party under United States Code, title 20, section 1415(i)(3)(B)(D), or the parties stipulate that the parent is not the prevailing party;~~

~~(2) the district has made a good faith effort to resolve the dispute through mediation, but the obligation to mediate does not compel the district to agree to a proposal or make a concession; and~~

~~(3) the district made an offer of settlement under Rule 68 of the Federal Rules of Civil Procedure.~~

~~To receive aid, a school district that meets the criteria of this paragraph shall submit to the commissioner at the end of the school year an itemized list of unreimbursed actual attorney fees associated with a due process hearing under section 125A.09, subdivisions 6, 9, and 11. Aid under this paragraph for each school district is based on unreimbursed actual attorney fees submitted by the district from previous school years.~~

~~(c) For fiscal year 1999 and thereafter, a school district is eligible to receive state aid for 50 percent of the total actual cost of attorney fees it incurs in appealing to a court of competent jurisdiction the findings, conclusions, and order of a due process hearing under section 125A.09, subdivisions 6, 9, and 11. The district is eligible for reimbursement under this paragraph only if the commissioner authorizes the reimbursement after evaluating the merits of the case. In a case where the commissioner is a named party in the litigation, the commissioner of the bureau of mediation services shall make the determination regarding reimbursement. The commissioner's decision is final.~~

~~(d) The commissioner shall provide districts with a form on which to annually report litigation costs under this section and shall base aid estimates on those preliminary reports submitted by the district during the current fiscal year.~~

Sec. 37. Minnesota Statutes 1998, section 125A.76, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purposes of this section ~~and section 125A.77~~, the definitions in this subdivision apply.

(a) "Base year" for fiscal year 1998 and later fiscal years means the second fiscal year preceding the fiscal year for which aid will be paid.

(b) "Basic revenue" has the meaning given it in section 126C.10, subdivision 2. For the purposes of computing basic revenue pursuant to this section, each child with a disability shall be counted as prescribed in section 126C.05, subdivision 1.

(c) "Essential personnel" means teachers, related services, and support services staff providing direct services to students.

(d) "Average daily membership" has the meaning given it in section 126C.05.

(e) "Program growth factor" means ~~1.00~~ 1.012 for fiscal year ~~2000~~ 2002 and later.

(f) "Aid percentage factor" means ~~60 percent for fiscal year 1996, 70 percent for fiscal year 1997, 80 percent for fiscal year 1998, 90 percent for fiscal year 1999, and 100 percent for fiscal years 2000 and later.~~

(g) "~~Levy percentage factor~~" means ~~100 minus the aid percentage factor for that year.~~

Sec. 38. Minnesota Statutes 1998, section 125A.76, subdivision 2, is amended to read:

Subd. 2. [SPECIAL EDUCATION BASE REVENUE.] (a) The special education base revenue equals the sum of the following amounts computed using base year data:

(1) 68 percent of the salary of each essential person employed in the district's program for children with a disability during the fiscal year, not including the share of salaries for personnel providing health-related services counted in clause (8), whether the person is employed by one or more districts or a Minnesota correctional facility operating on a fee-for-service basis;

(2) for the Minnesota state academy for the deaf or the Minnesota state academy for the blind, 68 percent of the salary of each instructional aide assigned to a child attending the academy, if that aide is required by the child's individual education plan;

(3) for special instruction and services provided to any pupil by contracting with public, private, or voluntary agencies other than school districts, in place of special instruction and services provided by the district, 52 percent of the difference between the amount of the contract and the basic revenue of the district for that pupil for the fraction of the school day the pupil receives services under the contract;

(4) for special instruction and services provided to any pupil by contracting for services with public, private, or voluntary agencies other than school districts, that are supplementary to a full educational program provided by the school district, 52 percent of the amount of the contract for that pupil;

(5) for supplies and equipment purchased or rented for use in the instruction of children with a disability, not including the portion of the expenses for supplies and equipment used to provide health-related services counted in clause (8), an amount equal to 47 percent of the sum actually expended by the district, or a Minnesota correctional facility operating on a fee-for-service basis, but not to exceed an average of \$47 in any one school year for each child with a disability receiving instruction;

(6) for fiscal years 1997 and later, special education base revenue shall include amounts under clauses (1) to (5) for special education summer programs provided during the base year for that fiscal year; ~~and~~

(7) for fiscal years 1999 and later, the cost of providing transportation services for children with disabilities under section 123B.92, subdivision 1, paragraph (b), clause (4); ~~and~~

(8) for fiscal years 2001 and later the cost of salaries, supplies and equipment, and other related costs actually expended by the district for the nonfederal share of medical assistance services according to section 256B.0625, subdivision 26.

(b) If requested by a school district operating a special education program during the base year for less than the full fiscal year, or a school district in which is located a Minnesota correctional facility operating on a fee-for-service basis for less than the full fiscal year, the commissioner may adjust the base revenue to reflect the expenditures that would have occurred during the base year had the program been operated for the full fiscal year.

(c) Notwithstanding paragraphs (a) and (b), the portion of a school district's base revenue attributable to a Minnesota correctional facility operating on a fee-for-service basis during the facility's first year of operating on a fee-for-service basis shall be computed using current year data.

Sec. 39. Minnesota Statutes 1998, section 125A.76, subdivision 4, is amended to read:

Subd. 4. [STATE TOTAL SPECIAL EDUCATION REVENUE AID.] The state total special education ~~revenue aid~~ for fiscal year ~~1998 2000~~ equals ~~\$358,542,000 \$463,000,000~~. The state total special education ~~revenue aid~~ for fiscal year ~~1999 2001~~ equals ~~\$435,322,000 \$474,000,000~~. The state total special education ~~revenue aid~~ aid for later fiscal years equals:

- (1) the state total special education revenue aid for the preceding fiscal year; times
- (2) the program growth factor; times
- (3) the ratio of the state total average daily membership for the current fiscal year to the state total average daily membership for the preceding fiscal year.

Sec. 40. Minnesota Statutes 1998, section 125A.76, subdivision 5, is amended to read:

Subd. 5. [SCHOOL DISTRICT SPECIAL EDUCATION REVENUE AID.] (a) A school district's special education revenue aid for fiscal year 1996 2000 and later equals the state total special education revenue aid, minus the amount determined under paragraph paragraphs (b) and (c), times the ratio of the district's adjusted special education base revenue to the state total adjusted special education base revenue. If the state board of education modifies its rules for special education in a manner that increases a district's special education obligations or service requirements, the commissioner shall annually increase each district's special education revenue aid by the amount necessary to compensate for the increased service requirements. The additional revenue aid equals the cost in the current year attributable to rule changes not reflected in the computation of special education base revenue, multiplied by the appropriate percentages from subdivision 2.

(b) Notwithstanding paragraph (a), if the special education base revenue for a district equals zero, the special education revenue aid equals the amount computed according to subdivision 2 using current year data.

(c) Notwithstanding paragraphs (a) and (b), if the special education base revenue for a district is greater than zero, and the base year amount for the district under subdivision 2, paragraph (a), clause (7), equals zero, the special education revenue aid equals the sum of the amount computed according to paragraph (a), plus the amount computed according to subdivision 2, paragraph (a), clause (7), using current year data.

Sec. 41. Minnesota Statutes 1998, section 125A.79, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the definitions in this subdivision apply.

(a) "Unreimbursed special education cost" means the sum of the following:

(1) expenditures for teachers' salaries, contracted services, supplies, equipment, and transportation services eligible for revenue under section 125A.76; plus

(2) expenditures for tuition bills received under sections 125A.03 to 125A.24 and 125A.65 for services eligible for revenue under sections 125A.76, subdivision 2, and 124.3202, subdivision 1; minus

(3) revenue for teachers' salaries, contracted services, supplies, and equipment under sections 124.3202 and 124A.76; minus

(4) tuition receipts under sections 125A.03 to 125A.24 and 125A.65 for services eligible for revenue under sections 124.3202, subdivision 1, and 124A.76, subdivision 2.

(b) "General revenue" means for fiscal year 1996, the sum of the general education revenue according to section 126C.10, subdivision 1, as adjusted according to section 127A.47, subdivision 7, plus the total referendum revenue according to section 126C.17, subdivision 4. For fiscal years 1997 and later, "general revenue" means the sum of the general education revenue according to section 126C.10, subdivision 1, as adjusted according to section 127A.47, subdivision subdivisions 7 and 8, plus the total referendum revenue minus transportation sparsity revenue minus total operating capital revenue.

(c) "Average daily membership" has the meaning given it in section 126C.05.

(d) "Program growth factor" means 1.044 for fiscal year 2002 and 1.02 for fiscal year 2003 and later.

Sec. 42. Minnesota Statutes 1998, section 125A.79, subdivision 2, is amended to read:

Subd. 2. [EXCESS COST REVENUE AID, FISCAL YEARS 2000 AND 2001.] For ~~1997 and later~~ fiscal years 2000 and 2001, a district's special education excess cost revenue aid equals the greatest of:

(a) ~~70~~ 75 percent of the difference between (1) the district's unreimbursed special education cost and (2) ~~5.7~~ 4.4 percent for ~~fiscal year 1997 and later~~ years of the district's general revenue;

(b) 70 percent of the difference between (1) the increase in the district's unreimbursed special education cost between the base year as defined in section 125A.76, subdivision 1, and the current year and (2) 1.6 percent of the district's general revenue; or

(c) zero.

Sec. 43. Minnesota Statutes 1998, section 125A.79, is amended by adding a subdivision to read:

Subd. 5. [INITIAL EXCESS COST AID.] For fiscal years 2002 and later, a district's initial excess cost aid equals the greatest of:

(1) 75 percent of the difference between (i) the district's unreimbursed special education cost and (ii) 4.4 percent of the district's general revenue;

(2) 70 percent of the difference between (i) the increase in the district's unreimbursed special education cost between the base year as defined in section 125A.76, subdivision 1, and the current year and (ii) 1.6 percent of the district's general revenue; or

(3) zero.

Sec. 44. Minnesota Statutes 1998, section 125A.79, is amended by adding a subdivision to read:

Subd. 6. [STATE TOTAL SPECIAL EDUCATION EXCESS COST AID.] The state total special education excess cost aid for fiscal year 2002 and later fiscal years equals:

(1) the state total special education excess cost aid for the preceding fiscal year; times

(2) the program growth factor; times

(3) the ratio of the state total average daily membership for the current fiscal year to the state total average daily membership for the preceding fiscal year.

Sec. 45. Minnesota Statutes 1998, section 125A.79, is amended by adding a subdivision to read:

Subd. 7. [DISTRICT SPECIAL EDUCATION EXCESS COST AID.] A district's special education excess cost aid for fiscal year 2002 and later equals the state total special education excess cost aid times the ratio of the district's initial excess cost aid to the state total initial excess cost aid.

Sec. 46. Minnesota Statutes 1998, section 125A.79, is amended by adding a subdivision to read:

Subd. 8. [OUT-OF-STATE TUITION.] For children who are residents of the state, receive services under section 125A.76, subdivisions 1 and 2, and are placed in a care and treatment facility by court action in a state that does not have a reciprocity agreement with the commissioner under section 125A.115, the resident school district shall submit the balance of the tuition bills, minus the amount of the basic revenue, as defined by section 126C.10, subdivision 2, of the district for the child and the special education aid, and any other aid earned on behalf of the child.

Sec. 47. [125A.80] [UNIFORM BILLING SYSTEM FOR THE EDUCATION COSTS OF OUT-OF-HOME PLACED STUDENTS.]

The commissioner, in cooperation with the commissioners of human services and corrections and with input from appropriate billing system users, shall develop and implement a uniform billing system for school districts and other agencies, including private providers, who provide the educational services for students who are placed out of the home. The uniform billing system must:

(1) allow for the proper and timely billing to districts by service providers with a minimum amount of district administration;

(2) allow districts to bill the state for certain types of special education and regular education services as provided by law;

(3) provide flexibility for the types of services that are provided for children placed out of the home, including day treatment services;

(4) allow the commissioner to track the type, cost, and quality of services provided for children placed out of the home;

(5) conform existing special education and proposed regular education billing procedures;

(6) provide a uniform reporting standard of per diem rates;

(7) determine allowable expenses and maximum reimbursement rates for the state reimbursement of care and treatment services according to section 124D.701; and

(8) provide a process for the district to appeal to the commissioner tuition bills submitted to districts and to the state.

Sec. 48. Minnesota Statutes 1998, section 126C.44, is amended to read:

126C.44 [CRIME-RELATED COSTS LEVY.]

~~For taxes levied in 1991 and subsequent years, payable in 1992 and subsequent years, Each district may make a levy on all taxable property located within the district for the purposes specified in this subdivision. The maximum amount which may be levied for all costs under this subdivision shall be equal to \$1.50 multiplied by the population of the school district. For purposes of this subdivision, "population" of the school district means the same as contained in section 275.14. The proceeds of the levy must be used for directly funding the following purposes or for reimbursing the cities and counties who contract with the district for the following purposes: (1) to pay the costs incurred for the salaries, benefits, and transportation costs of peace officers and sheriffs for liaison services in the district's middle and secondary schools; (2) to pay the costs for a drug abuse prevention program as defined in Minnesota Statutes 1991 Supplement, section 609.101, subdivision 3, paragraph (f), in the elementary schools; or (3) to pay the costs for a gang resistance education training curriculum in the middle schools; or (4) to pay the costs for other crime prevention and drug abuse and violence prevention measures taken by the school district. The district must initially attempt to contract for these services to be provided by peace officers or sheriffs with the police department of each city or the sheriff's department of the county within the district containing the school receiving the services. If a local police department or a county sheriff's department does not wish to provide the necessary services, the district may contract for these services with any other police or sheriff's department located entirely or partially within the school district's boundaries. The levy authorized under this subdivision is not included in determining the school district's levy limitations.~~

Sec. 49. Minnesota Statutes 1998, section 127A.45, is amended by adding a subdivision to read:

Subd. 12a. [FORWARD SHIFTED AID PAYMENTS.] Nineteen percent of the state aid in fiscal year 1999, and 31 percent of the state aid in fiscal years 2000 and later received under section 124D.86 must be paid by the state to the recipient school district on July 15 of that year. The recipient school district must recognize this aid in the same fiscal year as the levy is recognized.

Sec. 50. Minnesota Statutes 1998, section 127A.45, subdivision 13, is amended to read:

Subd. 13. [AID PAYMENT PERCENTAGE.] Except as provided in subdivisions 11, 12, 12a, and 14, each fiscal year, all education aids and credits in this chapter and chapters 120A, 120B, 121A, 122A, 123A, 123B, 124B, 124D, 125A, 125B, 126C, 134, and section 273.1392, shall be paid at 90 percent of the estimated entitlement during the fiscal year of the entitlement. The final adjustment payment, according to subdivision 9, must be the amount of the actual entitlement, after adjustment for actual data, minus the payments made during the fiscal year of the entitlement.

Sec. 51. Minnesota Statutes 1998, section 127A.47, subdivision 2, is amended to read:

Subd. 2. [REPORTING; REVENUE FOR HOMELESS.] For all school purposes, unless otherwise specifically provided by law, a homeless pupil is a resident of the school district ~~in which the homeless shelter or other program, center, or facility assisting the homeless pupil or the pupil's family is located that enrolls the pupil.~~

Sec. 52. Minnesota Statutes 1998, section 241.021, subdivision 1, is amended to read:

Subdivision 1. [SUPERVISION OVER CORRECTIONAL INSTITUTIONS.] (1) The commissioner of corrections shall inspect and license all correctional facilities throughout the state, whether public or private, established and operated for the detention and confinement of persons detained or confined therein according to law except to the extent that they are inspected or licensed by other state regulating agencies. The commissioner shall promulgate pursuant to chapter 14, rules establishing minimum standards for these facilities with respect to their management, operation, physical condition, and the security, safety, health, treatment, and discipline of persons detained or confined therein. Commencing September 1, 1980, no individual, corporation, partnership, voluntary association, or other private organization legally responsible for the operation of a correctional facility may operate the facility unless licensed by the commissioner of corrections. The commissioner shall review the correctional facilities described in this subdivision at least once every biennium, except as otherwise provided herein, to determine compliance with the minimum standards established pursuant to this subdivision. The commissioner shall grant a license to any facility found to conform to minimum standards or to any facility which, in the commissioner's judgment, is making satisfactory progress toward substantial conformity and the interests and well-being of the persons detained or confined therein are protected. The commissioner may grant licensure up to two years. The commissioner shall have access to the buildings, grounds, books, records, staff, and to persons detained or confined in these facilities. The commissioner may require the officers in charge of these facilities to furnish all information and statistics the commissioner deems necessary, at a time and place designated by the commissioner. The commissioner may require that any or all such information be provided through the department of corrections detention information system. The education program offered in a correctional facility for the detention or confinement of juvenile offenders must be approved by the commissioner of children, families, and learning before the commissioner of corrections may grant a license to the facility.

(2) Any state agency which regulates, inspects, or licenses certain aspects of correctional facilities shall, insofar as is possible, ensure that the minimum standards it requires are substantially the same as those required by other state agencies which regulate, inspect, or license the same aspects of similar types of correctional facilities, although at different correctional facilities.

(3) Nothing in this section shall be construed to limit the commissioner of corrections' authority to promulgate rules establishing standards of eligibility for counties to receive funds under sections 401.01 to 401.16, or to require counties to comply with operating standards the commissioner establishes as a condition precedent for counties to receive that funding.

(4) When the commissioner finds that any facility described in clause (1), except foster care facilities for delinquent children and youth as provided in subdivision 2, does not substantially conform to the minimum standards established by the commissioner and is not making satisfactory progress toward substantial conformance, the commissioner shall promptly notify the chief

executive officer and the governing board of the facility of the deficiencies and order that they be remedied within a reasonable period of time. The commissioner may by written order restrict the use of any facility which does not substantially conform to minimum standards to prohibit the detention of any person therein for more than 72 hours at one time. When, after due notice and hearing, the commissioner finds that any facility described in this subdivision, except county jails and lockups as provided in sections 641.26, 642.10, and 642.11, does not conform to minimum standards, or is not making satisfactory progress toward substantial compliance therewith, the commissioner may issue an order revoking the license of that facility. After revocation of its license, that facility shall not be used until its license is renewed. When the commissioner is satisfied that satisfactory progress towards substantial compliance with minimum standard is being made, the commissioner may, at the request of the appropriate officials of the affected facility supported by a written schedule for compliance, grant an extension of time for a period not to exceed one year.

(5) As used in this subdivision, "correctional facility" means any facility, including a group home, having a residential component, the primary purpose of which is to serve persons placed therein by a court, court services department, parole authority, or other correctional agency having dispositional power over persons charged with, convicted, or adjudicated to be guilty or delinquent.

Sec. 53. Minnesota Statutes 1998, section 245A.04, is amended by adding a subdivision to read:

Subd. 11. [EDUCATION PROGRAM; ADDITIONAL REQUIREMENT.] The education program offered in a residential or nonresidential program, except for child care, foster care, or services for adults, must be approved by the commissioner of children, families, and learning before the commissioner of human services may grant a license to the program.

Sec. 54. Minnesota Statutes 1998, section 626.556, is amended by adding a subdivision to read:

Subd. 3b. [AGENCY RESPONSIBLE FOR ASSESSING OR INVESTIGATING REPORTS OF MALTREATMENT.] The department of children, families, and learning is the agency responsible for assessing or investigating allegations of child maltreatment in schools as defined in sections 120A.05, subdivisions 9, 11, and 13; and 124D.10.

Sec. 55. Laws 1993, chapter 224, article 3, section 32, as amended by Laws 1998, chapter 398, article 2, section 47, is amended to read:

Sec. 32. [ASL GUIDELINES.]

(a) In determining appropriate licensure requirements for teachers of deaf and ~~hard-of-hearing~~ hard-of-hearing students under Minnesota Statutes, section ~~125.489~~ 122A.28, subdivision 1, the board of teaching shall develop the requirements according to the guidelines described in this section.

(b) Each teacher must complete the American sign language sign communication proficiency interview or a comparable American sign language evaluation that the board of teaching, the Minnesota association of deaf citizens, and the Minnesota council for the hearing impaired accept as a means for establishing the teacher's baseline level of American sign language skills. A teacher shall not be charged for this evaluation.

(c) Each teacher must complete 60 continuing education credits in American sign language, American sign language linguistics, or deaf culture for every 120 continuing education credits the teacher is required to complete to renew a teaching license.

(d) In order to obtain an initial license to teach deaf and ~~hard-of-hearing~~ hard-of-hearing students, or to apply for a Minnesota teaching license, after being licensed to teach in another state, a person must demonstrate in the sign communication proficiency interview an intermediate plus level of proficiency in American sign language.

(e) Each teacher applying to renew a teaching license must take the American sign language

sign communication proficiency interview or a comparable American sign language evaluation every five years until the teacher demonstrates a minimum, or survival plus, level of proficiency in American sign language.

(f) A teacher working directly with students whose primary language is American sign language should demonstrate at least an advanced level of proficiency in American sign language. The board should not consider a minimum, or survival plus, level of proficiency adequate for providing direct instruction to students whose primary language is American sign language.

(g) To renew a teaching license, a teacher must comply with paragraphs (c) and (e) in addition to other applicable board requirements. A teacher's ability to demonstrate a minimum, or survival plus, level of proficiency in American sign language is not a condition for renewing the teacher's license.

(h) A teacher who demonstrates an increased proficiency in American sign language skill in the American sign language sign communication proficiency interview or a comparable American sign language evaluation shall receive credit toward completing the requirements of paragraph (c). The number of continuing education credits the teacher receives is based on the teacher's increased level of proficiency from the teacher's baseline level:

- (1) 35 continuing education credits for demonstrating an intermediate level of proficiency;
- (2) 40 continuing education credits for demonstrating an intermediate plus level of proficiency;
- (3) 45 continuing education credits for demonstrating an advanced level of proficiency;
- (4) 50 continuing education credits for demonstrating an advanced plus level of proficiency;
- (5) 55 continuing education credits for demonstrating a superior level of proficiency; and
- (6) 60 continuing education credits for demonstrating a superior plus level of proficiency.

(i) This section shall not apply to teachers of oral/aural deaf education.

Sec. 56. Laws 1997, First Special Session chapter 4, article 2, section 51, subdivision 29, as amended by Laws 1998, chapter 398, article 2, section 52, is amended to read:

Subd. 29. [FIRST GRADE PREPAREDNESS.] (a) For grants for the first grade preparedness program under Minnesota Statutes, section 124.2613, and for school sites that have provided a full-day kindergarten option for kindergarten students enrolled in fiscal years 1996 and 1997:

\$5,000,000	.....	1998
\$6,500,000	.....	1999

(b) \$4,200,000 in fiscal year 1998 must be distributed according to Minnesota Statutes, section 124.2613, subdivision 3, and \$4,200,000 in fiscal year 1999 must be distributed according to Minnesota Statutes, section 124D.081, subdivision 3.

(c) \$800,000 in fiscal year 1998 must be divided equally among the four geographic regions defined in Minnesota Statutes, section 124.2613, subdivision 3, and \$800,000 in fiscal year 1999 must be divided equally among the four geographic regions defined in Minnesota Statutes, section 124D.081, subdivision 3, and must first be used to provide funding for school sites that offered an optional full-day kindergarten program during the 1996-1997 school year, but did not receive funding for fiscal year 1997 under Minnesota Statutes, section 124.2613. To be a qualified site, licensed teachers must have taught the optional full-day kindergarten classes. A district that charged a fee for students participating in an optional full-day kindergarten program is eligible to receive the grant to provide full-day kindergarten for all students as required by Minnesota Statutes, section 124.2613 124D.08, subdivision 4. Districts with eligible sites must apply to the commissioner of children, families, and learning for a grant.

(e) ~~This appropriation must first be used to fund programs operating during the 1996-1997~~

school year under paragraph (b) and Minnesota Statutes, section 124.2613. Any remaining funds may be used to expand the number of sites providing first grade preparedness programs according to Minnesota Statutes, section 124D.081, subdivision 3.

(d) \$1,500,000 in fiscal year 1999 shall be divided equally among the four geographic regions defined in Minnesota Statutes, section 124D.081, subdivision 3, and must first be used to eliminate aid proration for sites qualifying under paragraphs (b) and (c). Any remaining funds may be used to expand the number of sites providing first grade preparedness programs according to Minnesota Statutes, section 124.2613, subdivision 3.

Sec. 57. Laws 1999, chapter 123, section 22, is amended to read:

Sec. 22. [EFFECTIVE DATE.]

Sections 1, 2, 5 to 18, 20, and 21 are effective July 1, 1999, except that the requirement under section 3 5 to provide special instruction and services until the child with a disability becomes 21 years old, instead of 22 years old, is effective July 1, 2002. Sections 3 and 4 are effective July 1, 2002. Section 19 is effective the day following final enactment.

Sec. 58. [DESIGN AND IMPLEMENTATION OF UNIFORM BILLING SYSTEM.]

The commissioner of children, families, and learning shall design a uniform billing system according to Minnesota Statutes, section 125A.80. In designing a system, the commissioner shall seek the input from the appropriate users of the billing system.

The commissioner shall implement a uniform billing system for education services for children placed out of the home, according to Minnesota Statutes, section 125A.80, by July 1, 2000. The commissioner shall provide training to school districts on the uniform billing system.

Sec. 59. [RECOMMENDATIONS FOR A SYSTEM TO APPROVE EDUCATION PROGRAMS SERVING CHILDREN AT CARE AND TREATMENT FACILITIES.]

The commissioner of children, families, and learning shall convene a task force to make recommendations on a system to approve education programs serving children at care and treatment facilities, including detention facilities. The task force shall be chaired by a representative of the department of children, families, and learning and, at a minimum, must include representatives from each of the following organizations: the department of human services, the department of corrections, the Minnesota school boards association, the Minnesota association of school administrators, Education Minnesota, association of Minnesota counties, Minnesota county attorney association, conference of chief judges, and the Minnesota council of child caring agencies.

By February 1, 2000, the commissioner shall submit the task force's recommendations to the education committees of the legislature. The task force sunsets on February 1, 2000.

Sec. 60. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING.] The sums indicated in this section are appropriated from the general fund to the department of children, families, and learning for the fiscal years designated.

Subd. 2. [AMERICAN INDIAN LANGUAGE AND CULTURE PROGRAMS.] For grants to American Indian language and culture education programs according to Minnesota Statutes, section 124D.81, subdivision 1:

\$730,000	.....	2000
\$730,000	.....	2001

The 2000 appropriation includes \$73,000 for 1999 and \$657,000 for 2000.

The 2001 appropriation includes \$73,000 for 2000 and \$657,000 for 2001.

Any balance in the first year does not cancel but is available in the second year.

Subd. 3. [AMERICAN INDIAN EDUCATION.] (a) For certain American Indian education programs in school districts:

<u>\$175,000</u>	<u>.....</u>	<u>2000</u>
<u>\$175,000</u>	<u>.....</u>	<u>2001</u>

The 2000 appropriation includes \$17,000 for 1999 and \$158,000 for 2000.

The 2001 appropriation includes \$17,000 for 2000 and \$158,000 for 2001.

(b) These appropriations are available for expenditure with the approval of the commissioner of the department of children, families, and learning.

(c) The commissioner must not approve the payment of any amount to a school district or school under this subdivision unless that school district or school is in compliance with all applicable laws of this state.

(d) Up to the following amounts may be distributed to the following schools and school districts for each fiscal year: \$54,800 Pine Point School; \$9,800 to independent school district No. 166, Cook county; \$14,900 to independent school district No. 432, Mahnomon; \$14,200 to independent school district No. 435, Waubun; \$42,200 to independent school district No. 707, Nett Lake; and \$39,100 to independent school district No. 38, Red Lake. These amounts must be spent only for the benefit of American Indian pupils and to meet established state educational standards or statewide requirements.

(e) Before a district or school can receive money under this subdivision, the district or school must submit, to the commissioner, evidence that it has complied with the uniform financial accounting and reporting standards act, Minnesota Statutes, sections 123B.75 to 123B.83.

Subd. 4. [AMERICAN INDIAN POST-SECONDARY PREPARATION GRANTS.] For American Indian post-secondary preparation grants according to Minnesota Statutes, section 124D.85:

<u>\$982,000</u>	<u>.....</u>	<u>2000</u>
<u>\$982,000</u>	<u>.....</u>	<u>2001</u>

Any balance in the first year does not cancel but is available in the second year.

Subd. 5. [AMERICAN INDIAN SCHOLARSHIPS.] For American Indian scholarships according to Minnesota Statutes, section 124D.84:

<u>\$1,875,000</u>	<u>.....</u>	<u>2000</u>
<u>\$1,875,000</u>	<u>.....</u>	<u>2001</u>

Any balance in the first year does not cancel but is available in the second year.

Subd. 6. [INDIAN TEACHER PREPARATION GRANTS.] (a) For joint grants to assist Indian people to become teachers:

<u>\$190,000</u>	<u>.....</u>	<u>2000</u>
<u>\$190,000</u>	<u>.....</u>	<u>2001</u>

(b) Up to \$70,000 each year is for a joint grant to the University of Minnesota at Duluth and independent school district No. 709, Duluth.

(c) Up to \$40,000 each year is for a joint grant to each of the following:

(1) Bemidji state university and independent school district No. 38, Red Lake;

(2) Moorhead state university and a school district located within the White Earth reservation; and

(3) Augsburg college, independent school district No. 625, St. Paul, and special school district No. 1, Minneapolis.

(d) Money not used for students at one location may be transferred for use at another location.

(e) Any balance in the first year does not cancel but is available in the second year.

Subd. 7. [TRIBAL CONTRACT SCHOOLS.] For tribal contract school aid according to Minnesota Statutes, section 124D.83:

<u>\$2,706,000</u>	<u>.....</u>	<u>2000</u>
<u>\$2,790,000</u>	<u>.....</u>	<u>2001</u>

The 2000 appropriation includes \$283,000 for 1999 and \$2,423,000 for 2000.

The 2001 appropriation includes \$269,000 for 2000 and \$2,521,000 for 2001.

Subd. 8. [EARLY CHILDHOOD PROGRAMS AT TRIBAL SCHOOLS.] For early childhood family education programs at tribal contract schools:

<u>\$68,000</u>	<u>.....</u>	<u>2000</u>
<u>\$68,000</u>	<u>.....</u>	<u>2001</u>

Subd. 9. [MAGNET SCHOOL GRANTS.] For magnet school and program grants:

<u>\$1,750,000</u>	<u>.....</u>	<u>2000</u>
<u>\$1,750,000</u>	<u>.....</u>	<u>2001</u>

These amounts may be used for magnet school programs according to Minnesota Statutes, section 124D.88.

Subd. 10. [INTEGRATION PROGRAMS.] For minority fellowship grants according to Laws 1994, chapter 647, article 8, section 29; minority teacher incentives according to Minnesota Statutes, section 122A.65; teachers of color grants according to Minnesota Statutes, section 122A.64; and cultural exchange grants according to Minnesota Statutes, section 124D.89:

<u>\$1,000,000</u>	<u>.....</u>	<u>2000</u>
<u>\$1,000,000</u>	<u>.....</u>	<u>2001</u>

Any balance in the first year does not cancel but is available in the second year.

In awarding teacher of color grants, priority must be given to districts that have students who are currently in the process of completing their academic program.

Subd. 11. [SPECIAL EDUCATION AID.] For special education aid according to Minnesota Statutes, section 125A.75:

<u>\$456,015,000</u>	<u>.....</u>	<u>2000</u>
<u>\$472,900,000</u>	<u>.....</u>	<u>2001</u>

The 2000 appropriation includes \$39,300,000 for 1999 and \$416,715,000 for 2000.

The 2001 appropriation includes \$46,300,000 for 2000 and \$426,600,000 for 2001.

Subd. 12. [AID FOR CHILDREN WITH A DISABILITY.] For aid according to Minnesota Statutes, section 125A.75, subdivision 3, for children with a disability placed in residential facilities within the district boundaries for whom no district of residence can be determined:

<u>\$ 443,000</u>	<u>.....</u>	<u>2000</u>
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\$970,000 2001

Any balance in the first year does not cancel but is available in the second year.

Subd. 20. [ADOLESCENT PARENTING GRANTS.] For adolescent parenting grants under Laws 1997, chapter 162, article 2, section 28:

\$300,000 2000

This appropriation is available until June 30, 2001.

Subd. 21. [CENTER FOR VICTIMS OF TORTURE.] For the center for victims of torture to provide training, consultation, and support services in public schools with significant populations of traumatized refugee and immigrant students:

\$75,000 2000

\$75,000 2001

Any balance in the first year does not cancel but is available in the second year.

Subd. 22. [OUT-OF-STATE TUITION.] For out-of-state tuition under Minnesota Statutes, section 125A.79, subdivision 8:

\$250,000 2001

If the appropriation under this section is insufficient to cover the expenses submitted by districts, the commissioner shall prorate the aid to districts based on the expenses submitted by districts.

Subd. 23. [UNIFORM BILLING SYSTEM; TECHNICAL ASSISTANCE.] For implementing an effective and efficient uniform billing system for the educational costs of students placed out of the home:

\$50,000 2000

Subd. 24. [STATE APPROVAL OF EDUCATION PROGRAMS AT CARE AND TREATMENT FACILITIES.] For developing and implementing a system to approve education costs of students placed out of the home:

\$50,000 2000

This appropriation is available until June 30, 2001.

Subd. 25. [FIRST-GRADE PREPAREDNESS GRANTS.] For grants for the first-grade preparedness program under Minnesota Statutes, section 124D.081:

\$7,000,000 2000

\$7,000,000 2001

For each year, the appropriation must first be used to fund programs operating during the 1998-1999 school year, unless the site's ranking, as determined by Minnesota Statutes, section 124D.081, subdivision 3, falls below the state average for elementary schools. Any remaining funds may be used to expand the number of sites according to Minnesota Statutes, section 124D.081, subdivision 3.

Subd. 26. [LITIGATION COSTS.] For paying the costs a district incurs under Minnesota Statutes, section 125A.75, subdivision 8:

\$375,000 2000

\$375,000 2001

Subd. 27. [COURT-PLACED SPECIAL EDUCATION REVENUE.] For reimbursing serving school districts for unreimbursed eligible expenditures attributable to children placed in the serving school district by court action under Minnesota Statutes, section 125A.79, subdivision 4:

<u>\$350,000</u>	.....	<u>2000</u>
<u>\$350,000</u>	.....	<u>2001</u>

This appropriation is available until June 30, 2001.

Subd. 28. [ROCHESTER SCHOOL DISTRICT.] For a special education revenue adjustment for independent school district No. 535, Rochester:

<u>\$150,000</u>	.....	<u>2000</u>
<u>\$ 15,000</u>	.....	<u>2001</u>

Any balance in the first year does not cancel but is available in the second year.

Sec. 61. [REVISOR INSTRUCTION.]

In the next and subsequent editions of Minnesota Statutes and Minnesota Rules, the revisor shall change all references to the "Faribault academies" to the "Minnesota state academies."

Sec. 62. [REPEALER.]

(a) Minnesota Statutes 1998, sections 124D.081, subdivisions 7 and 8; 124D.65, subdivision 3; 125A.76, subdivision 6; 125A.77; and 125A.79, subdivision 3, are repealed.

(b) Minnesota Statutes 1998, section 124D.70, is repealed effective July 1, 2000.

Sec. 63. [EFFECTIVE DATES.]

Sections 8, 49, and 50 are effective the day following final enactment for revenue for fiscal year 1999 and later. Sections 19, 21, 22, 35, 38, 46, 52, and 53 are effective July 1, 2000. Sections 20 and 23 to 34 are effective December 31, 1999. Sections 36 and 56 are effective the day following final enactment.

ARTICLE 3

LIFEWORk DEVELOPMENT

Section 1. Minnesota Statutes 1998, section 124D.453, subdivision 3, is amended to read:

Subd. 3. [SECONDARY VOCATIONAL AID.] A district's secondary vocational education aid for a fiscal year 2000 equals the lesser of:

(a) ~~\$80~~ \$73 times the district's average daily membership in grades 10 to 12; or

(b) 25 percent of approved expenditures for the following:

(1) salaries paid to essential, licensed personnel providing direct instructional services to students in that fiscal year for services rendered in the district's approved secondary vocational education programs;

(2) contracted services provided by a public or private agency other than a Minnesota school district or cooperative center under subdivision 7;

(3) necessary travel between instructional sites by licensed secondary vocational education personnel;

(4) necessary travel by licensed secondary vocational education personnel for vocational student organization activities held within the state for instructional purposes;

(5) curriculum development activities that are part of a five-year plan for improvement based on program assessment;

(6) necessary travel by licensed secondary vocational education personnel for noncollegiate credit bearing professional development; and

(7) specialized vocational instructional supplies.

(c) Up to ten percent of a district's secondary vocational aid may be spent on equipment purchases. Districts using secondary vocational aid for equipment purchases must report to the department on the improved learning opportunities for students that result from the investment in equipment.

Sec. 2. Laws 1997, First Special Session chapter 4, article 3, section 25, subdivision 6, is amended to read:

Subd. 6. [SOUTHWEST STAR CONCEPT SCHOOL.] For a grant to independent school district No. 330, Heron Lake-Okabena, to establish the Southwest Star Concept School:

\$193,000	1998
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This appropriation may be used for equipment, activities beyond the classroom walls, professional planning assistance, monitoring, evaluating, and reporting activities related to the case study prepared in section 22.

This appropriation is available until June 30, 1999.

Sec. 3. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING.] The sums indicated in this section are appropriated from the general fund to the department of children, families, and learning for the fiscal years designated.

Subd. 2. [SECONDARY VOCATIONAL EDUCATION AID.] For secondary vocational education aid according to Minnesota Statutes, section 124D.453:

<u>\$11,335,000</u>	.....	<u>2000</u>
<u>\$1,130,000</u>	.....	<u>2001</u>

The 2000 appropriation includes \$1,159,000 for 1999 and \$10,176,000 for 2000. The 2001 appropriation includes \$1,130,000 for 2000.

Subd. 3. [YOUTHWORKS PROGRAMS.] For funding youthworks programs according to Minnesota Statutes, sections 124D.37 to 124D.45:

<u>\$1,788,000</u>	.....	<u>2000</u>
<u>\$1,788,000</u>	.....	<u>2001</u>

A grantee organization may provide health and child care coverage to the dependents of each participant enrolled in a full-time youthworks program to the extent such coverage is not otherwise available.

Any balance in the first year does not cancel but is available in the second year.

Subd. 4. [EDUCATION AND EMPLOYMENT TRANSITIONS PROGRAM GRANTS.] For education and employment transitions programming under Minnesota Statutes, section 124D.46:

<u>\$3,225,000</u>	.....	<u>2000</u>
<u>\$3,225,000</u>	.....	<u>2001</u>

\$200,000 each year is for the development and implementation of the ISEEK Internet-based education and employment information system.

\$1,000,000 each year is for an employer rebate program for qualifying employers who offer youth internships to educators.

\$500,000 each year is for youth entrepreneurship grants.

\$750,000 each year is for youth apprenticeship grants.

\$300,000 each year is for grants to programs in cities of the first class to expand the number of at-risk students participating in school-to-work projects.

\$350,000 each year is for agricultural school-to-work grants.

\$125,000 each year is to conduct a high school follow-up survey to include first, third, and sixth year graduates of Minnesota schools.

Subd. 5. [LEARN AND EARN GRADUATION ACHIEVEMENT PROGRAM.] For the learn and earn graduation achievement program under Minnesota Statutes, section 124D.32:

<u>\$ 725,000</u>	<u>.....</u>	<u>2000</u>
<u>\$ 725,000</u>	<u>.....</u>	<u>2001</u>

This appropriation is available until June 30, 2001.

Subd. 6. [MINNESOTA SCHOOL-TO-WORK STUDENT ORGANIZATION FOUNDATION.] For the Minnesota school-to-work student organization foundation under Minnesota Statutes, section 124D.34:

<u>\$ 625,000</u>	<u>.....</u>	<u>2000</u>
<u>\$ 625,000</u>	<u>.....</u>	<u>2001</u>

Any balance in the first year does not cancel but is available in the second year.

Sec. 4. [REVISOR INSTRUCTION.]

In the next and subsequent editions of Minnesota Statutes the revisor shall:

(1) in Minnesota Statutes, section 124D.34, subdivisions 2 and 3, change all references to "Minnesota school-to-work student organization foundation" to "Minnesota Foundation for Student Organizations";

(2) in Minnesota Statutes, sections 124D.34 and 124D.453, change all references to "secondary vocational" to "career and technical";

(3) in Minnesota Statutes, section 124D.454, change all references to "school-to-work" to "transition."

Sec. 5. [REPEALER.]

Minnesota Statutes 1998, section 124D.453, is repealed effective for revenue for fiscal year 2001.

Sec. 6. [EFFECTIVE DATE.]

Section 2 is effective retroactive to July 1, 1997.

ARTICLE 4

FACILITIES AND TECHNOLOGY

Section 1. Minnesota Statutes 1998, section 123B.53, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] (a) The following portions of a district's debt service levy qualify for debt service equalization:

(1) debt service for repayment of principal and interest on bonds issued before July 2, 1992;

(2) debt service for bonds refinanced after July 1, 1992, if the bond schedule has been approved by the commissioner and, if necessary, adjusted to reflect a 20-year maturity schedule; and

(3) debt service for bonds issued after July 1, 1992, for construction projects that have received a positive review and comment according to section 123B.71, if the commissioner has determined that the district has met the criteria under section 126C.69, subdivision 3, ~~except section 126C.69, subdivision 3, paragraph (a), clause (2),~~ and if the bond schedule has been approved by the commissioner and, if necessary, adjusted to reflect a 20-year maturity schedule.

~~(b) The criterion in section 126C.69, subdivision 3, paragraph (a), clause (2), shall be considered to have been met if the district in the fiscal year in which the bonds are authorized at an election conducted under chapter 475:~~

~~(i) if grades 9 through 12 are to be served by the facility, and an average of at least 66 pupils per grade in these grades are served; or~~

~~(ii) is eligible for elementary or secondary sparsity revenue.~~

~~(c) The criterion in section 126C.69, subdivision 3, paragraph (a), clause (2), shall also be considered to have been met if the construction project under review serves students in kindergarten to grade 8. Only the debt service levy for that portion of the facility serving students in prekindergarten to grade 8, as determined by the commissioner, shall be eligible for debt service equalization under this paragraph.~~

~~(d) The criterion described in section 126C.69, subdivision 3, paragraph (a), clause (9), does not apply to bonds authorized by elections held before July 1, 1992.~~

~~(e) (c) For the purpose of this subdivision the department shall determine the eligibility for sparsity at the location of the new facility, or the site of the new facility closest to the nearest operating school if there is more than one new facility.~~

~~(f) (d) Notwithstanding paragraphs (a) to (e) (c), debt service for repayment of principal and interest on bonds issued after July 1, 1997, does not qualify for debt service equalization aid unless the primary purpose of the facility is to serve students in kindergarten through grade 12.~~

Sec. 2. Minnesota Statutes 1998, section 123B.53, subdivision 4, is amended to read:

Subd. 4. [DEBT SERVICE EQUALIZATION REVENUE.] ~~(a) For fiscal years 1995 and later,~~ The debt service equalization revenue of a district equals the eligible debt service revenue minus the amount raised by a levy of ~~ten~~ 12 percent times the adjusted net tax capacity of the district.

~~(b) For fiscal year 1993, debt service equalization revenue equals one-third of the amount calculated in paragraph (a).~~

~~(c) For fiscal year 1994, debt service equalization revenue equals two-thirds of the amount calculated in paragraph (a).~~

Sec. 3. Minnesota Statutes 1998, section 123B.53, subdivision 5, is amended to read:

Subd. 5. [EQUALIZED DEBT SERVICE LEVY.] To obtain debt service equalization revenue, a district must levy an amount not to exceed the district's debt service equalization revenue times the lesser of one or the ratio of:

(1) the quotient derived by dividing the adjusted net tax capacity of the district for the year before the year the levy is certified by the ~~resident~~ adjusted pupil units in the district for the school year ending in the year prior to the year the levy is certified; to

(2) ~~\$4,707.50~~ \$4,000.

Sec. 4. Minnesota Statutes 1998, section 123B.53, subdivision 6, is amended to read:

Subd. 6. [DEBT SERVICE EQUALIZATION AID.] A district's debt service equalization aid is the difference between the debt service equalization revenue and the equalized debt service levy. ~~If the amount of debt service equalization aid actually appropriated for the fiscal year in which this calculation is made is insufficient to fully fund debt service equalization aid, the commissioner shall prorate the amount of aid across all eligible districts.~~

Sec. 5. Minnesota Statutes 1998, section 123B.53, subdivision 7, is amended to read:

Subd. 7. [DEBT SERVICE EQUALIZATION AID PAYMENT SCHEDULE.] Debt service equalization aid must be paid as follows: ~~30 percent before September 15, 30 percent before December 15, 30 percent before March 15, and a final payment of ten percent by July 15 of the subsequent fiscal year according to section 127A.45, subdivision 10.~~

Sec. 6. Minnesota Statutes 1998, section 123B.54, is amended to read:

123B.54 [DEBT SERVICE APPROPRIATION.]

(a) ~~\$35,480,000~~ \$33,165,000 in fiscal year ~~1998~~ 2000, ~~\$38,159,000~~ \$32,057,000 in fiscal year ~~1999~~ 2001, and ~~\$38,390,000~~ \$31,280,000 in fiscal year ~~2000~~ 2002 and each year thereafter is appropriated from the general fund to the commissioner of children, families, and learning for payment of debt service equalization aid under section 123B.53. The ~~2000~~ 2002 appropriation includes ~~\$3,842,000~~ \$3,201,000 for ~~1999~~ 2001 and ~~\$34,548,000~~ \$29,079,000 for ~~2000~~ 2002.

(b) The appropriations in paragraph (a) must be reduced by the amount of any money specifically appropriated for the same purpose in any year from any state fund.

Sec. 7. Minnesota Statutes 1998, section 123B.57, subdivision 4, is amended to read:

Subd. 4. [HEALTH AND SAFETY LEVY.] To receive health and safety revenue, a district may levy an amount equal to the district's health and safety revenue as defined in subdivision 3 multiplied by the lesser of one, or the ratio of the quotient derived by dividing the adjusted net tax capacity of the district for the year preceding the year the levy is certified by the resident adjusted marginal cost pupil units in the district for the school year to which the levy is attributable, to ~~\$4,707.50~~ \$3,956.

Sec. 8. Minnesota Statutes 1998, section 123B.59, subdivision 1, is amended to read:

Subdivision 1. [TO QUALIFY.] An independent or special school district qualifies to participate in the alternative facilities bonding and levy program if the district has:

- (1) more than 66 students per grade;
- (2) over 1,850,000 square feet of space;
- (3) average age of building space is ~~20~~ 15 years or older;
- (4) insufficient funds from projected health and safety revenue and capital facilities revenue to meet the requirements for deferred maintenance, to make accessibility improvements, or to make fire, safety, or health repairs; and
- (5) a ten-year facility plan approved by the commissioner according to subdivision 2.

Sec. 9. Minnesota Statutes 1998, section 123B.61, is amended to read:

123B.61 [PURCHASE OF CERTAIN EQUIPMENT.]

The board of a district may issue general obligation certificates of indebtedness or capital notes subject to the district debt limits to ~~purchase~~: (a) purchase vehicles, computers, telephone systems, cable equipment, photocopy and office equipment, technological equipment for instruction, and other capital equipment having an expected useful life at least as long as the terms of the certificates or notes; ~~and~~ (b) purchase computer hardware and software, without regard to its expected useful life, whether bundled with machinery or equipment or unbundled, together with application development services and training related to the use of the computer; and (c) prepay special assessments. The certificates or notes must be payable in not more than five years and must be issued on the terms and in the manner determined by the board, except that certificates or notes issued to prepay special assessments must be payable in not more than 20 years. The certificates or notes may be issued by resolution and without the requirement for an election. The certificates or notes are general obligation bonds for purposes of section 126C.55. A tax levy must

be made for the payment of the principal and interest on the certificates or notes, in accordance with section 475.61, as in the case of bonds. The sum of the tax levies under this section and section 123B.62 for each year must not exceed the amount of the district's total operating capital revenue for the year the initial debt service levies are certified. The district's general education levy for each year must be reduced by the sum of (1) the amount of the tax levies for debt service certified for each year for payment of the principal and interest on the certificates or notes as required by section 475.61, and (2) any excess amount in the debt redemption fund used to retire certificates or notes issued after April 1, 1997, other than amounts used to pay capitalized interest. A district using an excess amount in the debt redemption fund to retire the certificates or notes shall report the amount used for this purpose to the commissioner by July 15 of the following fiscal year. A district having an outstanding capital loan under section 126C.69 or an outstanding debt service loan under section 126C.68 must not use an excess amount in the debt redemption fund to retire the certificates or notes.

Sec. 10. Minnesota Statutes 1998, section 124D.88, subdivision 3, is amended to read:

Subd. 3. [GRANT APPLICATION PROCESS.] (a) Any group of school districts that meets the criteria required under paragraph (b)(i)(1) may apply for a magnet school grant in an amount not to exceed ~~\$15,000,000~~ \$20,800,000 for the approved costs or expansion of a magnet school facility.

(b)(i)(1) Any group of districts that submits an application for a grant shall submit a proposal to the commissioner for review and comment under section 123B.71, and the commissioner shall prepare a review and comment on the proposed magnet school facility, regardless of the amount of the capital expenditure required to design, acquire, construct, remodel, improve, furnish, or equip the facility. The commissioner must not approve an application for a magnet school grant for any facility unless the facility receives a favorable review and comment under section 123B.71 and the participating districts:

(1) (i) establish a joint powers board under section 471.59 to represent all participating districts and govern the magnet school facility;

(2) (ii) design the planned magnet school facility to meet the applicable requirements contained in Minnesota Rules, chapter 3535;

(3) (iii) submit a statement of need, including reasons why the magnet school will facilitate integration and improve learning;

(4) (iv) prepare an educational plan that includes input from both community and professional staff; and

(5) (v) develop an education program that will improve learning opportunities for students attending the magnet school.

(ii) (2) The districts may develop a plan that permits social service, health, and other programs serving students and community residents to be located within the magnet school facility. The commissioner shall consider this plan when preparing a review and comment on the proposed facility.

(c) When two or more districts enter into an agreement establishing a joint powers board to govern the magnet school facility, all member districts shall have the same powers.

(d) A joint powers board of participating school districts established under paragraphs (b) and (c) that intends to apply for a grant must adopt a resolution stating the costs of the proposed project, the purpose for which the debt is to be incurred, and an estimate of the dates when the contracts for the proposed project will be completed. A copy of the resolution must accompany any application for a state grant under this section.

(e)(i)(1) The commissioner shall examine and consider all grant applications. If the commissioner finds that any joint powers district is not a qualified grant applicant, the commissioner shall promptly notify that joint powers board. The commissioner shall make awards

to no more than two qualified applicants whose applications have been on file with the commissioner more than 30 days.

(ii) (2) A grant award is subject to verification by the joint powers board under paragraph (f). A grant award must not be made until the participating districts determine the site of the magnet school facility. If the total amount of the approved applications exceeds the amount of grant funding that is or can be made available, the commissioner shall allot the available amount equally between the approved applicant districts. The commissioner shall promptly certify to each qualified joint powers board the amount, if any, of the grant awarded to it.

(f) Each grant must be evidenced by a contract between the joint powers board and the state acting through the commissioner. The contract obligates the state to pay to the joint powers board an amount computed according to paragraph (e)(ii)(2) and a schedule, and terms and conditions acceptable to the commissioner of finance.

(g) Notwithstanding the provisions of section 123B.02, subdivision 3, the joint powers and its individual members may enter into long-term lease agreements as part of the magnet school program.

Sec. 11. Minnesota Statutes 1998, section 125B.20, is amended to read:

125B.20 [TELECOMMUNICATION ACCESS GRANT AND STATEWIDE COORDINATION.]

Subdivision 1. [ESTABLISHMENT; PURPOSE.] The purpose of developing a statewide school district telecommunications network is to expand the availability of a broad range of courses and degrees to students throughout the state, to share information resources to improve access, quality, and efficiency, to improve learning, and distance cooperative learning opportunities, and to promote the exchange of ideas among students, parents, teachers, media generalists, librarians, and the public. In addition, through the development of this statewide telecommunications network emphasizing cost-effective, competitive connections, all Minnesotans will benefit by enhancing access to telecommunications technology throughout the state. Network connections for school districts and public libraries will be coordinated and fully integrated into the existing state telecommunications and interactive television networks to achieve comprehensive and efficient interconnectivity of school districts and libraries to higher education institutions, state agencies, other governmental units, agencies, and institutions throughout Minnesota. A school district may apply to the commissioner for a grant under subdivision 2, and a regional public library may apply under subdivision 3. The Minnesota education telecommunication council established in Laws 1995, First Special Session chapter 3, article 12, section 7, shall establish priorities for awarding grants, making grant awards, and being responsible for the coordination of networks.

Subd. 2. [SCHOOL DISTRICT TELECOMMUNICATIONS GRANT.] (a) Priority will be given to a school district that has not received access to interactive video, data connection, or both under the telecommunications access grant program. Districts may apply for a grant under this subdivision to: (1) establish connections among school districts, and between school districts and the state information infrastructure administered by the department of administration under section 16B.465; or (2) if such a connection meeting minimum electronic connectivity standards is already established, enhance telecommunications capacity for a school district. The minimum standards of capacity are a 56 kilobyte data line and 768 kilobyte ITV connection, subject to change based on the recommendations by the Minnesota education telecommunications council. A district may submit a grant application for interactive television with higher capacity connections in order to maintain multiple simultaneous connections. To ensure coordination among school districts, a school district must submit its grant application to the council through an organization that coordinates the applications and connections of at least ten school districts or through an existing technology cooperative the telecommunications access grant cluster of which the district is a member.

(b) The application must, at a minimum, contain information to document for each applicant school district the following:

(1) that the proposed connection meets the minimum standards and employs an open network architecture that will ensure interconnectivity and interoperability with other education institutions and libraries;

(2) that the proposed connection and system will be connected to the state information infrastructure through the department of administration under section 16B.465 ~~and that a network service and management agreement is in place;~~

(3) that the proposed connection and system will be connected to the higher education telecommunication network and that a governance agreement has been adopted which includes agreements between the school district system, a higher education regional council, libraries, and coordinating entities;

(4) the telecommunication vendor selected to provide service from the district to a state information infrastructure hub or to a more cost-effective connection point to the state information infrastructure; and

(5) other information, as determined by the commissioner in consultation with the education telecommunications council, to ensure that connections are coordinated, meet state standards and are cost-effective, and that service is provided in an efficient and cost-effective manner.

(c) A school district may include, in its grant application, telecommunications access for collaboration with nonprofit arts organizations for the purpose of educational programs, or access for a secondary media center that: (1) is a member of a multitype library system; (2) is open during periods of the year when classroom instruction is occurring; and (3) has licensed school media staff on site.

(d) The Minnesota education telecommunications council shall award grants and the funds shall be dispersed by the commissioner. ~~The highest priority for these grants shall be to bring school districts up to the minimum connectivity standards. A grant to enhance telecommunications capacity beyond the minimum connectivity standards shall be no more than 75 percent of the maximum grant under this subdivision. Grant applications for minimum connection and enhanced telecommunications capacity grants must be submitted to the commissioner by a coordinating organization including, but not limited to, service cooperatives and education districts. Grant applications must be submitted to the commissioner by a telecommunications access grant cluster organization.~~ For the purposes of the grant, a school district may include a charter school under section 124D.10, or the Faribault academies. Based on the award made by the council, all grants under this subdivision shall be paid by the commissioner directly to a school district (unless this application requests that the funds be paid to the coordinating agency). Nonpublic schools as defined in section 237.065, subdivision 2, located within the district may access the network. The nonpublic school is responsible for actual costs for connection from the school to the access site.

(e) Money awarded under this section may be used only for the purposes explicitly stated in the grant application.

Subd. 3. [REGIONAL LIBRARY TELECOMMUNICATION GRANT.] (a) A regional public library system may apply for a telecommunication access grant. Priority will be given to public libraries that have not received access to data connection under the telecommunications access grant program. The grant must be used to create or expand the capacity of electronic data access and connect the library system with the state information infrastructure administered by the department of administration under section 16B.465. ~~Connections must meet minimum system standards of a 56 kilobyte data line and 768 kilobyte ITV connection. To be eligible for a telecommunications access grant, a regional public library system must: (1) meet the level of local support required under section 134.34; and (2) be open at least 20 hours per week.~~

(b) Any grant award under this subdivision may not be used to substitute for any existing local funds allocated to provide electronic access, or equipment for library staff or the public, or local funds previously dedicated to other library operations.

(c) An application for a regional public library telecommunications access grant must, at a minimum, contain information to document the following:

(1) that the connection meets the minimum standards and employs an open network architecture that will ensure interconnectivity and interoperability with other libraries and the educational system;

(2) that the connection is being established through the most cost-effective means and that the public library has explored and coordinated connections through school districts or other governmental agencies;

(3) that the proposed connection and system will be connected to the state information infrastructure through the department of administration under section 16B.465 ~~and that a network service and management agreement is in place;~~

(4) that the proposed connection and system will be connected to the higher education and to the school district telecommunication networks subject to a governance agreement with one or more school districts and a higher education regional council specifying how the system will be coordinated;

(5) the telecommunication vendor selected to provide service from the library to a state information infrastructure hub or through a more cost-effective connection point to the state information infrastructure; and

(6) other information, as determined by the commissioner, to ensure that connections are coordinated, meet state standards, are cost-effective, and that service is provided in an efficient and cost-effective manner so that libraries throughout the state are connected in as seamless a manner as technically possible.

Subd. 4. [AWARD OF GRANTS.] ~~The council shall develop application forms and procedures for school district minimum connectivity grants, enhanced telecommunications grants, and regional library telecommunication access grants. The council shall select the grant recipient and shall promptly notify any applicant that is found not to be qualified. The commissioner shall make the grant payments directly to the school district or regional library system. At the request of the district or regional library system, the commissioner may make the grant payment directly to the coordinating organization. If appropriations are insufficient to fund all applications, the commissioner shall first fully fund the minimum connectivity grants. Unsuccessful applicants may reapply for a grant.~~

Subd. 5. [E-RATES.] ~~The telecommunication access grant clusters are required to file e-rate applications for telecommunication access grant-related expenditures on behalf of grant participants in their clusters. Discounts received on telecommunication access grant expenditures shall be used to offset or reduce operations funding provided by the state.~~

Sec. 12. Minnesota Statutes 1998, section 126C.40, subdivision 4, is amended to read:

Subd. 4. [INTERACTIVE TELEVISION.] (a) A district with its central administrative office located within economic development region one, two, three, four, five, six, seven, eight, nine, and ten may apply to the commissioner for ITV revenue up to the greater of .5 .6 percent of the adjusted net tax capacity of the district or \$25,000. Eligible interactive television expenditures include the construction, maintenance, and lease costs of an interactive television system for instructional purposes. An eligible school district that has completed the construction of its interactive television system may also purchase computer hardware and software used primarily for instructional purposes and access to the Internet provided that its total expenditures for interactive television maintenance and lease costs and for computer hardware and software under this subdivision do not exceed its interactive television revenue for fiscal year 1998. The approval by the commissioner and the application procedures set forth in subdivision 1 shall apply to the revenue in this subdivision. In granting the approval, the commissioner shall consider whether the district is maximizing efficiency through peak use and off-peak use pricing structures.

(b) To obtain ITV revenue, a district may levy an amount not to exceed the district's ITV revenue times the lesser of one or the ratio of:

(1) the quotient derived by dividing the adjusted net tax capacity of the district for the year

before the year the levy is certified by the resident adjusted marginal cost pupil units in the district for the year to which the levy is attributable; to

(2) ~~\$10,000~~ \$8,404.

(c) A district's ITV aid is the difference between its ITV revenue and the ITV levy.

(d) The revenue in the first year after reorganization for a district that has reorganized under sections 123A.35 to 123A.41, 123A.46, or 123A.48 shall be the greater of:

(1) the revenue computed for the reorganized district under paragraph (a), or

(2)(i) for two districts that reorganized, 75 percent of the revenue computed as if the districts involved in the reorganization were separate, or

(ii) for three or more districts that reorganized, 50 percent of the revenue computed as if the districts involved in the reorganization were separate.

(e) The revenue in paragraph (d) is increased by the difference between the initial revenue and ITV lease costs for leases that had been entered into by the preexisting districts on the effective date of the consolidation or combination and with a term not exceeding ten years. This increased revenue is only available for the remaining term of the lease. However, in no case shall the revenue exceed the amount available had the preexisting districts received revenue separately.

(f) Effective for fiscal year 2000, the revenue under this section shall be 75 percent of the amount determined in paragraph (a); for fiscal year 2001, 50 percent of the amount in paragraph (a); and for fiscal year 2002, 25 percent of the amount in paragraph (a).

(g) ~~This section subdivision expires effective for revenue for fiscal year 2003, or when leases in existence on the effective date of Laws 1997, First Special Session chapter 4, expire.~~

Sec. 13. Minnesota Statutes 1998, section 126C.55, is amended by adding a subdivision to read:

Subd. 10. [CONTINUING DISCLOSURE AGREEMENTS.] The commissioner of finance may enter into written agreements or contracts relating to the continuing disclosure of information needed to facilitate the ability of school districts to issue debt obligations according to federal securities laws, rules, and regulations, including securities and exchange commission rules and regulations, section 240.15c2-12. Such agreements or contracts may be in any form the commissioner of finance deems reasonable and in the state's best interests.

Sec. 14. Minnesota Statutes 1998, section 126C.63, subdivision 5, is amended to read:

Subd. 5. [LEVY.] "Levy" means a district's net debt service levy after the reduction of debt service equalization aid under section 123B.53, subdivision 6. For taxes payable in 1994 and later, each district's maximum effort debt service levy for purposes of subdivision 8, must be reduced by an equal number of percentage points if the commissioner determines that the levy reduction will not result in a statewide property tax as would be required under Minnesota Statutes 1992, section 124.46, subdivision 3. A district's levy that is adjusted under this section must not be reduced below ~~18.74~~ 22.3 percent of the district's adjusted net tax capacity.

Sec. 15. Minnesota Statutes 1998, section 126C.63, subdivision 8, is amended to read:

Subd. 8. [MAXIMUM EFFORT DEBT SERVICE LEVY.] "Maximum effort debt service levy" means the lesser of:

(1) a levy in whichever of the following amounts is applicable:

(a) in any district receiving a debt service loan for a debt service levy payable in 1991 and thereafter, or granted a capital loan after January 1, 1990, a levy in a total dollar amount computed at a rate of ~~20~~ 24 percent of adjusted net tax capacity for taxes payable in 1991 and thereafter;

(b) in any district granted a debt service loan after July 31, 1981, or granted a capital loan

which is approved after July 31, 1981, a levy in a total dollar amount computed as a tax rate of 13.08 percent on the adjusted gross tax capacity for taxes payable in 1990 or a tax rate of 18.42 21.92 percent on the adjusted net tax capacity for taxes payable in 1991 and thereafter;

~~(c) in any district granted a debt service loan before August 1, 1981, or granted a capital loan which was approved before August 1, 1981, a levy in a total dollar amount computed as a tax rate of 12.26 percent on the adjusted gross tax capacity for taxes payable in 1990 or a tax rate of 17.17 percent on the adjusted net tax capacity for taxes payable in 1991 and thereafter, until and unless the district receives an additional loan; or~~

(2) a levy in whichever of the following amounts is applicable:

~~(a) in any district which received a debt service or capital loan from the state before January 1, 1965, a levy in a total dollar amount computed as 4.10 mills on the market value in each year, unless the district applies or has applied for an additional loan subsequent to January 1, 1965, or issues or has issued bonds on the public market, other than bonds refunding state loans, subsequent to January 1, 1967;~~

~~(b) in any district granted a debt service or capital loan between January 1, 1965, and July 1, 1969, a levy in a total dollar amount computed as 5-1/2 mills on the market value in each year, until and unless the district receives an additional loan;~~

~~(c) in any district granted a debt service or capital loan between July 1, 1969, and July 1, 1975, a levy in a total dollar amount computed as 6.3 mills on market value in each year until and unless the district has received an additional loan;~~

~~(d) in any district for which a capital loan was approved prior to August 1, 1981, a levy in a total dollar amount equal to the sum of the amount of the required debt service levy and an amount which when levied annually will in the opinion of the commissioner be sufficient to retire the remaining interest and principal on any outstanding loans from the state within 30 years of the original date when the capital loan was granted.~~

The board in any district affected by the provisions of clause (2)~~(d)~~ may elect instead to determine the amount of its levy according to the provisions of clause (1). If a district's capital loan is not paid within 30 years because it elects to determine the amount of its levy according to the provisions of clause (2)~~(d)~~, the liability of the district for the amount of the difference between the amount it levied under clause (2)~~(d)~~ and the amount it would have levied under clause (1), and for interest on the amount of that difference, must not be satisfied and discharged pursuant to Minnesota Statutes 1988, or an earlier edition of Minnesota Statutes if applicable, section 124.43, subdivision 4.

Sec. 16. Minnesota Statutes 1998, section 126C.69, subdivision 2, is amended to read:

Subd. 2. [CAPITAL LOANS ELIGIBILITY.] Beginning July 1, ~~1992~~ 1999, a district is not eligible for a capital loan unless the district's estimated net debt tax rate as computed by the commissioner after debt service equalization aid would be more than ~~20~~ 24 percent of adjusted net tax capacity. The estimate must assume a 20-year maturity schedule for new debt.

Sec. 17. Minnesota Statutes 1998, section 126C.69, subdivision 9, is amended to read:

Subd. 9. [LOAN AMOUNT LIMITS.] (a) A loan must not be recommended for approval for a district exceeding an amount computed as follows:

(1) the amount requested by the district under subdivision 6;

(2) plus the aggregate principal amount of general obligation bonds of the district outstanding on June 30 of the year following the year the application was received, not exceeding the limitation on net debt of the district in section 475.53, subdivision 4, or ~~305~~ 363 percent of its adjusted net tax capacity as most recently determined, whichever is less;

(3) less the maximum net debt permissible for the district on December 1 of the year the

application is received, under the limitation in section 475.53, subdivision 4, or ~~305~~ 363 percent of its adjusted net tax capacity as most recently determined, whichever is less;

(4) less any amount by which the amount voted exceeds the total cost of the facilities for which the loan is granted.

(b) The loan may be approved in an amount computed as provided in paragraph (a), clauses (1) to (3), subject to later reduction according to paragraph (a), clause (4).

Sec. 18. Laws 1995, First Special Session chapter 3, article 12, section 7, as amended by Laws 1997, First Special Session chapter 4, article 9, section 2, Laws 1998, chapter 270, section 4, and Laws 1998, chapter 359, section 20, is amended to read:

Sec. 7. [MINNESOTA EDUCATION TELECOMMUNICATIONS COUNCIL.]

Subdivision 1. [STATE COUNCIL MEMBERSHIP.] The membership of the Minnesota education telecommunications council established in Laws 1993, First Special Session chapter 2, is expanded to include representatives of elementary and secondary education. The membership shall consist of three representatives from the University of Minnesota; three representatives of the board of trustees for Minnesota state colleges and universities; one representative of the higher education services offices; one representative appointed by the private college council; one representative selected by the commissioner of administration; eight representatives selected by the commissioner of children, families, and learning, at least one of which must come from each of the six higher education telecommunication regions; a representative from the office of technology; two members each from the senate and the house of representatives selected by the subcommittee on committees of the committee on rules and administration of the senate and the speaker of the house, one member from each body must be a member of the minority party; and three representatives of libraries, one representing regional public libraries, one representing multitype libraries, and one representing community libraries, selected by the governor. The council shall:

(1) develop a statewide vision and plans for the use of distance learning technologies and provide leadership in implementing the use of such technologies;

~~(2) recommend to the commissioner and the legislature by December 15, 1996, a plan for long-term governance and a proposed structure for statewide and regional telecommunications;~~

~~(3) recommend educational policy relating to telecommunications;~~

~~(4) (3) determine priorities for use;~~

~~(5) (4) oversee coordination of networks for post-secondary campuses, K-12 kindergarten through grade 12 education, and regional and community libraries;~~

~~(6) (5) review application for telecommunications access grants under Minnesota Statutes, section ~~124C.74~~ 125B.20, and recommend to the department grants for funding;~~

~~(7) (6) determine priorities for grant funding proposals; and~~

~~(8) (7) work with the information policy office to ensure consistency of the operation of the learning network with standards of an open system architecture.~~

The council shall consult with representatives of the telecommunication industry in implementing this section.

Subd. 2. [DISTRICT COUNCIL MEMBERSHIP.] District organizations that coordinate applications for telecommunication access grants are encouraged to become members of the regional higher education telecommunication council in their area.

Subd. 3. [CRITERIA.] In addition to responsibilities of the council under Laws 1993, First Special Session chapter 2, as amended, the telecommunications council shall evaluate grant applications under Minnesota Statutes, section 124C.74 and applications from district organizations using the following criteria:

- (1) evidence of cooperative arrangements with other post-secondary institutions, school districts, and community and regional libraries in the geographic region;
- (2) plans for shared classes and programs;
- (3) avoidance of network duplication;
- (4) evidence of efficiencies to be achieved in delivery of instruction due to use of telecommunications;
- (5) a plan for development of a list of all courses available in the region for delivery at a distance;
- (6) a plan for coordinating and scheduling courses; and
- (7) a plan for evaluation of costs, access, and outcomes.

Sec. 19. Laws 1997, First Special Session chapter 4, article 9, section 13, is amended to read:

Sec. 13. [REPEALER.]

(a) Minnesota Statutes 1996, section 124C.74, is repealed effective July 1, ~~1999~~ 2001.

(b) Minnesota Statutes 1996, section 134.46, is repealed.

Sec. 20. Laws 1998, chapter 404, section 5, subdivision 5, is amended to read:

Subd. 5. Metropolitan Magnet Schools 22,200,000

For awarding metropolitan magnet school grants to groups of qualified metropolitan school districts under Minnesota Statutes, section 124C.498.

\$1,900,000 is for the completion of the Downtown Integration magnet school in Minneapolis.

\$3,800,000 is for planning, design, acquisition of land, architectural fees, and engineering fees for the East Metropolitan Integration magnet school in the East Metropolitan area. Of that amount, \$2,800,000 is for land acquisition and site development.

\$14,500,000 is for the construction of the Metropolitan Integration magnet school in Robbinsdale.

\$2,000,000 is for the Southwest Metropolitan Integration magnet school in Edina.

Sec. 21. [REORGANIZATION DEBT; HOWARD LAKE-WAVERLY-WINSTED.]

Notwithstanding Laws 1994, chapter 647, article 6, section 38, or any other law to the contrary, the unreserved operating fund balance used to compute the reorganization operating debt levy authority for independent school district No. 2687, Howard Lake-Waverly-Winsted, is June 30, 1995.

Sec. 22. [FISCAL YEARS 2000 TO 2003 DECLINING PUPIL UNIT AID; ST. PETER.]

Subdivision 1. [FISCAL YEAR 2000.] For fiscal year 2000 only, independent school district No. 508, St. Peter, is eligible for declining pupil unit aid equal to the product of the general

education formula allowance for fiscal year 2000 times the difference between the district's adjusted marginal cost pupil units for the 1996-1997 school year and the district's adjusted marginal cost pupil units for the 1999-2000 school year.

Subd. 2. [FISCAL YEAR 2001.] For fiscal year 2001 only, independent school district No. 508, St. Peter, is eligible for declining pupil unit aid equal to the product of the general education formula allowance for fiscal year 2001 times 75 percent of the difference between the district's adjusted marginal cost pupil units for the 1996-1997 school year and the district's adjusted marginal cost pupil units for the 2000-2001 school year.

Subd. 3. [FISCAL YEAR 2002.] For fiscal year 2002 only, independent school district No. 508, St. Peter, is eligible for declining pupil unit aid equal to the product of the general education formula allowance for fiscal year 2002 times 50 percent of the difference between the district's adjusted marginal cost pupil units for the 1996-1997 school year and the district's adjusted marginal cost pupil units for the 2001-2002 school year.

Subd. 4. [FISCAL YEAR 2003.] For fiscal year 2003 only, independent school district No. 508, St. Peter, is eligible for declining pupil unit aid equal to the product of the general education formula allowance for fiscal year 2003 times 25 percent of the difference between the district's adjusted marginal cost pupil units for the 1996-1997 school year and the district's adjusted marginal cost pupil units for the 2002-2003 school year.

Sec. 23. [FISCAL YEARS 2000 to 2002 DECLINING PUPIL UNIT AID; CLIMAX, KITTSOON CENTRAL, ADA-BORUP, WARREN-ALVARADO-OSLO, BRECKENRIDGE, EAST GRAND FORKS, AND STEPHEN-ARGYLE CENTRAL.]

Subdivision 1. [FISCAL YEAR 2000.] For fiscal year 2000 only, independent school district Nos. 592, Climax; 2171, Kittson Central; 2854, Ada-Borup; 2176, Warren-Alvarado-Oslo; 846, Breckenridge; 595, East Grand Forks; and 2856, Stephen-Argyle Central are eligible for declining pupil unit aid equal to the product of the general education formula allowance for fiscal year 2000 times 75 percent of the difference between the districts' adjusted marginal cost pupil units for the 1996-1997 school year and the districts' adjusted marginal cost pupil units for the 1999-2000 school year.

Subd. 2. [FISCAL YEAR 2001.] For fiscal year 2001 only, independent school district Nos. 592, Climax; 2171, Kittson Central; 2854, Ada-Borup; 2176, Warren-Alvarado-Oslo; 846, Breckenridge; 595, East Grand Forks; and 2856, Stephen-Argyle Central are eligible for declining pupil unit aid equal to the product of the general education formula allowance for fiscal year 2001 times 50 percent of the difference between the districts' adjusted marginal cost pupil units for the 1996-1997 school year and the districts' adjusted marginal cost pupil units for the 2000-2001 school year.

Subd. 3. [FISCAL YEAR 2002.] For fiscal year 2002 only, independent school district Nos. 592, Climax; 2171, Kittson Central; 2854, Ada-Borup; 2176, Warren-Alvarado-Oslo; 846, Breckenridge; 595, East Grand Forks; and 2856, Stephen-Argyle Central are eligible for declining pupil unit aid equal to the product of the general education formula allowance for fiscal year 2002 times 25 percent of the difference between the districts' adjusted marginal cost pupil units for the 1996-1997 school year and the districts' adjusted marginal cost pupil units for the 2001-2002 school year.

Sec. 24. [HEALTH AND SAFETY; PROCTOR.]

Notwithstanding any law to the contrary, independent school district No. 704, Proctor, may include in its health and safety program the amounts necessary to make health and safety improvements to an ice arena located within the district boundaries in order for the district to use the facility to meet the district's curriculum needs under the state graduation rule. The district must attempt to renegotiate its lease agreement with the county that operates the arena before it is eligible for health and safety revenue under this section. The total amount of revenue approved for this purpose shall not exceed \$150,000.

Sec. 25. [ALTERNATIVE FACILITIES REVENUE PROGRAM.]

Subdivision 1. [INDEPENDENT SCHOOL DISTRICT NO. 622, NORTH ST. PAUL-MAPLEWOOD-OAKDALE.] Independent school district No. 622, North St. Paul-Maplewood-Oakdale, is eligible for the alternative facilities revenue program under Minnesota Statutes, section 123B.59, for the purposes of financing school facilities in the district.

Subd. 2. [STILLWATER.] Independent school district No. 834, Stillwater, is eligible for the alternative facilities revenue program under Minnesota Statutes, section 123B.59, for the purposes of financing school facilities in the district.

Sec. 26. [RESIDENTIAL ACADEMIES.]

(a) If a recipient has been awarded a grant under Laws 1998, chapter 398, article 5, section 46, and fails to meet the requirements under the application process for implementing the program after June 30, 1999, any grant money awarded but not paid shall not cancel but is appropriated to the commissioner for additional capital grants to new or existing grantees. The commissioner may reopen the application process with any funds made available.

(b) All projects awarded grants must submit updated capital and operating budget plans to the department of children, families, and learning by June 11, 1999. The commissioner shall approve all educationally and economically advisable plans by June 15, 1999. Only projects with approved updated plans shall be eligible to receive funds. If any project is found ineligible to receive funds, the commissioner may reallocate the funds formerly allocated to that project to the remaining eligible projects.

Sec. 27. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING.] The sums indicated in this section are appropriated from the general fund to the department of children, families, and learning for the fiscal years designated.

Subd. 2. [HEALTH AND SAFETY AID.] For health and safety aid according to Minnesota Statutes, section 123B.57, subdivision 5:

<u>\$14,528,000</u>	<u>.....</u>	<u>2000</u>
<u>\$14,957,000</u>	<u>.....</u>	<u>2001</u>

The 2000 appropriation includes \$1,415,000 for 1999 and \$13,113,000 for 2000.

The 2001 appropriation includes \$1,456,000 for 2000 and \$13,501,000 for 2001.

Subd. 3. [DEBT SERVICE AID.] For debt service aid according to Minnesota Statutes, section 123B.53, subdivision 6:

<u>\$33,165,000</u>	<u>.....</u>	<u>2000</u>
<u>\$32,084,000</u>	<u>.....</u>	<u>2001</u>

The 2000 appropriation includes \$3,842,000 for 1999 and \$29,323,000 for 2000.

The 2001 appropriation includes \$3,256,000 for 2000 and \$28,828,000 for 2001.

Subd. 4. [INTERACTIVE TELEVISION (ITV) AID.] For interactive television (ITV) aid under Minnesota Statutes, section 126C.40, subdivision 4:

<u>\$4,197,000</u>	<u>.....</u>	<u>2000</u>
<u>\$2,851,000</u>	<u>.....</u>	<u>2001</u>

The 2000 appropriation includes \$405,000 for 1999 and \$3,792,000 for 2000.

The 2001 appropriation includes \$421,000 for 2000 and \$2,430,000 for 2001.

Subd. 5. [ALTERNATIVE FACILITIES BONDING AID.] For alternative facilities bonding aid, according to Minnesota Statutes, section 123B.59:

<u>\$19,058,000</u>	<u>.....</u>	<u>2000</u>
<u>\$19,286,000</u>	<u>.....</u>	<u>2001</u>

The 2000 appropriation includes \$1,700,000 for 2000 and \$17,358,000 for 2001.

The 2001 appropriation includes \$1,928,000 for 2000 and \$17,358,000 for 2001.

Subd. 6. [URBAN LEAGUE STREET ACADEMY.] For a grant to special school district No. 1, Minneapolis, for the urban league street academy for the costs of acquiring and moving to a larger building to expand the academy's program:

<u>\$750,000</u>	<u>.....</u>	<u>2000</u>
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This appropriation is available until June 30, 2001.

Subd. 7. [TELECOMMUNICATION ACCESS GRANTS.] (a) For telecommunication access grants according to Minnesota Statutes, section 125B.20:

<u>\$5,000,000</u>	<u>.....</u>	<u>2000</u>
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(b) Any balance in the first year does not cancel but is available in the second year. This amount shall not be included as part of the base for fiscal year 2002-2003.

Subd. 8. [DISASTER RELIEF FACILITIES GRANT; ST. PETER.] For a disaster relief facilities grant to independent school district No. 508, St. Peter:

<u>\$250,000</u>	<u>.....</u>	<u>2000</u>
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This grant is for facilities replacement costs not covered by the district's insurance settlement or through federal emergency management agency payments.

This appropriation is available until June 30, 2001.

Subd. 9. [DISASTER RELIEF FACILITIES GRANT; COMFREY.] For a disaster relief facilities grant to independent school district No. 81, Comfrey:

<u>\$450,000</u>	<u>.....</u>	<u>2000</u>
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This appropriation is available until June 30, 2001.

This grant is for facilities replacement costs not covered by the district's insurance settlement or through federal emergency management agency payments.

Subd. 10. [DECLINING PUPIL AID; ST. PETER.] For a grant to independent school district No. 508, St. Peter, to ameliorate general fund operating losses associated with the March, 1998 tornado:

<u>\$ 105,000</u>	<u>.....</u>	<u>2000</u>
<u>\$ 278,000</u>	<u>.....</u>	<u>2001</u>

Subd. 11. [FLOODS; DECLINING PUPIL AID.] For declining pupil aid under section 23:

<u>\$2,132,000</u>	<u>.....</u>	<u>2000</u>
<u>\$1,758,000</u>	<u>.....</u>	<u>2001</u>

Sec. 28. [REVISOR INSTRUCTION.]

In the next and subsequent editions of Minnesota Statutes, the revisor shall codify section 18 as Minnesota Statutes, section 125B.21.

Sec. 29. [REPEALER.]

(a) Minnesota Statutes 1998, sections 123A.44; 123A.441; 123A.442; 123A.443; 123A.444; 123A.445; 123A.446; 123B.57, subdivisions 4, 5, and 7; 123B.59, subdivision 7; 123B.63, subdivisions 1 and 2; 123B.66; 123B.67; 123B.68; and 123B.69, are repealed effective the day following final enactment.

(b) Minnesota Statutes 1998, section 123B.58, is repealed effective July 1, 2004.

(c) Minnesota Statutes 1998, section 123B.64, subdivision 4, is repealed effective for revenue for fiscal year 2000.

(d) Minnesota Statutes 1998, section 123B.64, subdivisions 1, 2, and 3, are repealed effective for revenue for fiscal year 2001.

(e) Minnesota Rules, parts 3500.3900; 3500.4000; 3500.4100; 3500.4200; and 3500.4300, are repealed.

Sec. 30. [EFFECTIVE DATES.]

Sections 2, 7, 12, 14, 15, 16, and 17 are effective for revenue for fiscal year 2000 and later. Sections 9, 10, 13, 18, 19, 20, and 26 are effective the day following final enactment. Section 21 is effective retroactive to July 1, 1996.

ARTICLE 5

EDUCATION EXCELLENCE

Section 1. Minnesota Statutes 1998, section 41D.02, subdivision 2, is amended to read:

Subd. 2. [ELEMENTARY AND SECONDARY AGRICULTURAL EDUCATION.] The council may provide grants for:

(1) planning and establishment costs for elementary and secondary agriculture education programs;

(2) new instructional and communication technologies; and

(3) curriculum updates.

Sec. 2. Minnesota Statutes 1998, section 122A.18, is amended by adding a subdivision to read:

Subd. 7a. [PERMISSION TO SUBSTITUTE TEACH.] The board of teaching may allow a person who is enrolled in and making satisfactory progress in a board-approved teacher program and who has successfully completed student teaching to be employed as a short-call substitute teacher.

Sec. 3. Minnesota Statutes 1998, section 122A.60, subdivision 3, is amended to read:

Subd. 3. [STAFF DEVELOPMENT OUTCOMES.] The advisory staff development committee must adopt a staff development plan for improving student achievement of education outcomes. The plan must be consistent with education outcomes that the school board determines. The plan must include ongoing staff development activities that contribute toward continuous improvement in achievement of the following goals:

(1) improve student achievement of state and local education standards in all areas of the curriculum by using best practices methods;

(2) effectively meet the needs of a diverse student population, including at-risk children, children with disabilities, and gifted children, within the regular classroom and other settings;

(3) provide an inclusive curriculum for a racially, ethnically, and culturally diverse student population that is consistent with the state education diversity rule and the district's education diversity plan;

(4) improve staff ability to collaborate and consult with one another and to resolve conflicts collaboration and develop mentoring and peer coaching programs for teachers new to the school or district;

(5) effectively teach and model violence prevention policy and curriculum that address early intervention alternatives, issues of harassment, and teach nonviolent alternatives for conflict resolution; and

(6) provide teachers and other members of site-based management teams with appropriate management and financial management skills.

Sec. 4. Minnesota Statutes 1998, section 122A.61, subdivision 1, is amended to read:

Subdivision 1. [STAFF DEVELOPMENT REVENUE.] A district is required to reserve an amount equal to at least one percent of the basic revenue under section 126C.10, subdivision 2, for in-service education for programs under section 120B.22, subdivision 2, for staff development plans, including plans for challenging instructional activities and experiences under section 122A.60, and for curriculum development and programs, other in-service education, teachers' workshops, teacher conferences, the cost of substitute teachers staff development purposes, and other related costs for staff development efforts. A district may annually waive the requirement to reserve their basic revenue under this section if a majority vote of the licensed teachers in the district and a majority vote of the school board agree to a resolution to waive the requirement. A district in statutory operating debt is exempt from reserving basic revenue according to this section. Districts may expend an additional amount of basic unreserved revenue for staff development based on their needs. With the exception of amounts reserved for staff development from revenues allocated directly to school sites, the board must initially allocate 50 percent of the reserved revenue to each school site in the district on a per teacher basis, which must be retained by the school site until used. The board may retain 25 percent to be used for district wide staff development efforts. The remaining 25 percent of the revenue must be used to make grants to school sites that demonstrate exemplary use of allocated staff development revenue for best practices methods. A grant may be used for any purpose authorized under section 120B.22, subdivision 2, 122A.60, or for the costs of curriculum development and programs, other in-service education, teachers' workshops, teacher conferences, substitute teachers for staff development purposes, and other staff development efforts, and determined by the site decision-making professional development team. The site decision-making professional development team must demonstrate to the school board the extent to which staff at the site have met the outcomes of the program. The board may withhold a portion of initial allocation of revenue if the staff development outcomes are not being met.

Sec. 5. Minnesota Statutes 1998, section 123B.36, subdivision 1, is amended to read:

Subdivision 1. [SCHOOL BOARDS MAY REQUIRE FEES.] (a) For purposes of this subdivision, "home school" means a home school as defined in sections 120A.22 and 120A.24 with five or fewer students receiving instruction.

(b) A school board is authorized to require payment of fees in the following areas:

(1) in any program where the resultant product, in excess of minimum requirements and at the pupil's option, becomes the personal property of the pupil;

(2) admission fees or charges for extra curricular activities, where attendance is optional and where the admission fees or charges a student must pay to attend or participate in an extracurricular activity is the same for all students, regardless of whether the student is enrolled in a public or a home school;

(3) a security deposit for the return of materials, supplies, or equipment;

(4) personal physical education and athletic equipment and apparel, although any pupil may personally provide it if it meets reasonable requirements and standards relating to health and safety established by the board;

(5) items of personal use or products that a student has an option to purchase such as student publications, class rings, annuals, and graduation announcements;

(6) fees specifically permitted by any other statute, including but not limited to section 171.05, subdivision 2; provided (i) driver education fees do not exceed the actual cost to the school and school district of providing driver education, and (ii) the driver education courses are open to enrollment to persons between the ages of 15 and 18 who reside or attend school in the school district;

(7) field trips considered supplementary to a district educational program;

(8) any authorized voluntary student health and accident benefit plan;

(9) for the use of musical instruments owned or rented by the district, a reasonable rental fee not to exceed either the rental cost to the district or the annual depreciation plus the actual annual maintenance cost for each instrument;

(10) transportation of pupils to and from extra curricular activities conducted at locations other than school, where attendance is optional;

(11) transportation of pupils to and from school for which aid for fiscal year 1996 is not authorized under Minnesota Statutes 1994, section 124.223, subdivision 1, and for which levy for fiscal year 1996 is not authorized under Minnesota Statutes 1994, section 124.226, subdivision 5, if a district charging fees for transportation of pupils establishes guidelines for that transportation to ensure that no pupil is denied transportation solely because of inability to pay;

(12) motorcycle classroom education courses conducted outside of regular school hours; provided the charge must not exceed the actual cost of these courses to the school district;

(13) transportation to and from post-secondary institutions for pupils enrolled under the post-secondary enrollment options program under section 123B.88, subdivision 22. Fees collected for this service must be reasonable and must be used to reduce the cost of operating the route. Families who qualify for mileage reimbursement under section 124D.09, subdivision 22, may use their state mileage reimbursement to pay this fee. If no fee is charged, districts must allocate costs based on the number of pupils riding the route.

Sec. 6. Minnesota Statutes 1998, section 123B.49, subdivision 4, is amended to read:

Subd. 4. [BOARD CONTROL OF EXTRACURRICULAR ACTIVITIES.] (a) The board may take charge of and control all extracurricular activities of the teachers and children of the public schools in the district. Extracurricular activities means all direct and personal services for public school pupils for their enjoyment that are managed and operated under the guidance of an adult or staff member. The board shall allow all resident pupils receiving instruction in a home school as defined in section 123B.36, subdivision 1, paragraph (a), to be eligible to fully participate in extracurricular activities on the same basis as public school students.

(b) Extracurricular activities have all of the following characteristics:

(1) they are not offered for school credit nor required for graduation;

(2) they are generally conducted outside school hours, or if partly during school hours, at times agreed by the participants, and approved by school authorities;

(3) the content of the activities is determined primarily by the pupil participants under the guidance of a staff member or other adult.

(c) If the board does not take charge of and control extracurricular activities, these activities shall be self-sustaining with all expenses, except direct salary costs and indirect costs of the use of school facilities, met by dues, admissions, or other student fundraising events. The general fund must reflect only those salaries directly related to and readily identified with the activity and paid by public funds. Other revenues and expenditures for extra curricular activities must be recorded

according to the "Manual of Instruction for Uniform Student Activities Accounting for Minnesota School Districts and Area Vocational-Technical Colleges." Extracurricular activities not under board control must have an annual financial audit and must also be audited annually for compliance with this section.

(d) If the board takes charge of and controls extracurricular activities, any or all costs of these activities may be provided from school revenues and all revenues and expenditures for these activities shall be recorded in the same manner as other revenues and expenditures of the district.

(e) If the board takes charge of and controls extracurricular activities, the teachers or pupils in the district must not participate in such activity, nor shall the school name or any allied name be used in connection therewith, except by consent and direction of the board.

Sec. 7. Minnesota Statutes 1998, section 124D.10, subdivision 3, is amended to read:

Subd. 3. [SPONSOR.] A school board, intermediate school district school board, education districts organized under sections 123A.15 to 123A.19, private college, community college, state university, technical college, or the University of Minnesota may sponsor one or more charter schools.

Sec. 8. Minnesota Statutes 1998, section 124D.10, subdivision 4, is amended to read:

Subd. 4. [FORMATION OF SCHOOL.] (a) A sponsor may authorize one or more licensed teachers under section 122A.18, subdivision 1, to operate a charter school subject to approval by the state board. A board must vote on charter school application for sponsorship no later than 90 days after receiving the application. After 90 days, the applicant may apply to the state board. If a board elects not to sponsor a charter school, the applicant may appeal the board's decision to the state board if ~~two members of the board voted to sponsor the school.~~ If the state board authorizes the school, the state board must sponsor the school according to this section. The school must be organized and operated as a cooperative under chapter 308A or nonprofit corporation under chapter 317A.

(b) Before the operators may form and operate a school, the sponsor must file an affidavit with the state board stating its intent to authorize a charter school. The affidavit must state the terms and conditions under which the sponsor would authorize a charter school. The state board must approve or disapprove the sponsor's proposed authorization within 60 days of receipt of the affidavit. Failure to obtain state board approval precludes a sponsor from authorizing the charter school that was the subject of the affidavit.

(c) The operators authorized to organize and operate a school must hold an election for members of the school's board of directors in a timely manner after the school is operating. Any staff members who are employed at the school, including teachers providing instruction under a contract with a cooperative, and all parents of children enrolled in the school may participate in the election. Licensed teachers employed at the school, including teachers providing instruction under a contract with a cooperative, must be a majority of the members of the board of directors, unless the state board waives the requirement for the school. A provisional board may operate before the election of the school's board of directors. Board of director meetings must comply with section 471.705.

(d) The granting or renewal of a charter by a sponsoring entity must not be conditioned upon the bargaining unit status of the employees of the school.

Sec. 9. Minnesota Statutes 1998, section 124D.10, subdivision 5, is amended to read:

Subd. 5. [CONVERSION OF EXISTING SCHOOLS.] A board may convert one or more of its existing schools to charter schools under this section if ~~90~~ 60 percent of the full-time teachers at the school sign a petition seeking conversion. The conversion must occur at the beginning of an academic year.

Sec. 10. Minnesota Statutes 1998, section 124D.10, subdivision 6, is amended to read:

Subd. 6. [CONTRACT.] The sponsor's authorization for a charter school must be in the form of a written contract signed by the sponsor and the board of directors of the charter school. The contract must be completed within 90 days of the state board approval of the sponsor's proposed authorization. The contract for a charter school must be in writing and contain at least the following:

- (1) a description of a program that carries out one or more of the purposes in subdivision 1;
- (2) specific outcomes pupils are to achieve under subdivision 10;
- (3) admission policies and procedures;
- (4) management and administration of the school;
- (5) requirements and procedures for program and financial audits;
- (6) how the school will comply with subdivisions 8, 13, 16, and 23;
- (7) assumption of liability by the charter school;
- (8) types and amounts of insurance coverage to be obtained by the charter school;
- (9) the term of the contract, which may be up to three years; and

(10) if the board of directors or the operators of the charter school provide special instruction and services for children with a disability under sections 125A.03 to 125A.24, and 125A.65, a description of the financial parameters within which the charter school will operate to provide the special instruction and services to children with a disability.

Sec. 11. Minnesota Statutes 1998, section 124D.10, subdivision 11, is amended to read:

Subd. 11. [EMPLOYMENT AND OTHER OPERATING MATTERS.] A charter school must employ or contract with necessary teachers, as defined by section 122A.15, subdivision 1, who hold valid licenses to perform the particular service for which they are employed in the school. The school may employ necessary employees who are not required to hold teaching licenses to perform duties other than teaching and may contract for other services. The school may discharge teachers and nonlicensed employees. A person, without holding a valid administrator's license, may perform administrative, supervisory, or instructional leadership duties.

The board of directors also shall decide matters related to the operation of the school, including budgeting, curriculum and operating procedures.

Sec. 12. Minnesota Statutes 1998, section 124D.11, subdivision 4, is amended to read:

Subd. 4. [BUILDING LEASE AID.] When a charter school finds it economically advantageous to rent or lease a building or land for any instructional purposes and it determines that the total operating capital revenue under section 126C.10, subdivision 13, is insufficient for this purpose, it may apply to the commissioner for building lease aid for this purpose. Criteria for aid approval and revenue uses shall be as defined for the building lease levy in section 126C.40, subdivision 1, paragraphs (a) and (b). The amount of building lease aid per pupil unit served for a charter school for any year shall not exceed the lesser of (a) ~~80~~ 90 percent of the approved cost or (b) the product of the pupil units served for the current school year times ~~the sum of the state average debt redemption fund revenue plus capital revenue, according to section 126C.40, per pupil unit served for the current fiscal year~~ \$1,500.

Sec. 13. Minnesota Statutes 1998, section 124D.11, subdivision 6, is amended to read:

Subd. 6. [OTHER AID, GRANTS, REVENUE.] (a) A charter school is eligible to receive other aids, grants, and revenue according to chapters 120A to 129C, as though it were a district, ~~except that, notwithstanding section 127A.45, subdivision 3, the payments must be of an equal amount on each of the 23 payment dates unless a charter school is in its first year of operation in which case it shall receive on its first payment date ten percent of its cumulative amount guaranteed for the year~~

and 22 payments of an equal amount thereafter the sum of which shall be 90 percent of the cumulative amount guaranteed. However, it

(b) Notwithstanding paragraph (a), a charter school may not receive aid, a grant, or revenue if a levy is required to obtain the money, except as otherwise provided in this section.

(c) Federal aid received by the state must be paid to the school, if it qualifies for the aid as though it were a school district.

(b) (d) A charter school may receive money from any source for capital facilities needs. In the year-end report to the state board of education, the charter school shall report the total amount of funds received from grants and other outside sources.

(e) Notwithstanding paragraph (a) or (b), a charter school is eligible to receive the aid portion of integration revenue under section 124D.86, subdivision 3, for enrolled students who are residents of a district that is eligible for integration revenue if the enrollment of the pupil in the charter school contributes to desegregation or integration purposes. If the charter school has elected not to provide transportation under section 124D.10, subdivision 16, the aid shall be reduced by the amount per pupil unit specified for the district where the charter school is located under section 123B.92, subdivision 8.

Sec. 14. Minnesota Statutes 1998, section 124D.11, is amended by adding a subdivision to read:

Subd. 9. [PAYMENT OF AIDS TO CHARTER SCHOOLS.] (a) Notwithstanding section 127A.45, subdivision 3, aid payments for the current fiscal year to a charter school not in its first year of operation shall be of an equal amount on each of the 23 payment dates. A charter school in its first year of operation shall receive, on its first payment date, ten percent of its cumulative amount guaranteed for the year and 22 payments of an equal amount thereafter the sum of which shall be 90 percent of the cumulative amount guaranteed.

(b) Notwithstanding section 127A.45, subdivision 3, and paragraph (a), 90 percent of the start-up cost aid under subdivision 8 shall be paid within 45 days after the first day of student attendance for that school year.

Sec. 15. Minnesota Statutes 1998, section 125B.05, subdivision 3, is amended to read:

Subd. 3. [SOFTWARE DEVELOPMENT.] ~~The commissioner may charge school districts or cooperative units for the actual cost of software development used by the district or cooperative unit. Any amount received is annually appropriated to the department of children, families, and learning for this purpose.~~ A school district, charter school, or cooperative unit may not implement a payroll financial, student, or staff software system after June 30, 1994, until the system has been reviewed by the department to ensure that it provides the required data elements and format.

Sec. 16. Laws 1997, First Special Session chapter 4, article 9, section 6, is amended to read:

Sec. 6. [LEARNING ACADEMY.]

Subdivision 1. [ESTABLISHMENT.] The commissioner shall develop standards and requirements and certify courses for a Minnesota learning academy to provide training opportunities for educators, administrators, school media and information technology professionals, and librarians in the use of technology and its integration into learning activities for meeting the educational needs of all students. Only certified classes may be used to fulfill the requirements of the learning academy.

Subd. 2. [DEVELOPMENT OF THE LEARNING ACADEMY.] To develop the learning academy, the commissioner shall consult with representatives of public schools, higher education, teacher organizations, students, private business, state agencies, libraries, and political subdivisions to do the following:

(1) set measures for teacher training opportunities on technical skills and technology integration skills;

(2) identify and establish outcomes for a series of training courses that provide for technical skills and technology classroom integration skills, including skills to enable school media and information specialists to train school staff;

(3) identify existing education organizations, public, or private institutions to develop and provide training courses;

(4) evaluate prerequisites for the classroom integration skills course;

(5) certify or decertify classes and courses for inclusion in or exclusion from the learning academy; and

(6) coordinate and make certified classes and courses available to eligible participants.

Subd. 3. [FUNDING.] The commissioner shall use available appropriations to provide start-up and initial operating subsidies for the learning academy sites. Appropriated funds may also be used to partially subsidize costs of attendees of the academy.

Sec. 17. [SALARY CREDIT FOR PRIOR EXPERIENCE AND TRAINING.]

For purposes of determining the placement on the salary schedule of a program graduate of the collaborative urban educator, southeast Asian teacher licensure, or circles of support in educational leadership program, a school district that employs a program graduate may give additional credit on the salary schedule for that person's teaching experience and academic preparation attained while participating in the program, and also may consider the person's employment experience and academic preparation attained before enrolling in any of these three programs.

Sec. 18. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING.] The sums indicated in this section are appropriated from the general fund to the department of children, families, and learning for the fiscal years designated.

Subd. 2. [ST. PAUL COMMUNITY-BASED SCHOOL PROGRAM.] For a grant to independent school district No. 625, St. Paul, for the operation of a community-based school program. The school district must report to the legislature on the academic and social results of this program by January 15, 2000.

\$3,000,000 2000

Any balance in the first year does not cancel but is available in the second year. This is a one-time appropriation.

Subd. 3. [ADVANCED PLACEMENT AND INTERNATIONAL BACCALAUREATE PROGRAMS.] For the state advanced placement and international baccalaureate programs:

\$1,875,000 2000
\$1,875,000 2001

Notwithstanding Minnesota Statutes, section 120B.13, subdivisions 1 and 2, \$375,000 each year is for teachers to attend subject matter summer training programs and follow-up support workshops approved by the advanced placement or international baccalaureate programs. The amount of the subsidy for each teacher attending an advanced placement or international baccalaureate summer training program or workshop shall be the same. The commissioner shall determine the payment process and the amount of the subsidy.

Notwithstanding Minnesota Statutes, section 120B.13, subdivision 3, in each year to the extent of available appropriations, the commissioner shall pay all examination fees for all students sitting for an advanced placement examination, international baccalaureate examination, or both. If this amount is not adequate, the commissioner may pay less than the full examination fee.

Any balance in the first year does not cancel but is available in the second year.

Subd. 4. [STATEWIDE TESTING.] For supporting implementation of the graduation standards:

<u>\$9,000,000</u>	<u>.....</u>	<u>2000</u>
<u>\$9,000,000</u>	<u>.....</u>	<u>2001</u>

Any balance in the first year does not cancel but is available in the second year.

Subd. 5. [CHARTER SCHOOL BUILDING LEASE AID.] For building lease aid according to Minnesota Statutes, section 124D.11, subdivision 4:

<u>\$2,992,000</u>	<u>.....</u>	<u>2000</u>
<u>\$3,616,000</u>	<u>.....</u>	<u>2001</u>

The 2000 appropriation includes \$194,000 for 1999 and \$2,798,000 for 2000.

The 2001 appropriation includes \$311,000 for 2000 and \$3,305,000 for 2001.

Subd. 6. [CHARTER SCHOOL START-UP GRANTS.] For charter school start-up cost aid under Minnesota Statutes, section 124D.11:

<u>\$1,789,000</u>	<u>.....</u>	<u>2000</u>
<u>\$1,876,000</u>	<u>.....</u>	<u>2001</u>

The 2000 appropriation includes \$100,000 for 1999 and \$1,689,000 for 2000.

The 2001 appropriation includes \$188,000 for 1999 and \$1,688,000 for 2001.

Any balance in the first year does not cancel but is available in the second year. This appropriation may also be used for grants to convert existing schools into charter schools.

Subd. 7. [GRADUATION RULE RESOURCE GRANTS.] For graduation rule resource grants according to Laws 1998, chapter 398, article 5, section 40:

<u>\$ 600,000</u>	<u>.....</u>	<u>2000</u>
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This appropriation is available until June 30, 2001.

Of this amount, \$500,000 is for a current recipient of funding from the National Geographic Society Education Foundation; and \$100,000 is for a program offering horse riding as an alternative educational program for children with a disability.

Subd. 8. [CHARTER SCHOOL INTEGRATION AID.] For new integration aid to go to charter schools according to Minnesota Statutes, section 124D.11, subdivision 6, paragraph (e):

<u>\$50,000</u>	<u>.....</u>	<u>2000</u>
<u>\$50,000</u>	<u>.....</u>	<u>2001</u>

Any balance in the first year does not cancel but is available in the second year.

Subd. 9. [HOMEWORK HOTLINE.] For grants for homework hotline providers:

<u>\$ 40,000</u>	<u>.....</u>	<u>2000</u>
<u>\$ 40,000</u>	<u>.....</u>	<u>2001</u>

This appropriation is available to assist students with homework by telephone or other interactive technology. The program providers must offer assistance to students at least four days per week. The state aid is contingent upon the program matching each \$1 of state revenue with \$2 of local or private funding or in-kind contributions.

Subd. 10. [MINNESOTA TALENTED YOUTH MATH PROJECT.] For a grant to the South Central Service Cooperative for the Minnesota talented youth math project program operated by the South Central Service Cooperative and as fiscal agent for the talented youth math project programs established and operated by the Northwest Service Cooperative, Northeast Service Cooperative, North Central Service Cooperative, and Southwest/West Central Service Cooperative.

<u>\$ 145,000</u>	.....	<u>2000</u>
<u>\$ 175,000</u>	.....	<u>2001</u>

Any balance in the first year does not cancel but is available in the second year. This is a one-time appropriation.

Subd. 11. [PROGRAMS TRAINING TEACHERS OF SPECIAL NEEDS STUDENTS.] For programs training teachers of special needs students under Laws 1998, chapter 398, article 5, section 42:

<u>\$1,500,000</u>	<u>2000</u>
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This appropriation is available until June 30, 2001.

Sec. 19. [EFFECTIVE DATES.]

Sections 5, 6, 11, and 17 are effective for the 1999-2000 school year and later.

ARTICLE 6 OTHER PROGRAMS

Section 1. Minnesota Statutes 1998, section 120A.24, subdivision 1, is amended to read:

Subdivision 1. [REPORTS TO SUPERINTENDENT.] The person in charge of providing instruction to a child must submit the following information to the superintendent of the district in which the child resides:

- (1) by October 1 of each school year, the name, age birth date, and address of each child receiving instruction;
- (2) the name of each instructor and evidence of compliance with one of the requirements specified in section 120A.22, subdivision 10;
- (3) an annual instructional calendar; and
- (4) for each child instructed by a parent who meets only the requirement of section 120A.22, subdivision 10, clause (6), a quarterly report card on the achievement of the child in each subject area required in section 120A.22, subdivision 9.

Sec. 2. Minnesota Statutes 1998, section 123A.48, subdivision 10, is amended to read:

Subd. 10. [DISTRICT BOARD ADOPTION OF PROPOSED PLAT.] The board of any independent district maintaining a secondary school, the board of any common district maintaining a secondary school, all or part of whose land is included in the proposed new district, must, within 45 days of the approval of the plat by the commissioner, either adopt or reject the plan as proposed in the approved plat. If the board of any such district entitled to act on the petition rejects the proposal, the proceedings are terminated and dismissed. If any board fails to act on the plat within the time allowed, the proceedings are terminated. If any school board is unable to obtain a majority of its members' votes to accept or reject the plat and plan, a petition of residents of the district unable to obtain a majority of votes equal to 20 percent of the votes cast in the last school district general election in that district may be submitted to the county auditor requesting a public vote to accept or reject the plat and plan. The vote shall be scheduled on the next available election date. The county auditor shall notify the commissioner of the scheduled vote, conduct the election in that district and certify the results of the election to the commissioner.

Other affected school boards that approve the plat and plan may choose to hold an election. If elections are conducted in each affected school district, results shall be separate and a majority vote to approve the plat and plan must be reached in each of the affected districts. If the plat and plan are rejected by the voters, a new plat and plan cannot be submitted, except by school board resolution in a district where the plat and plan were rejected, until January 1 of the year following the next school district general election.

Sec. 3. Minnesota Statutes 1998, section 123B.195, is amended to read:

123B.195 [BOARD MEMBERS' RIGHT TO EMPLOYMENT.]

Notwithstanding section 471.88, subdivision 5, a school board member may be newly employed or may continue to be employed by a school district as an employee only if there is a reasonable expectation at the beginning of the fiscal year or at the time the contract is entered into or extended that the amount to be earned by that officer under that contract or employment relationship will not exceed \$5,000 in that fiscal year. Notwithstanding section 122A.40 or 122A.41 or other law, if the officer does not receive ~~unanimous~~ majority approval to be initially employed or to continue in employment at a meeting at which all board members are present, that employment is immediately terminated and that officer has no further rights to employment while serving as a school board member in the district.

Sec. 4. Minnesota Statutes 1998, section 124D.94, subdivision 3, is amended to read:

Subd. 3. [BOARD OF DIRECTORS.] The board of directors of the foundation shall consist of the commissioner of children, families, and learning, ~~a member of the state board of education selected by the state board who shall serve as chair~~ and 20 members to be appointed by the governor. Of the 20 members appointed by the governor, eight shall represent a variety of education groups and 12 shall represent a variety of business groups. The members of the board of directors shall select one member to serve as chair. The commissioner of children, families, and learning shall serve as secretary for the board of directors and provide administrative support to the foundation. An executive committee of the foundation board composed of the board officers and chairs of board committees, may only advise and make recommendations to the foundation board.

Sec. 5. Minnesota Statutes 1998, section 124D.94, subdivision 6, is amended to read:

Subd. 6. [CONTRACTS.] The foundation board shall review and approve each contract of the board. Each contract of the foundation board shall be subject to the same review and approval procedures as a contract of the ~~state board of education~~ department of children, families, and learning.

Sec. 6. Minnesota Statutes 1998, section 124D.94, subdivision 7, is amended to read:

Subd. 7. [FOUNDATION STAFF.] (a) ~~The state board~~ foundation board with review by the commissioner shall appoint the executive director and other staff who shall perform duties and have responsibilities solely related to the foundation.

(b) As part of the annual plan of work, the foundation, ~~under the direction of~~ with review by the state board commissioner, may appoint up to three employees. The employees appointed under this paragraph are not state employees under chapter 43A, but are covered under section 3.736. At the foundation board's discretion, the employees may participate in the state health and state insurance plans for employees in unclassified service. The employees shall be supervised by the executive director.

Sec. 7. Minnesota Statutes 1998, section 126C.42, subdivision 1, is amended to read:

Subdivision 1. [1977 STATUTORY OPERATING DEBT.] (a) In each year in which so required by this subdivision, a district must make an additional levy to eliminate its statutory operating debt, determined as of June 30, 1977, and certified and adjusted by the commissioner. This levy shall not be made in more than 30 successive years and each year before it is made, it must be approved by the commissioner and the approval shall specify its amount. This levy shall

be an amount which is equal to the amount raised by a levy of a net tax rate of ~~1.66~~ 1.98 percent times the adjusted net tax capacity of the district for the preceding year for taxes payable in ~~1991~~ 2000 and thereafter; provided that in the last year in which the district is required to make this levy, it must levy an amount not to exceed the amount raised by a levy of a net tax rate of ~~1.66~~ 1.98 percent times the adjusted net tax capacity of the district for the preceding year for taxes payable in ~~1991~~ 2000 and thereafter. When the sum of the cumulative levies made pursuant to this subdivision and transfers made according to section 123B.79, subdivision 6, equals an amount equal to the statutory operating debt of the district, the levy shall be discontinued.

(b) The district must establish a special account in the general fund which shall be designated "appropriated fund balance reserve account for purposes of reducing statutory operating debt" on its books and records. This account shall reflect the levy authorized pursuant to this subdivision. The proceeds of this levy must be used only for cash flow requirements and must not be used to supplement district revenues or income for the purposes of increasing the district's expenditures or budgets.

(c) Any district which is required to levy pursuant to this subdivision must certify the maximum levy allowable under section 126C.13, subdivision 2, in that same year.

(d) Each district shall make permanent fund balance transfers so that the total statutory operating debt of the district is reflected in the general fund as of June 30, 1977.

Sec. 8. Minnesota Statutes 1998, section 126C.42, subdivision 2, is amended to read:

Subd. 2. [1983 OPERATING DEBT.] (1) Each year, a district may make an additional levy to eliminate a deficit in the net unappropriated operating funds of the district, determined as of June 30, 1983, and certified and adjusted by the commissioner. This levy may in each year be an amount not to exceed the amount raised by a levy of a net tax rate of ~~1.85~~ 2.2 percent times the adjusted net tax capacity for taxes payable in ~~1991~~ 2000 and thereafter of the district for the preceding year as determined by the commissioner. However, the total amount of this levy for all years it is made must not exceed the lesser of (a) the amount of the deficit in the net unappropriated operating funds of the district as of June 30, 1983, or (b) the amount of the aid reduction, according to Laws 1981, Third Special Session chapter 2, article 2, section 2, but excluding clauses (l), (m), (n), (o), and (p), and Laws 1982, Third Special Session chapter 1, article 3, section 6, to the district in fiscal year 1983. When the cumulative levies made pursuant to this subdivision equal the total amount permitted by this subdivision, the levy must be discontinued.

(2) The proceeds of this levy must be used only for cash flow requirements and must not be used to supplement district revenues or income for the purposes of increasing the district's expenditures or budgets.

(3) A district that levies pursuant to this subdivision must certify the maximum levy allowable under section 126C.13, subdivision 2, in that same year.

Sec. 9. Minnesota Statutes 1998, section 126C.46, is amended to read:

126C.46 [ABATEMENT LEVY.]

(a) Each year, a school district may levy an amount to replace the net revenue lost to abatements that have occurred under chapter 278, section 270.07, 375.192, or otherwise. The maximum abatement levy is the sum of:

(1) the amount of the net revenue loss determined under section 127A.49, subdivision 2, that is not paid in state aid including any aid amounts not paid due to proration;

(2) the difference of (i) the amount of any abatements that have been reported by the county auditor for the first six months of the calendar year during which the abatement levy is certified that the district chooses to levy, (ii) less any amount actually levied under this clause that was certified in the previous calendar year for the first six months of the previous calendar year; and

(3) an amount equal to any interest paid on abatement refunds.

(b) A district may spread this levy over a period not to exceed ~~three~~ two years. With the approval of the commissioner, a district may spread this levy over a period not to exceed three years.

By July 15, the county auditor shall separately report the abatements that have occurred during the first six calendar months of that year to the commissioner and each district located within the county.

Sec. 10. Minnesota Statutes 1998, section 127A.45, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] (a) The term "other district receipts" means payments by county treasurers pursuant to section 276.10, apportionments from the school endowment fund pursuant to section 127A.33, apportionments by the county auditor pursuant to section 127A.34, subdivision 2, and payments to school districts by the commissioner of revenue pursuant to chapter 298.

(b) The term "cumulative amount guaranteed" means ~~the sum of the following:~~

~~(1) one-third of the final adjustment payment according to subdivision 9; plus~~

~~(2) the product of~~

~~(i) (1) the cumulative disbursement percentage shown in subdivision 3; times~~

~~(ii) (2) the sum of~~

~~(i) 90 percent of the estimated aid and credit entitlements paid according to subdivision 13; plus~~

~~(ii) 100 percent of the entitlements paid according to subdivisions 11 and 12; plus~~

~~(iii) the other district receipts; plus~~

~~(iv) the final adjustment payment according to subdivision 9.~~

(c) The term "payment date" means the date on which state payments to districts are made by the electronic funds transfer method. If a payment date falls on a Saturday, a Sunday, or a weekday which is a legal holiday, the payment shall be made on the immediately ~~following~~ preceding business day. The commissioner may make payments on dates other than those listed in subdivision 3, but only for portions of payments from any preceding payment dates which could not be processed by the electronic funds transfer method due to documented extenuating circumstances.

Sec. 11. Minnesota Statutes 1998, section 127A.45, subdivision 3, is amended to read:

Subd. 3. [PAYMENT DATES AND PERCENTAGES.] The commissioner shall pay to a district on the dates indicated an amount computed as follows: the cumulative amount guaranteed minus the sum of (a) the district's other district receipts through the current payment, and (b) the aid and credit payments through the immediately preceding payment. For purposes of this computation, the payment dates and the cumulative disbursement percentages are as follows:

	Payment date	Percentage
Payment 1	July 15:	2.25 <u>4.6</u>
Payment 2	July 30:	4.50 <u>6.9</u>
Payment 3	August 15: the greater of (a) the final adjustment for the prior fiscal year for the state paid property tax credits established in section 273.1392, or (b) the amount needed to provide 6.75 <u>15.2</u> percent	
Payment 4	August 30:	9.0 <u>17.4</u>
Payment 5	September 15:	12.75 <u>19.6</u>

Payment 6	September 30:	16.50	<u>21.8</u>
Payment 7	October 15: the greater of (a) one-half of the final adjustment for the prior fiscal year for all aid entitlements except state paid property tax credits, or (b) the amount needed to provide 20.75 24 percent		
Payment 8	October 30: the greater of (a) one-half of the final adjustment for the prior fiscal year for all aid entitlements except state paid property tax credits, or (b) the amount needed to provide 25.0 <u>27.3</u> percent		
Payment 9	November 15:	31.0	<u>33.3</u>
Payment 10	November 30:	37.0	<u>39.3</u>
Payment 11	December 15:	40.0	<u>42.3</u>
Payment 12	December 30:	43.0	<u>45.3</u>
Payment 13	January 15:	47.25	<u>49.5</u>
Payment 14	January 30:	51.5	<u>53.8</u>
Payment 15	February 15:	56.0	<u>58.3</u>
Payment 16	February 28:	60.5	<u>62.8</u>
Payment 17	March 15:	65.25	<u>67.6</u>
Payment 18	March 30:	70.0	<u>72.3</u>
Payment 19	April 15:	73.0	<u>75.3</u>
Payment 20	April 30:	79.0	<u>81.3</u>
Payment 21	May 15:	82.0	<u>84.3</u>
Payment 22	May 30:	90.0	<u>92.3</u>
Payment 23	June 20:	100.0	

Sec. 12. Minnesota Statutes 1998, section 127A.45, subdivision 4, is amended to read:

Subd. 4. [APPEAL.] (a) The commissioner, in consultation with the commissioner of finance, may revise the payment dates and percentages in subdivision 3 for a district if it is determined that:

(1) there is an emergency; or

(2) there are serious cash flow problems in the district that cannot be resolved by issuing warrants or other forms of indebtedness; or

(3) the district is facing a serious cash flow problem because of an abatement that exceeds \$100 times the resident pupil units of the district.

(b) The commissioner shall establish a process and criteria for districts to appeal the payment dates and percentages established in subdivision 3.

Sec. 13. [LEVY AUTHORITY; CONTINUATION.]

Subdivision 1. [EXTENSION OF AUTHORITY.] The levy authority granted under Laws 1992, chapter 499, article 6, section 35, to the Lac qui Parle joint powers district is extended to independent school district No. 2853, Lac qui Parle Valley.

Subd. 2. [LEVY AUTHORITY.] For taxes payable in 2000 to 2004, independent school district No. 2853, Lac qui Parle Valley, may levy an amount not to exceed \$80,000 for costs associated with operating the cooperative secondary high school.

Sec. 14. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING.] The sums indicated in this section are appropriated from the general fund to the department of children, families, and learning for the fiscal years designated.

Subd. 2. [ABATEMENT AID.] For abatement aid according to Minnesota Statutes, section 127A.49:

<u>\$9,110,000</u>	<u>.....</u>	<u>2000</u>
<u>\$8,947,000</u>	<u>.....</u>	<u>2001</u>

The 2000 appropriation includes \$1,352,000 for 1999 and \$7,758,000 for 2000.

The 2001 appropriation includes \$861,000 for 2000 and \$8,086,000 for 2001.

Subd. 3. [NONPUBLIC PUPIL AID.] For nonpublic pupil education aid according to Minnesota Statutes, sections 123B.40 to 123B.48 and 123B.87:

<u>\$10,996,000</u>	<u>.....</u>	<u>2000</u>
<u>\$11,878,000</u>	<u>.....</u>	<u>2001</u>

The 2000 appropriation includes \$970,000 for 1999 and \$10,026,000 for 2000.

The 2001 appropriation includes \$1,114,000 for 2000 and \$10,764,000 for 2001.

The department shall recompute the maximum allotments established on March 1, 1999, for fiscal year 2000 under Minnesota Statutes, sections 123B.42, subdivision 3, and 123B.44, subdivision 6, to reflect the amount appropriated in this subdivision for fiscal year 2000.

Subd. 4. [CONSOLIDATION TRANSITION AID.] For districts consolidating under Minnesota Statutes, section 123A.485:

<u>\$451,000</u>	<u>.....</u>	<u>2000</u>
<u>\$375,000</u>	<u>.....</u>	<u>2001</u>

The 2000 appropriation includes \$113,000 for 1999 and \$338,000 for 2000.

The 2001 appropriation includes \$37,000 for 2000 and \$338,000 for 2001.

Any balance in the first year does not cancel but is available in the second year.

Subd. 5. [NONPUBLIC PUPIL TRANSPORTATION.] For nonpublic pupil transportation aid under Minnesota Statutes, section 123B.92, subdivision 9:

<u>\$18,586,000</u>	<u>.....</u>	<u>2000</u>
<u>\$20,922,000</u>	<u>.....</u>	<u>2001</u>

The 2000 appropriation includes \$1,848,000 for 2000 and \$16,738,000 for 2001.

The 2001 appropriation includes \$1,860,000 for 2000 and \$19,062,000 for 2001.

Subd. 6. [MINNESOTA LEARNING RESOURCE CENTER.] For a grant to A Chance To Grow/New Visions for start-up costs related to implementing the Minnesota learning resource center's comprehensive training program for education professionals charged with helping children acquire basic reading and math skills:

<u>\$450,000</u>	<u>.....</u>	<u>2000</u>
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This appropriation is available until June 30, 2001. This is a one-time appropriation.

Subd. 7. [HIV EDUCATION TRAINING SITES.] For regional training sites for HIV education in schools established according to Laws 1997, First Special Session chapter 4, article 6, section 18:

<u>\$458,000</u>	<u>.....</u>	<u>2000</u>
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Of this amount, \$150,000 must be used for continued development of the existing sites; \$150,000 for adding two additional training sites; \$75,000 for coordination, technical assistance,

evaluation, and contract management services for the sites; and \$50,000 for a report and recommendations on the effectiveness of HIV education in public schools according to Minnesota Statutes, section 121A.23.

This appropriation is available until June 30, 2001.

Subd. 8. [MAGNET SCHOOL GRANTS.] For a magnet school grant:

<u>\$50,000</u>	<u>2000</u>
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This appropriation is for a planning grant for an urban agricultural high school for curriculum, design, coordination with the state's graduation standards, demographic research, development of partnerships, site acquisition, market assessment of student interest, collaboration with the local municipality and school district on any proposed site prior to acquisition, and facility predesign purposes.

This appropriation is available until June 30, 2001.

Subd. 9. [ONE ROOM SCHOOLHOUSE.] For a grant to independent school district No. 690, Warroad, to operate the Angle Inlet School:

<u>\$25,000</u>	.....	<u>2000</u>
<u>\$25,000</u>	.....	<u>2001</u>

Sec. 15. [REPEALER.]

Minnesota Statutes 1998, section 127A.45, subdivision 5, is repealed.

Sec. 16. [EFFECTIVE DATES.]

Section 4 is effective December 31, 1999. Sections 10, 11, and 12 are effective for the payment of state aids for fiscal year 2000 and later. Section 13 is effective for taxes payable in 2000.

ARTICLE 7

NUTRITION PROGRAMS

Section 1. [124D.1155] [FAST BREAK TO LEARNING GRANTS.]

Subdivision 1. [ESTABLISHMENT.] A grant program is established to ensure that all children have an opportunity to eat a nutritious breakfast each school day and that barriers such as the social stigma of poverty, or inadequate facilities or transportation do not deny student access to nutritious food.

Subd. 2. [ELIGIBILITY.] An applicant for a grant must be a public or nonpublic elementary school that participates in the federal school breakfast and lunch programs. The commissioner must give first priority to schools where at least 33 percent of the lunches the school served to children during the preceding school year were provided free or at a reduced price. The commissioner must give second priority to all other public or nonpublic elementary schools.

Subd. 3. [APPLICATION PROCESS.] To obtain a grant to receive reimbursement for providing breakfasts to all children, a public or nonpublic elementary school must submit an application to the commissioner in the form and manner the commissioner prescribes. The application must describe how the applicant will encourage all children in the school to participate in the breakfast program. The applicant also must demonstrate to the commissioner that the applicant will collect a \$1 local funding match for every \$3 of state funding the applicant receives. The applicant must raise the local match either by charging student households not eligible for federal free or reduced price meals or by soliciting funds from nonpublic sources. The applicant can determine the method for charging student households for school breakfast, but must consider the household's ability to pay. The applicant cannot charge student households for school breakfast so that the total charges exceed the difference between the revenue from federal and state aids and the actual cost of providing the breakfast. The commissioner may require additional information from the applicant.

Subd. 4. [GRANT AWARDS.] The commissioner shall award grants to the 41 grant recipients under Laws 1997, First Special Session chapter 4, article 6, section 19, and then according to need as determined by the percentage of students enrolled in the school who are eligible for federal free or reduced price meals and that meet the requirements of subdivisions 2 and 3 until funding under this section is expended. The commissioner shall determine the amount of the grant using average statewide statistics and individual school statistics adjusted for other state and federal reimbursements. Grant recipients must use the proceeds to provide breakfast to school children every day school is in session.

Subd. 5. [EXPIRATION.] This section expires June 30, 2001.

Sec. 2. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING.] The sums indicated in this section are appropriated from the general fund to the department of children, families, and learning for the fiscal years designated.

Subd. 2. [SCHOOL LUNCH AID.] (a) For school lunch aid according to Minnesota Statutes, section 124D.111, and Code of Federal Regulations, title 7, section 210.17, and for school milk aid according to Minnesota Statutes, section 124D.118:

<u>\$8,200,000</u>	<u>.....</u>	<u>2000</u>
<u>\$8,200,000</u>	<u>.....</u>	<u>2001</u>

(b) Any unexpended balance remaining from the appropriations in this subdivision shall be prorated among participating schools based on the number of free, reduced, and fully paid federally reimbursable student lunches served during that school year.

(c) If the appropriation amount attributable to either year is insufficient, the rate of payment for each fully paid student lunch shall be reduced and the aid for that year shall be prorated among participating schools so as not to exceed the total authorized appropriation for that year.

(d) Not more than \$800,000 of the amount appropriated each year may be used for school milk aid.

Subd. 3. [SUMMER FOOD SERVICE REPLACEMENT AID.] For summer food service replacement aid under Minnesota Statutes, section 124D.119:

<u>\$150,000</u>	<u>.....</u>	<u>2000</u>
<u>\$150,000</u>	<u>.....</u>	<u>2001</u>

Subd. 4. [FAST BREAK TO LEARNING GRANTS.] For fast break to learning grants under Minnesota Statutes, section 124D.1155:

<u>\$2,500,000</u>	<u>.....</u>	<u>2000</u>
<u>\$2,500,000</u>	<u>.....</u>	<u>2001</u>

Any balance in the first year does not cancel but is available in the second year.

Subd. 5. [SCHOOL BREAKFAST.] To operate the school breakfast program according to Minnesota Statutes, sections 124D.115 and 124D.117:

<u>\$456,000</u>	<u>.....</u>	<u>2000</u>
<u>\$456,000</u>	<u>.....</u>	<u>2001</u>

If the appropriation amount attributable to either year is insufficient, the rate of payment for each fully paid student breakfast shall be reduced and the aid for that year shall be prorated among participating schools so as not to exceed the total authorized appropriation for that year. Any unexpended balance remaining shall be used to subsidize the payments made for school lunch aid per Minnesota Statutes, section 124D.111.

Up to one percent of the program funding can be used by the department of children, families, and learning for technical and administrative assistance.

Sec. 3. [REPEALER.]

Minnesota Statutes 1998, sections 124D.112; 124D.113; and 124D.116, are repealed.

ARTICLE 8

LIBRARIES

Section 1. Laws 1997, First Special Session chapter 4, article 8, section 4, is amended to read:

Sec. 4. [LIBRARY PILOT PROJECT.]

Subdivision 1. [ESTABLISHMENT.] Notwithstanding law to the contrary and subject to approvals in subdivision 2, a public library may operate as a pilot library project jointly with the school library at Nashwauk-Keewatin high school, located in the city of Nashwauk. The public library is established to serve persons within the boundaries of independent school district No. 319, except the city of Keewatin.

Subd. 2. [APPROVALS.] Operation of the public library is contingent upon a resolution approved by the governing bodies of cities, towns, and unorganized townships within the geographical boundaries of independent school district No. 319, except for the city of Keewatin, entering into a joint powers agreement under Minnesota Statutes 1998, section 471.59, to accomplish the purpose of this section. The joint powers agreement must provide for continuing the library project if one party to the agreement withdraws from the agreement. For the purposes of this subdivision, the Itasca county board is designated as the governing body for the unorganized townships.

Subd. 3. [BOARD; APPOINTMENTS.] The resolution joint powers agreement in subdivision 2 shall provide for a library board of five seven members as follows: two members appointed by the school board of independent school district No. 319, one member appointed by each town board located within independent school district No. 319 boundaries, one member appointed by the council of the city of Nashwauk, and one member appointed by the Itasca county board to represent the unorganized towns within the school district territory.

Subd. 4. [BOARD TERMS; COMPENSATION.] The library board members shall serve for the term of the pilot program library project. An appointing authority may remove for misconduct or neglect any member it has appointed to the board and may replace that member by appointment. Board members shall receive no compensation for their services but may be reimbursed for actual and necessary travel expenses incurred in the discharge of library board duties and activities.

Subd. 5. [FUNDING.] For taxes payable in 1998 and, 1999, 2000, 2001, 2002, and 2003 only, the library board may levy a tax in an amount up to \$25,000 annually on property located within the boundaries of independent school district No. 319, except the city of Keewatin. The Itasca county auditor shall collect the tax and distribute it to the library board. The money may be used for library staff and for the purchase of library materials, including computer software. The levy must also fund the amount necessary to receive bookmobile services from the Arrowhead regional library system. For taxes payable in 1998 and, 1999, 2000, 2001, 2002, and 2003 only, the county may not levy under Minnesota Statutes, section 134.07, for the areas described in this section.

Subd. 6. [BUILDING.] The school district shall provide the physical space and costs associated with operating the library including, but not limited to, heat, light, telephone service, and maintenance.

Subd. 7. [ORGANIZATION.] Immediately after appointment, the library board shall organize by electing one of its number as president and one as secretary, and it may appoint other officers it finds necessary.

Subd. 8. [DUTIES.] The library board shall adopt bylaws and regulations for the library and for

the conduct of its business as may be expedient and conformable to law. It shall have exclusive control of the expenditure of all money collected for it. The library board shall appoint a qualified library director and other staff, establish the compensation of employees, and remove any of them for cause. The library board may contract with the school board, the regional library board, or the city in which the library is located to provide personnel, fiscal, or administrative services. The contract shall state the personnel, fiscal, and administrative services and payments to be provided by each party.

Subd. 9. [CRITERIA.] The library shall meet all requirements in statutes and rules applicable to public libraries and school media centers. A media supervisor licensed by the board of teaching may be the director of the library. Public parking, restrooms, drinking water, and other necessities shall be easily accessible to library patrons.

~~Subd. 10. [REPORT.] The library board shall report to the department of children, families, and learning by February 1, 1999, about the costs of providing the library service and the number of patrons served.~~

~~Subd. 11. [EXPIRATION.] This section expires January 31, 2000.~~

Sec. 2. Laws 1997, First Special Session chapter 4, article 9, section 7, subdivision 2, is amended to read:

Subd. 2. [APPLICATION; ELIGIBILITY.] The commissioner of children, families, and learning shall establish a process and application forms for library sites to apply for grant funds. Libraries must describe how they will cooperate with schools. An applicant must submit a technology plan with the application. Eligible applicants must, at a minimum, describe how the proposed project is consistent with the technology plan; describe how it ensures interoperability of hardware, software, and telecommunication and meets existing Minnesota technical standards appropriate to the project; identify the specific site needs that the project will address; define the project's expected outcomes; and provide the source, type, and amounts of all matching funds. To be eligible for a site-based technology learning grant, a library site must:

(1) be a school library, a public library, or a partnership of public and school libraries or be a publicly funded or nonprofit library in partnership with school libraries, public libraries, or public library systems;

(2) be a member of a regional multicounty, multitype library cooperation system;

(3) have each dollar of grant money matched by at least \$1 of library site money, including in-kind contributions;

~~(3)~~ (4) agree to disseminate and share information about its project;

(4) (5) provide a benefit to the greater community; and

~~(5)~~ (6) maintain any ongoing costs of support for the technology project after the initial funding under the grant program.

Sec. 3. Laws 1998, chapter 398, article 9, section 7, is amended to read:

Sec. 7. [DATABASE ACCESS PROGRAM FOR PUBLIC LIBRARIES AND SCHOOL MEDIA CENTERS.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of children, families, and learning and the director of the higher education services office shall establish a program to provide statewide licenses to commercial electronic databases of periodicals, encyclopedias, and associated reference materials for school media centers and, public libraries, state government agency libraries, and public or private college or university libraries. The commissioner, in consultation with Minitex and in cooperation with the Library Planning Task Force, shall solicit proposals for access licenses to commercial vendors of the databases. Responses to those proposals shall be evaluated by staff of the office of library development and services in the department of children,

families, and learning, Minitex staff, and a representative panel of librarians and school media specialists and public librarians.

Subd. 2. ~~[ELIGIBILITY.]~~ Access to the selected databases shall be made available to a school or school district that is a member of a multicounty, multitype library system as defined in Minnesota Statutes, section 134.001, subdivision 6, or a public library as defined in Minnesota Statutes, section 134.001, subdivision 2, that is a member of a multicounty, multitype library system school media center or library that is eligible to participate in MnLink. With appropriate authentication any user of an eligible library a school media center or library that is eligible to participate in MnLink may have access to the databases from a remote site.

Subd. 3. ~~[RESOURCE GRANTS.]~~ Graduation rule resource grants are available for the purposes of this section.

Sec. 4. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING.] The sums indicated in this section are appropriated from the general fund to the department of children, families, and learning for the fiscal years designated.

Subd. 2. [BASIC SUPPORT GRANTS.] For basic support grants according to Minnesota Statutes, sections 134.32 to 134.35:

<u>\$8,495,000</u>	<u>.....</u>	<u>2000</u>
<u>\$8,570,000</u>	<u>.....</u>	<u>2001</u>

The 2000 appropriation includes \$782,000 for 1999 and \$7,713,000 for 2000.

The 2001 appropriation includes \$857,000 for 2000 and \$7,713,000 for 2001.

Subd. 3. [MULTICOUNTY, MULTITYPE LIBRARY SYSTEMS.] For grants according to Minnesota Statutes, sections 134.353 and 134.354, to multicounty, multitype library systems:

<u>\$903,000</u>	<u>.....</u>	<u>2000</u>
<u>\$903,000</u>	<u>.....</u>	<u>2001</u>

The 2000 appropriation includes \$90,000 for 1999 and \$813,000 for 2000.

The 2001 appropriation includes \$90,000 for 2000 and \$813,000 for 2001.

Subd. 4. [REGIONAL LIBRARY TELECOMMUNICATIONS AID.] For grants to regional public library systems under Minnesota Statutes, section 125B.20, subdivision 3:

<u>\$1,200,000</u>	<u>.....</u>	<u>2000</u>
<u>\$1,200,000</u>	<u>.....</u>	<u>2001</u>

Any balance in the first year does not cancel but is available in the second year.

Subd. 5. [LIBRARY FOR THE BLIND.] For compact shelving, technology, and staffing for the Minnesota library for the blind and physically handicapped:

<u>\$212,000</u>	<u>.....</u>	<u>2000</u>
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Subd. 6. [DATABASE ACCESS PROGRAM.] For the database access program for public libraries and school media centers under section 3:

<u>\$250,000</u>	<u>.....</u>	<u>2000</u>
<u>\$250,000</u>	<u>.....</u>	<u>2001</u>

Sec. 5. [REPEALER.]

Minnesota Statutes 1998, section 134.155, is repealed.

ARTICLE 9
EDUCATION POLICY

Section 1. Minnesota Statutes 1998, section 13.46, subdivision 2, is amended to read:

Subd. 2. [GENERAL.] (a) Unless the data is summary data or a statute specifically provides a different classification, data on individuals collected, maintained, used, or disseminated by the welfare system is private data on individuals, and shall not be disclosed except:

- (1) according to section 13.05;
- (2) according to court order;
- (3) according to a statute specifically authorizing access to the private data;
- (4) to an agent of the welfare system, including a law enforcement person, attorney, or investigator acting for it in the investigation or prosecution of a criminal or civil proceeding relating to the administration of a program;
- (5) to personnel of the welfare system who require the data to determine eligibility, amount of assistance, and the need to provide services of additional programs to the individual;
- (6) to administer federal funds or programs;
- (7) between personnel of the welfare system working in the same program;
- (8) the amounts of cash public assistance and relief paid to welfare recipients in this state, including their names, social security numbers, income, addresses, and other data as required, upon request by the department of revenue to administer the property tax refund law, supplemental housing allowance, early refund of refundable tax credits, and the income tax. "Refundable tax credits" means the dependent care credit under section 290.067, the Minnesota working family credit under section 290.0671, the property tax refund under section 290A.04, and, if the required federal waiver or waivers are granted, the federal earned income tax credit under section 32 of the Internal Revenue Code;
- (9) between the department of human services and the Minnesota department of economic security for the purpose of monitoring the eligibility of the data subject for reemployment insurance, for any employment or training program administered, supervised, or certified by that agency, for the purpose of administering any rehabilitation program, whether alone or in conjunction with the welfare system, or to monitor and evaluate the statewide Minnesota family investment program by exchanging data on recipients and former recipients of food stamps, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, or medical programs under chapter 256B, 256D, or 256L;
- (10) to appropriate parties in connection with an emergency if knowledge of the information is necessary to protect the health or safety of the individual or other individuals or persons;
- (11) data maintained by residential programs as defined in section 245A.02 may be disclosed to the protection and advocacy system established in this state according to Part C of Public Law Number 98-527 to protect the legal and human rights of persons with mental retardation or other related conditions who live in residential facilities for these persons if the protection and advocacy system receives a complaint by or on behalf of that person and the person does not have a legal guardian or the state or a designee of the state is the legal guardian of the person;
- (12) to the county medical examiner or the county coroner for identifying or locating relatives or friends of a deceased person;
- (13) data on a child support obligor who makes payments to the public agency may be disclosed to the higher education services office to the extent necessary to determine eligibility under section 136A.121, subdivision 2, clause (5);

(14) participant social security numbers and names collected by the telephone assistance program may be disclosed to the department of revenue to conduct an electronic data match with the property tax refund database to determine eligibility under section 237.70, subdivision 4a;

(15) the current address of a recipient of aid to families with dependent children or Minnesota family investment program-statewide may be disclosed to law enforcement officers who provide the name of the recipient and notify the agency that:

(i) the recipient:

(A) is a fugitive felon fleeing to avoid prosecution, or custody or confinement after conviction, for a crime or attempt to commit a crime that is a felony under the laws of the jurisdiction from which the individual is fleeing; or

(B) is violating a condition of probation or parole imposed under state or federal law;

(ii) the location or apprehension of the felon is within the law enforcement officer's official duties; and

(iii) the request is made in writing and in the proper exercise of those duties;

(16) the current address of a recipient of general assistance or general assistance medical care may be disclosed to probation officers and corrections agents who are supervising the recipient and to law enforcement officers who are investigating the recipient in connection with a felony level offense;

(17) information obtained from food stamp applicant or recipient households may be disclosed to local, state, or federal law enforcement officials, upon their written request, for the purpose of investigating an alleged violation of the Food Stamp Act, according to Code of Federal Regulations, title 7, section 272.1(c);

(18) the address, social security number, and, if available, photograph of any member of a household receiving food stamps shall be made available, on request, to a local, state, or federal law enforcement officer if the officer furnishes the agency with the name of the member and notifies the agency that:

(i) the member:

(A) is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime or attempt to commit a crime that is a felony in the jurisdiction the member is fleeing;

(B) is violating a condition of probation or parole imposed under state or federal law; or

(C) has information that is necessary for the officer to conduct an official duty related to conduct described in subitem (A) or (B);

(ii) locating or apprehending the member is within the officer's official duties; and

(iii) the request is made in writing and in the proper exercise of the officer's official duty;

(19) certain information regarding child support obligors who are in arrears may be made public according to section 518.575;

(20) data on child support payments made by a child support obligor and data on the distribution of those payments excluding identifying information on obligees may be disclosed to all obligees to whom the obligor owes support, and data on the enforcement actions undertaken by the public authority, the status of those actions, and data on the income of the obligor or obligee may be disclosed to the other party;

(21) data in the work reporting system may be disclosed under section 256.998, subdivision 7;

(22) to the department of children, families, and learning for the purpose of matching

department of children, families, and learning student data with public assistance data to determine students eligible for free and reduced price meals, meal supplements, and free milk according to United States Code, title 42, sections 1758, 1761, 1766, 1766a, 1772, and 1773; ~~to produce accurate numbers of students receiving aid to families with dependent children or Minnesota family investment program statewide as required by section 126C.06;~~ to allocate federal and state funds that are distributed based on income of the student's family; and to verify receipt of energy assistance for the telephone assistance plan;

(23) the current address and telephone number of program recipients and emergency contacts may be released to the commissioner of health or a local board of health as defined in section 145A.02, subdivision 2, when the commissioner or local board of health has reason to believe that a program recipient is a disease case, carrier, suspect case, or at risk of illness, and the data are necessary to locate the person;

(24) to other state agencies, statewide systems, and political subdivisions of this state, including the attorney general, and agencies of other states, interstate information networks, federal agencies, and other entities as required by federal regulation or law for the administration of the child support enforcement program;

(25) to personnel of public assistance programs as defined in section 256.741, for access to the child support system database for the purpose of administration, including monitoring and evaluation of those public assistance programs; or

(26) to monitor and evaluate the statewide Minnesota family investment program by exchanging data between the departments of human services and children, families, and learning, on recipients and former recipients of food stamps, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, or medical programs under chapter 256B, 256D, or 256L.

(b) Information on persons who have been treated for drug or alcohol abuse may only be disclosed according to the requirements of Code of Federal Regulations, title 42, sections 2.1 to 2.67.

(c) Data provided to law enforcement agencies under paragraph (a), clause (15), (16), (17), or (18), or paragraph (b), are investigative data and are confidential or protected nonpublic while the investigation is active. The data are private after the investigation becomes inactive under section 13.82, subdivision 5, paragraph (a) or (b).

(d) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but is not subject to the access provisions of subdivision 10, paragraph (b).

Sec. 2. Minnesota Statutes 1998, section 120A.40, is amended to read:

120A.40 [SCHOOL CALENDAR.]

(a) Except for learning programs during summer, flexible learning year programs authorized under sections 124D.12 to 124D.127, and learning year programs under section 124D.128, a district must not commence an elementary or secondary school year ~~prior to~~ before September 1, except as provided under paragraph (b). Days which are devoted to teachers' workshops may be held before September 1. Districts that enter into cooperative agreements are encouraged to adopt similar school calendars.

(b) A district may begin the school year on any day before September 1 to accommodate a construction or remodeling project of \$400,000 or more affecting a district school facility.

Sec. 3. Minnesota Statutes 1998, section 120B.30, subdivision 1, is amended to read:

Subdivision 1. [STATEWIDE TESTING.] (a) The commissioner, with advice from experts with appropriate technical qualifications and experience and stakeholders, shall include in the comprehensive assessment system, for each grade level to be tested, a single statewide norm-referenced or criterion-referenced test, or a combination of a norm-referenced and a

criterion-referenced test, which shall be highly correlated with the state's graduation standards and administered annually to all students in the third, fifth, and eighth grades. The commissioner shall establish one or more months during which schools shall administer the tests to students each school year. Only Minnesota basic skills tests in reading, mathematics, and writing shall fulfill students' testing requirements for a passing state notation.

(b) In addition, at the secondary level, districts shall assess student performance in all required learning areas and selected required standards within each area of the profile of learning. The testing instruments and testing process shall be determined by the commissioner. The results shall be aggregated at the site and district level. The testing shall be administered beginning in the 1999-2000 school year and thereafter.

(c) The comprehensive assessment system shall include an evaluation of school site and school district performance levels during the 1997-1998 school year and thereafter using an established performance baseline developed from students' test scores under this section that records, at a minimum, students' unweighted mean test scores in each tested subject, a second performance baseline that reports, at a minimum, the same unweighted mean test scores of only those students enrolled in the school by January 1 of the previous school year, and a third performance baseline that reports the same unweighted test scores of all students except those students receiving limited English proficiency instruction. The evaluation also shall record separately, in proximity to the performance baselines, the percentages of students who are eligible to receive a free or reduced price school meal, demonstrate limited English proficiency, or are eligible to receive special education services.

(d) In addition to the testing and reporting requirements under paragraphs (a), (b), and (c), the commissioner, ~~in consultation with the state board of education,~~ shall include the following components in the statewide educational accountability and public reporting system:

(1) uniform statewide testing of all third, fifth, eighth, and post-eighth grade students with exemptions, only with parent or guardian approval, from the testing requirement only for those very few students for whom the student's individual education plan team under sections 125A.05 and 125A.06, determines that the student is incapable of taking a statewide test, or a limited English proficiency student under section 124D.59, subdivision 2, if the student has been in the United States for fewer than 12 months and for whom special language barriers exist, such as the student's native language does not have a written form or the district does not have access to appropriate interpreter services for the student's native language;

(2) educational indicators that can be aggregated and compared across school districts and across time on a statewide basis;

(3) students' scores on the American College Test;

(4) participation in the National Assessment of Educational Progress so that the state can benchmark its performance against the nation and other states, and, where possible, against other countries, and contribute to the national effort to monitor achievement; and

(5) basic skills and advanced competencies connecting teaching and learning to high academic standards, assessment, and transitions to citizenship and employment.

(e) Districts must report exemptions under paragraph (d), clause (1), to the commissioner consistent with a format provided by the commissioner.

Sec. 4. Minnesota Statutes 1998, section 120B.35, is amended to read:

120B.35 [STUDENT ACHIEVEMENT LEVELS.]

(a) Each school year, a school district must determine if the student achievement levels at each school site meet state expectations. If student achievement levels at a school site do not meet state expectations for two out of three consecutive school years, beginning with the 1999-2000 2000-2001 school year, the district must work with the school site to adopt a plan to raise student achievement levels to state expectations. The legislature will determine state expectations after

receiving a recommendation from the commissioner of children, families, and learning. The commissioner must submit its recommendations to the legislature by ~~December 15, 1998~~ January 15, 2000.

(b) The department must assist the district and the school site in developing a plan to improve student achievement. The plan must include parental involvement components.

Sec. 5. Minnesota Statutes 1998, section 121A.61, subdivision 1, is amended to read:

Subdivision 1. [REQUIRED POLICY.] Each school board must adopt a written districtwide school discipline policy which includes written rules of conduct for students, minimum consequences for violations of the rules, and grounds and procedures for removal of a student from class. The policy must be developed in consultation with the participation of administrators, teachers, employees, pupils, parents, community members, law enforcement agencies, county attorney offices, social service agencies, and such other individuals or organizations as the board determines appropriate. A school site council may adopt additional provisions to the policy subject to the approval of the school board.

Sec. 6. [121A.68] [CRISIS MANAGEMENT POLICY.]

Subdivision 1. [MODEL POLICY.] By December 1, 1999, the commissioner shall maintain and make available to school boards a model crisis management policy.

Subd. 2. [SCHOOL DISTRICT POLICY.] By July 1, 2000, a school board must adopt a district crisis management policy to address potential violent crisis situations in the district. The policy must be developed in consultation with administrators, teachers, employees, students, parents, community members, law enforcement agencies, county attorney offices, social service agencies, and any other appropriate individuals or organizations.

Sec. 7. Minnesota Statutes 1998, section 122A.09, subdivision 4, is amended to read:

Subd. 4. [LICENSE AND RULES.] (a) The board must adopt rules to license public school teachers and interns subject to chapter 14.

(b) The board must adopt rules requiring a person to successfully complete a skills examination in reading, writing, and mathematics as a requirement for initial teacher licensure. Such rules must require college and universities offering a board approved teacher preparation program to provide remedial assistance to persons who did not achieve a qualifying score on the skills examination, including those for whom English is a second language.

(c) The board must adopt rules to approve teacher preparation programs. The board, upon the request of a post-secondary student preparing for teacher licensure or a licensed graduate of a teacher preparation program shall assist in resolving a dispute between the person and a post-secondary institution providing a teacher preparation program when the dispute involves an institution's recommendation for licensure affecting the person or the person's credentials. At the board's discretion, assistance may include the application of chapter 14.

(d) The board must provide the leadership and shall adopt rules for the redesign of teacher education programs to implement a research based, results-oriented curriculum that focuses on the skills teachers need in order to be effective. The board shall implement new systems of teacher preparation program evaluation to assure program effectiveness based on proficiency of graduates in demonstrating attainment of program outcomes.

(e) The board must adopt rules requiring successful completion of an examination of general pedagogical knowledge and examinations of licensure-specific teaching skills. The rules shall be effective on the dates determined by the board, but not later than ~~July 1, 1999~~ September 1, 2001.

(f) The board must adopt rules requiring teacher educators to work directly with elementary or secondary school teachers in elementary or secondary schools to obtain periodic exposure to the elementary or secondary teaching environment.

(g) The board must grant licenses to interns and to candidates for initial licenses.

(h) The board must design and implement an assessment system which requires a candidate for an initial license and first continuing license to demonstrate the abilities necessary to perform selected, representative teaching tasks at appropriate levels.

(i) The board must receive recommendations from local committees as established by the board for the renewal of teaching licenses.

(j) The board must grant life licenses to those who qualify according to requirements established by the board, and suspend or revoke licenses pursuant to sections 122A.20 and 214.10. The board must not establish any expiration date for application for life licenses.

(k) The board must adopt rules that require all licensed teachers who are renewing their continuing license to include in their renewal requirements further preparation in the areas of using positive behavior interventions and in accommodating, modifying, and adapting curricula, materials, and strategies to appropriately meet the needs of individual students and ensure adequate progress toward the state's graduation rule. The rules adopted under this paragraph apply to teachers who renew their licenses in year 2001 and later.

(l) In adopting rules to license public school teachers who provide health-related services for disabled children, the board shall adopt rules consistent with license or registration requirements of the commissioner of health and the health-related boards who license personnel who perform similar services outside of the school.

Sec. 8. Minnesota Statutes 1998, section 122A.18, is amended by adding a subdivision to read:

Subd. 10. [READING STRATEGIES.] All colleges and universities approved by the board of teaching to prepare persons for classroom teacher licensure must include in their teacher preparation programs reading best practices that enable classroom teacher licensure candidates to know how to teach reading, such as phonics or other research-based best practices.

Sec. 9. Minnesota Statutes 1998, section 122A.19, subdivision 4, is amended to read:

Subd. 4. [TEACHER PREPARATION PROGRAMS.] For the purpose of licensing bilingual and English as a second language teachers, the board may approve programs at colleges or universities designed for their training subject to the approval of the state board of education.

Sec. 10. Minnesota Statutes 1998, section 122A.20, subdivision 1, is amended to read:

Subdivision 1. [GROUNDS FOR REVOCATION, SUSPENSION, OR DENIAL.] The board of teaching or the state board of education, or the commissioner, with the advice from an advisory task force of supervisory personnel established under section 15.014, whichever has jurisdiction over a teacher's licensure, may, on the written complaint of the school board employing a teacher, a teacher organization, or any other interested person, refuse to issue, refuse to renew, suspend, or revoke a teacher's license to teach for any of the following causes:

- (1) Immoral character or conduct;
- (2) Failure, without justifiable cause, to teach for the term of the teacher's contract;
- (3) Gross inefficiency or willful neglect of duty; or
- (4) Failure to meet licensure requirements; or
- (5) Fraud or misrepresentation in obtaining a license.

The written complaint must specify the nature and character of the charges. For purposes of this subdivision, the board of teaching is delegated the authority to suspend or revoke coaching licenses under the jurisdiction of the state board of education.

Sec. 11. Minnesota Statutes 1998, section 122A.20, subdivision 2, is amended to read:

Subd. 2. [MANDATORY REPORTING.] A school board must report to the board of teaching, ~~the state board of education,~~ or the board of trustees of the Minnesota state colleges and universities, whichever has jurisdiction over the teacher's license, when its teacher is discharged or resigns from employment after a charge is filed with the school board under section 122A.41, subdivisions 6, clauses (1), (2), and (3), and 7, or after charges are filed that are ground for discharge under section 122A.40, subdivision 13, clauses (a), (b), (c), (d), and (e), or when a teacher is suspended or resigns while an investigation is pending under section 122A.40, subdivision 13, clauses (a), (b), (c), (d), and (e); 122A.41, subdivisions 6, clauses (1), (2), and (3), and 7; or 626.556. The report must be made to the appropriate licensing board within ten days after the discharge, suspension, or resignation has occurred. The licensing board to which the report is made must investigate the report for violation of subdivision 1 and the reporting board must cooperate in the investigation. Notwithstanding any provision in chapter 13 or any law to the contrary, upon written request from the licensing board having jurisdiction over the teacher's license, a board or school superintendent shall provide the licensing board with information about the teacher from the district's files, any termination or disciplinary proceeding, any settlement or compromise, or any investigative file. Upon written request from the appropriate licensing board, a board or school superintendent may, at the discretion of the board or school superintendent, solicit the written consent of a student and the student's parent to provide the licensing board with information that may aid the licensing board in its investigation and license proceedings. The licensing board's request need not identify a student or parent by name. The consent of the student and the student's parent must meet the requirements of chapter 13 and Code of Federal Regulations, title 34, section 99.30. The licensing board may provide a consent form to the district. Any data transmitted to any board under this section is private data under section 13.02, subdivision 12, notwithstanding any other classification of the data when it was in the possession of any other agency.

The licensing board to which a report is made must transmit to the attorney general's office any record or data it receives under this subdivision for the sole purpose of having the attorney general's office assist that board in its investigation. When the attorney general's office has informed an employee of the appropriate licensing board in writing that grounds exist to suspend or revoke a teacher's license to teach, that licensing board must consider suspending or revoking or decline to suspend or revoke the teacher's license within 45 days of receiving a stipulation executed by the teacher under investigation or a recommendation from an administrative law judge that disciplinary action be taken.

Sec. 12. Minnesota Statutes 1998, section 122A.21, is amended to read:

122A.21 [TEACHERS' AND ADMINISTRATORS' LICENSES; FEES.]

Each application for the issuance, renewal, or extension of a license to teach and each application for the issuance, renewal, or extension of a license as supervisory personnel must be accompanied by a processing fee in an amount set by the board of teaching by rule. ~~Each application for the issuance, renewal, or extension of a license as supervisory personnel must be accompanied by a processing fee in an amount set by the state board of education by rule.~~ The processing fee for a teacher's license and for the licenses of supervisory personnel must be paid to the executive secretary of the board of teaching. ~~The processing fee for the licenses of supervisory personnel must be paid to the commissioner.~~ The executive secretary of the board of teaching and the commissioner shall deposit the fees with the state treasurer, as provided by law, and report each month to the commissioner of finance the amount of fees collected. The fees as set by the boards board are nonrefundable for applicants not qualifying for a license. However, a fee must be refunded by the state treasurer in any case in which the applicant already holds a valid unexpired license. ~~The boards board~~ may waive or reduce fees for applicants who apply at the same time for more than one license, ~~even if the licenses are under the jurisdiction of different boards.~~

Sec. 13. Minnesota Statutes 1998, section 122A.40, subdivision 5, is amended to read:

Subd. 5. [PROBATIONARY PERIOD.] The first three consecutive years of a teacher's first teaching experience in Minnesota in a single district is deemed to be a probationary period of employment, and after completion thereof, the probationary period in each district in which the

teacher is thereafter employed shall be one year. The school board must adopt a plan for written evaluation of teachers during the probationary period. Evaluation must occur at least three times each year for a teacher performing services on 120 or more school days, at least two times each year for a teacher performing services on 60 to 119 school days, and at least one time each year for a teacher performing services on fewer than 60 school days. Days devoted to parent-teacher conferences, teachers' workshops, and other staff development opportunities and days on which a teacher is absent from school must not be included in determining the number of school days on which a teacher performs services. During the probationary period any annual contract with any teacher may or may not be renewed as the school board shall see fit. However, the board must give any such teacher whose contract it declines to renew for the following school year written notice to that effect before ~~June~~ July 1. If the teacher requests reasons for any nonrenewal of a teaching contract, the board must give the teacher its reason in writing, including a statement that appropriate supervision was furnished describing the nature and the extent of such supervision furnished the teacher during the employment by the board, within ten days after receiving such request. The school board may, after a hearing held upon due notice, discharge a teacher during the probationary period for cause, effective immediately, under section 122A.44.

Sec. 14. Minnesota Statutes 1998, section 122A.40, subdivision 7, is amended to read:

Subd. 7. [TERMINATION OF CONTRACT AFTER PROBATIONARY PERIOD.] A teacher who has completed a probationary period in any district, and who has not been discharged or advised of a refusal to renew the teacher's contract pursuant to subdivision 5, shall have a continuing contract with such district. Thereafter, the teacher's contract must remain in full force and effect, except as modified by mutual consent of the board and the teacher, until terminated by a majority roll call vote of the full membership of the board prior to April 1 upon one of the grounds specified in subdivision 9 or ~~prior to June~~ July 1 upon one of the grounds specified in subdivision 10 or 11, or until the teacher is discharged pursuant to subdivision 13, or by the written resignation of the teacher submitted prior to April 1. If an agreement as to the terms and conditions of employment for the succeeding school year has not been adopted pursuant to the provisions of sections 179A.01 to 179A.25 prior to March 1, the teacher's right of resignation is extended to the 30th calendar day following the adoption of said contract in compliance with section 179A.20, subdivision 5. Such written resignation by the teacher is effective as of June 30 if submitted prior to that date and the teachers' right of resignation for the school year then beginning shall cease on July 15. Before a teacher's contract is terminated by the board, the board must notify the teacher in writing and state its ground for the proposed termination in reasonable detail together with a statement that the teacher may make a written request for a hearing before the board within 14 days after receipt of such notification. If the grounds are those specified in subdivision 9 or 13, the notice must also state a teacher may request arbitration under subdivision 15. Within 14 days after receipt of this notification the teacher may make a written request for a hearing before the board or an arbitrator and it shall be granted upon reasonable notice to the teacher of the date set for hearing, before final action is taken. If no hearing is requested within such period, it shall be deemed acquiescence by the teacher to the board's action. Such termination shall take effect at the close of the school year in which the contract is terminated in the manner aforesaid. Such contract may be terminated at any time by mutual consent of the board and the teacher and this section does not affect the powers of a board to suspend, discharge, or demote a teacher under and pursuant to other provisions of law.

Sec. 15. Minnesota Statutes 1998, section 122A.40, subdivision 16, is amended to read:

Subd. 16. [DECISION.] After the hearing, the board must issue a written decision and order. If the board orders termination of a continuing contract or discharge of a teacher, its decision must include findings of fact based upon competent evidence in the record and must be served on the teacher, accompanied by an order of termination or discharge, prior to April 1 in the case of a contract termination for grounds specified in subdivision 9, prior to ~~June~~ July 1 for grounds specified in subdivision 10 or 11, or within ten days after conclusion of the hearing in the case of a discharge. If the decision of the board or of a reviewing court is favorable to the teacher, the proceedings must be dismissed and the decision entered in the board minutes, and all references to such proceedings must be excluded from the teacher's record file.

Sec. 16. Minnesota Statutes 1998, section 122A.41, subdivision 4, is amended to read:

Subd. 4. [PERIOD OF SERVICE AFTER PROBATIONARY PERIOD; DISCHARGE OR DEMOTION.] After the completion of such probationary period, without discharge, such teachers as are thereupon reemployed shall continue in service and hold their respective position during good behavior and efficient and competent service and must not be discharged or demoted except for cause after a hearing.

A probationary teacher is deemed to have been reemployed for the ensuing school year, unless the school board in charge of such school gave such teacher notice in writing before ~~June~~ July 1 of the termination of such employment. ~~In event of such notice the employment terminates at the close of the school sessions of the current school year.~~

Sec. 17. Minnesota Statutes 1998, section 122A.60, subdivision 1, is amended to read:

Subdivision 1. [STAFF DEVELOPMENT COMMITTEE.] A school board must use the revenue authorized in section 122A.61 for in-service education for programs under section 120B.22, subdivision 2, or for staff development plans under this section. The board must establish a an advisory staff development committee to develop the plan, assist site ~~decision-making~~ professional development teams in developing a site plan consistent with the goals of the plan, and evaluate staff development efforts at the site level. A majority of the advisory committee and the site professional development team must be teachers representing various grade levels, subject areas, and special education. The advisory committee must also include nonteaching staff, parents, and administrators. Districts must report staff development results and expenditures to the commissioner in the form and manner determined by the commissioner. The expenditure report must include expenditures by the board for district level activities and expenditures made by the staff. The report must provide a breakdown of expenditures for (1) curriculum development and programs, (2) in-service education, workshops, and conferences, and (3) the cost of teachers or substitute teachers for staff development purposes. Within each of these categories, the report must also indicate whether the expenditures were incurred at the district level or the school site level, and whether the school site expenditures were made possible by the grants to school sites that demonstrate exemplary use of allocated staff development revenue. These expenditures are to be reported using the UFARS system. The commissioner shall report the staff development expenditure data to the education committees of the legislature by February 15 each year.

Sec. 18. [123A.245] [COOPERATIVE UNITS; ELIGIBILITY FOR GRANTS.]

A cooperative unit, through its governing board, may apply for all competitive grants administered by agencies of the state and other government or nongovernment sources.

Sec. 19. Minnesota Statutes 1998, section 123B.02, subdivision 3, is amended to read:

Subd. 3. [LIMITATION ON PARTICIPATION AND FINANCIAL SUPPORT.] (a) A district must not be required by any type of formal or informal agreement except an agreement to provide building space according to paragraph (f), including a joint powers agreement, or membership in any cooperative unit defined in section 123A.24, subdivision 2, to participate in or provide financial support for the purposes of the agreement for a time period in excess of four fiscal years, or the time period set forth in this subdivision. Any agreement, part of an agreement, or other type of requirement to the contrary is void. This paragraph applies only to agreements entered into between July 1, 1993, and June 30, 1999.

(b) This subdivision shall not affect the continued liability of a district for its share of bonded indebtedness or other debt incurred as a result of any agreement before July 1, 1993. The district is liable only until the obligation or debt is discharged and only according to the payment schedule in effect on July 1, 1993, except that the payment schedule may be altered for the purpose of restructuring debt or refunding bonds outstanding on July 1, 1993, if the annual payments of the district are not increased and if the total obligation of the school district for its share of outstanding bonds or other debt is not increased.

(c) To cease participating in or providing financial support for any of the services or activities relating to the agreement or to terminate participation in the agreement, the board must adopt a resolution and notify other parties to the agreement of its decision on or before February 1 of any year. The cessation or withdrawal shall be effective June 30 of the same year except that for a member of an education district organized under sections 123A.15 to 123A.19 or an intermediate district organized under chapter 136D, cessation or withdrawal shall be effective June 30 of the following fiscal year. At the option of the board, cessation or withdrawal may be effective June 30 of the following fiscal year for a district participating in any type of agreement.

(d) Before issuing bonds or incurring other debt, the governing body responsible for implementing the agreement must adopt a resolution proposing to issue bonds or incur other debt and the proposed financial effect of the bonds or other debt upon each participating district. The resolution must be adopted within a time sufficient to allow the board to adopt a resolution within the time permitted by this paragraph and to comply with the statutory deadlines set forth in sections 122A.40, 122A.41, and 123A.33. The governing body responsible for implementing the agreement shall notify each participating board of the contents of the resolution. Within 120 days of receiving the resolution of the governing body, the school board of the participating district shall adopt a resolution stating:

(1) its concurrence with issuing bonds or incurring other debt;

(2) its intention to cease participating in or providing financial support for the service or activity related to the bonds or other debt; or

(3) its intention to terminate participation in the agreement.

A board adopting a resolution according to clause (1) is liable for its share of bonded indebtedness or other debt as proposed by the governing body implementing the agreement. A school board adopting a resolution according to clause (2) is not liable for the bonded indebtedness or other debt, as proposed by the governing body, related to the services or activities in which the district ceases participating or providing financial support. A board adopting a resolution according to clause (3) is not liable for the bonded indebtedness or other debt proposed by the governing body implementing the agreement.

(e) After July 1, 1993, a district is liable according to paragraph (d) for its share of bonded indebtedness or other debt incurred by the governing body implementing the agreement to the extent that the bonds or other debt are directly related to the services or activities in which the district participates or for which the district provides financial support. The district has continued liability only until the obligation or debt is discharged and only according to the payment schedule in effect at the time the governing body implementing the agreement provides notice to the school board, except that the payment schedule may be altered for the purpose of refunding the outstanding bonds or restructuring other debt if the annual payments of the district are not increased and if the total obligation of the district for the outstanding bonds or other debt is not increased.

(f) A district that is a member of a cooperative unit as defined in section 123A.24, subdivision 2, may obligate itself to participate in and provide financial support for an agreement with a cooperative unit to provide school building space for a term not to exceed two years with an option on the part of the district to renew for an additional two years.

(g) Notwithstanding any limitations imposed under this subdivision, a school district may, according to section 123B.51, subdivision 4, enter into a lease of all or a portion of a schoolhouse that is not needed for school purposes, including, but not limited to, a lease with a term of more than one year.

Sec. 20. Minnesota Statutes 1998, section 123B.77, subdivision 4, is amended to read:

Subd. 4. [BUDGET APPROVAL.] Prior to July 1 of each year, the board of each district must approve and adopt its revenue and expenditure budgets for the next school year. The budget document so adopted must be considered an expenditure-authorizing or appropriations document.

No funds shall be expended by any board or district for any purpose in any school year prior to the adoption of the budget document which authorizes that expenditure, or prior to an amendment to the budget document by the board to authorize the expenditure. Expenditures of funds in violation of this subdivision shall be considered unlawful expenditures. Prior to the appropriation of revenue for the next school year in the initial budget, the board shall calculate the general education revenue, basic skills revenue, and referendum revenue for that year that it estimates will be generated by the pupils in attendance at each site, and shall inform each site of that estimate and report this information to the department of children, families, and learning.

Sec. 21. Minnesota Statutes 1998, section 123B.83, subdivision 4, is amended to read:

Subd. 4. [SPECIAL OPERATING PLAN.] (1) If the net negative unappropriated operating fund balance as defined in section 126C.01, subdivision 11, calculated in accordance with the uniform financial accounting and reporting standards for Minnesota school districts, as of June 30 each year, is more than 2-1/2 percent of the year's expenditure amount, the district must, prior to January 31 of the next fiscal year, submit a special operating plan to reduce the district's deficit expenditures to the commissioner for approval. The commissioner may also require the district to provide evidence that the district meets and will continue to meet all of ~~the curriculum~~ high school graduation requirements of the state board.

Notwithstanding any other law to the contrary, a district submitting a special operating plan to the commissioner under this clause which is disapproved by the commissioner must not receive any aid pursuant to chapters 120B, 122A, 123A, 123B, 124D, 125A, 126C, and 127A until a special operating plan of the district is so approved.

(2) A district must receive aids pending the approval of its special operating plan under clause (1). A district which complies with its approved operating plan must receive aids as long as the district continues to comply with the approved operating plan.

Sec. 22. Minnesota Statutes 1998, section 123B.90, subdivision 2, is amended to read:

Subd. 2. [STUDENT TRAINING.] (a) Each district must provide public school pupils enrolled in grades kindergarten through 10 with age-appropriate school bus safety training. The training must be results-oriented and shall consist of both classroom instruction and practical training using a school bus. Upon completing the training, a student shall be able to demonstrate knowledge and understanding of at least the following competencies and concepts:

(1) transportation by school bus is a privilege and not a right;

(2) district policies for student conduct and school bus safety;

(3) appropriate conduct while on the school bus;

(4) the danger zones surrounding a school bus;

(5) procedures for safely boarding and leaving a school bus;

(6) procedures for safe street or road crossing; ~~and~~

(7) school bus evacuation and other emergency procedures; and

(8) appropriate training on the use of lap belts or lap and shoulder belts, if the district uses buses equipped with lap belts or lap and shoulder belts.

(b) Each nonpublic school located within the district must provide all nonpublic school pupils enrolled in grades kindergarten through 10 who are transported by school bus at public expense and attend school within the district's boundaries with training as required in paragraph (a). The school district shall make a bus available for the practical training if the district transports the nonpublic students. Each nonpublic school shall provide the instruction.

(c) All students enrolled in grades kindergarten through 3 who are transported by school bus and are enrolled during the first or second week of school must demonstrate achievement of the

school bus safety training competencies by the end of the third week of school. All students enrolled in grades 4 through 10 who are transported by school bus and are enrolled during the first or second week of school must demonstrate achievement of the competencies by the end of the sixth week of school. Students enrolled in grades kindergarten through 10 who enroll in a school after the second week of school and are transported by school bus shall undergo school bus safety training and demonstrate achievement of the school bus safety competencies within four weeks of the first day of attendance. The pupil transportation safety director in each district must certify to the commissioner annually that all students transported by school bus within the district have satisfactorily demonstrated knowledge and understanding of the school bus safety competencies according to this section or provide an explanation for a student's failure to demonstrate the competencies. The principal or other chief administrator of each nonpublic school must certify annually to the public transportation safety director of the district in which the school is located that all of the school's students transported by school bus at public expense have received training. A district may deny transportation to a student who fails to demonstrate the competencies, unless the student is unable to achieve the competencies due to a disability, or to a student who attends a nonpublic school that fails to provide training as required by this subdivision.

(d) A district and a nonpublic school with students transported by school bus at public expense must, to the extent possible, provide kindergarten pupils with bus safety training before the first day of school.

(e) A district and a nonpublic school with students transported by school bus at public expense must also provide student safety education for bicycling and pedestrian safety, for students enrolled in grades kindergarten through 5.

(f) A district and a nonpublic school with students transported by school bus at public expense must make reasonable accommodations for the school bus, bicycle, and pedestrian safety training of pupils known to speak English as a second language and pupils with disabilities.

Sec. 23. Minnesota Statutes 1998, section 123B.90, subdivision 3, is amended to read:

Subd. 3. [MODEL TRAINING PROGRAM.] The commissioner shall develop a comprehensive model school bus safety training program for pupils who ride the bus that includes bus safety curriculum for both classroom and practical instruction, methods for assessing attainment of school bus safety competencies, and age-appropriate instructional materials. The model training program for students riding buses with lap belts or lap and shoulder belts must include information on the appropriate use of lap belts or lap and shoulder belts. The program must be adaptable for use by students with disabilities.

Sec. 24. Minnesota Statutes 1998, section 123B.91, subdivision 1, is amended to read:

Subdivision 1. [COMPREHENSIVE POLICY.] Each district must develop and implement a comprehensive, written policy governing pupil transportation safety, including transportation of nonpublic school students, when applicable. The policy shall, at minimum, contain:

- (1) provisions for appropriate student bus safety training under section 123B.90;
- (2) rules governing student conduct on school buses and in school bus loading and unloading areas;
- (3) a statement of parent or guardian responsibilities relating to school bus safety;
- (4) provisions for notifying students and parents or guardians of their responsibilities and the rules, including the district's seat belt policy, if applicable;
- (5) an intradistrict system for reporting school bus accidents or misconduct and a system for dealing with local law enforcement officials in cases of criminal conduct on a school bus;
- (6) a discipline policy to address violations of school bus safety rules, including procedures for revoking a student's bus riding privileges in cases of serious or repeated misconduct;

- (7) a system for integrating school bus misconduct records with other discipline records;
- (8) a statement of bus driver duties;
- (9) planned expenditures for safety activities under section 123B.89 and, where applicable, provisions governing bus monitor qualifications, training, and duties;
- (10) rules governing the use and maintenance of type III vehicles, drivers of type III vehicles, qualifications to drive a type III vehicle, qualifications for a type III vehicle and the circumstances under which a student may be transported in a type III vehicle;
- (11) operating rules and procedures;
- (12) provisions for annual bus driver in-service training and evaluation;
- (13) emergency procedures;
- (14) a system for maintaining and inspecting equipment;
- (15) requirements of the school district, if any, that exceed state law minimum requirements for school bus operations; and
- (16) requirements for basic first aid training, which must include the Heimlich maneuver and procedures for dealing with obstructed airways, shock, bleeding, and seizures.

Districts are encouraged to use the model policy developed by the Minnesota school boards association, the department of public safety, and the department of children, families, and learning, as well as the current edition of the "National Standards for School Buses and Operations" published by the National Safety Council, in developing safety policies. Each district shall review its policy annually and make appropriate amendments, which must be submitted to the school bus safety advisory committee within one month of approval by the school board.

Sec. 25. Minnesota Statutes 1998, section 124D.03, is amended by adding a subdivision to read:

Subd. 12. [TERMINATION OF ENROLLMENT.] A district may terminate the enrollment of a nonresident student enrolled under this section or section 124D.07 or 124D.08 at the end of a school year if the student meets the definition of a habitual truant under section 260.015, subdivision 19, the student has been provided appropriate services under chapter 260A, and the student's case has been referred to juvenile court. A district may also terminate the enrollment of a nonresident student over the age of 16 enrolled under this section if the student is absent without lawful excuse for one or more periods on 15 school days and has not lawfully withdrawn from school under section 120A.22, subdivision 8.

Sec. 26. Minnesota Statutes 1998, section 124D.86, subdivision 1, is amended to read:

Subdivision 1. [USE OF THE REVENUE.] Integration revenue under this section must be used for programs established under a desegregation plan ~~mandated by the state board~~ or under court order, to increase learning opportunities and reduce the learning gap between learners living in high concentrations of poverty and their peers.

Sec. 27. Minnesota Statutes 1998, section 124D.86, subdivision 3, is amended to read:

Subd. 3. [INTEGRATION REVENUE.] For fiscal year 1999 and later fiscal years, integration revenue equals the following amounts:

- (1) for independent school district No. 709, Duluth, \$193 times the resident pupil units for the school year;
- (2) for independent school district No. 625, St. Paul, \$427 times the resident pupil units for the school year;

(3) for special school district No. 1, Minneapolis, \$523 times the resident pupil units for the school year; and

(4) for a district not listed in clause (1), (2), or (3) that is required to implement a plan according to the requirements of Minnesota Rules, parts ~~3535.0200 to 3535.2200~~ 3535.0100 to 3535.0180, as proposed in 23 State Register 1344, December 7, 1998, the lesser of the actual cost of implementing the plan during the fiscal year or \$93 times the resident pupil units for the school year.

Sec. 28. Minnesota Statutes 1998, section 124D.89, subdivision 1, is amended to read:

Subdivision 1. [CULTURAL EXCHANGE PROGRAM GOALS.] (a) A cultural exchange grant program is established to develop and create opportunities for children and staff of different ethnic, racial, and other cultural backgrounds to experience educational and social exchange. ~~Student and staff exchanges under this section may only take place between a district with a desegregation plan approved by the state board of education and a district without a desegregation plan.~~ Participating school districts shall offer ~~summer~~ programs for credit with the goals set forth in paragraphs (b) to (e).

(b) The program must develop curriculum reflective of particular ethnic, racial, and other cultural aspects of various demographic groups in the state.

(c) The program must develop immersion programs that are coordinated with the programs offered in paragraph (b).

(d) The program must create opportunities for students from across the state to enroll in ~~summer~~ programs in districts other than the one of residence, or in other schools within their district of residence.

(e) The program must create opportunities for staff exchanges on a cultural basis.

Sec. 29. Minnesota Statutes 1998, section 125A.09, subdivision 11, is amended to read:

Subd. 11. [HEARING REVIEW OFFICER'S QUALIFICATIONS.] The commissioner must select an individual who has the qualifications enumerated in this subdivision to serve as the hearing review officer:

(1) the individual must be knowledgeable and impartial;

(2) the individual must not have a personal interest in or specific involvement with the student who is a party to the hearing;

(3) the individual must not have been employed as an administrator by the district that is a party to the hearing;

(4) the individual must not have been involved in the selection of the administrators of the district that is a party to the hearing;

(5) the individual must not have a personal, economic, or professional interest in the outcome of the hearing other than the proper administration of the federal and state laws, rules, and policies;

(6) the individual must not have substantial involvement in the development of a state or local policy or procedures that are challenged in the appeal;

(7) the individual is not a current employee or board member of a Minnesota public school district, education district, intermediate unit or regional education agency, or the department, ~~and the state board of education;~~ and

(8) the individual is not a current employee or board member of a disability advocacy organization or group.

Sec. 30. Minnesota Statutes 1998, section 127A.05, subdivision 1, is amended to read:

Subdivision 1. [APPOINTMENT AND DUTIES.] The department shall be under the administrative control of the commissioner of children, families, and learning which office is established. ~~The commissioner shall be the secretary of the state board.~~ The governor shall appoint the commissioner under the provisions of section 15.06.

The commissioner shall be a person who possesses educational attainment and breadth of experience in the administration of public education and of the finances pertaining thereto commensurate with the spirit and intent of this code. Notwithstanding any other law to the contrary, the commissioner may appoint two deputy commissioners who shall serve in the unclassified service. The commissioner shall also appoint other employees as may be necessary for the organization of the department. The commissioner shall perform such duties as the law and ~~the rules of the state board~~ may provide and be held responsible for the efficient administration and discipline of the department. ~~The commissioner shall make recommendations to the board and be is charged with the execution of powers and duties which the state board may prescribe, from time to time, to promote public education in the state, and to safeguard the finances pertaining thereto, and to enable the state board to carry out its duties.~~

Sec. 31. [127A.25] [SURVEY OF DISTRICTS.]

The commissioner of children, families, and learning shall survey the state's school districts and report to the education committees of the legislature by January 15 of each odd-numbered year on the status of the teacher shortage and the substitute teacher shortage, including shortages in subject areas and regions of the state. The report must also include how districts are making progress in hiring teachers and substitutes in the areas of shortage.

Sec. 32. Minnesota Statutes 1998, section 127A.41, subdivision 5, is amended to read:

Subd. 5. [DISTRICT APPEAL OF AID REDUCTION; INSPECTION OF DISTRICT SCHOOLS AND ACCOUNTS AND RECORDS.] ~~A reduction of aid under this section may be appealed to the state board of education and its decision shall be final.~~ Public schools shall at all times be open to the inspection of the commissioner. The accounts and records of any district must be open to inspection by the state auditor, ~~the state board,~~ or the commissioner for the purpose of audits conducted under this section. Each district shall keep for a minimum of three years at least the following: (1) identification of the annual session days held, together with a record of the length of each session day, (2) a record of each pupil's daily attendance, with entrance and withdrawal dates, and (3) identification of the pupils transported who are reported for transportation aid.

Sec. 33. Minnesota Statutes 1998, section 127A.42, subdivision 5, is amended to read:

Subd. 5. [DISPUTE VIOLATIONS; HEARING.] The board to which such notice is given may, by a majority vote of the whole board, decide to dispute that the specified violation exists or that the time allowed is reasonable or the correction specified is correct, or that the commissioner may reduce aids. The board must give the commissioner written notice of the decision. If the commissioner, after further investigation as the commissioner deems necessary, adheres to the previous notice, ~~the board shall be entitled to a hearing by the state board~~ the commissioner shall notify the school board of its decision. ~~The state board must set a hearing time and place and the board of the district must be given notice by mail. The state board must adopt rules governing the proceedings for hearings. The hearings must be designed to give a full and fair hearing and permit interested parties an opportunity to produce evidence relating to the issues involved. The rules may provide that any question of fact to be determined at the hearing may be referred to one or more members of the board or to an employee of the state board acting as a referee to hear evidence and report the testimony taken to the state board. The state board, or a person designated to receive evidence at a hearing, shall have the same right to issue subpoenas and administer oaths and parties to the hearing shall have the same right to subpoenas issued as are allowed for proceedings before the industrial commission. A stenographic record must be made of all testimony given and other proceedings during the hearing. If practicable, rules governing admission of evidence in courts shall apply to the hearing. The decision of the state board must be~~

~~in writing and the controlling facts upon which the decision is made must be stated in sufficient detail to apprise the parties and the reviewing court of the basis and reason for the decision. The decision must be confined to whether any of the specified violations existed at the date of the commissioner's first notice, whether the violations were corrected within the time permitted, and whether the violations require reduction of the state aids under this section.~~

Sec. 34. Minnesota Statutes 1998, section 127A.42, subdivision 6, is amended to read:

Subd. 6. [VIOLATION; AID REDUCTION.] The commissioner shall not reduce state aids payable to the district if the violation specified is corrected within the time permitted, or if the commissioner on being notified of the district board's decision to dispute decides the violation does not exist, ~~or if the state board decides after hearing no violation specified in the commissioner's notice existed at the time of the notice, or that the violations were corrected within the time permitted.~~ Otherwise state aids payable to the district for the year in which the violation occurred shall be reduced as follows: The total amount of state aids to which the district may be entitled shall be reduced in the proportion that the period during which a specified violation continued, computed from the last day of the time permitted for correction, bears to the total number of days school is held in the district during the year in which a violation exists, multiplied by 60 percent of the basic revenue, as defined in section 126C.10, subdivision 2, of the district for that year.

Sec. 35. Minnesota Statutes 1998, section 127A.60, subdivision 1, is amended to read:

Subdivision 1. [DEPARTMENT.] A state department of children, families, and learning is hereby created ~~which shall be maintained under the direction of a state board of education composed of nine representative citizens of the state, at least one of whom shall reside in each congressional district in the state.~~

~~Of the nine representative citizens of the state who are appointed to the state board of education not less than three members thereof shall previously thereto have served as an elected member of a board of education of a school district however organized.~~

~~The members of the state board shall be appointed by the governor, with the advice and consent of the senate. One member shall be chosen annually as president, but no member shall serve as president more than three consecutive years. The state board shall hold its annual meeting in August. It shall hold meetings on dates and at places as it designates. No member shall hold any public office, or represent or be employed by any board of education or school district, public or private, and shall not voluntarily have any personal financial interest in any contract with a board of education or school district, or be engaged in any capacity where a conflict of interest may arise.~~

Sec. 36. Minnesota Statutes 1998, section 127A.66, subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATIVE RULES.] ~~The state board commissioner~~ may adopt new rules and amend them or amend any of its existing rules only under specific authority and consistent with the requirements of chapter 14. ~~The state board commissioner may repeal any of its the commissioner's existing rules. Notwithstanding the provisions of section 14.05, subdivision 4, the state board commissioner may grant a variance to its the commissioner's rules upon application by a school district for purposes of implementing experimental programs in learning or school management. This subdivision shall not prohibit the state board commissioner from making technical changes or corrections to its the commissioner's rules.~~

Sec. 37. Minnesota Statutes 1998, section 128C.01, subdivision 4, is amended to read:

Subd. 4. [BOARD.] (a) The league must have a 20-member governing board.

(1) The governor must appoint four members according to section 15.0597. Each of the four appointees must be a parent. At least one of them must be an American Indian, an Asian, a Black, or a Hispanic.

(2) The Minnesota association of secondary school principals must appoint two of its members.

(3) The remaining 14 members must be selected according to league bylaws.

(b) The terms, compensation, removal of members, and the filling of membership vacancies are governed by section 15.0575, except that the four-year terms begin on August 1 and end on July 31. As provided by section 15.0575, members who are full-time state employees or full-time employees of school districts or other political subdivisions of the state may not receive any per diem payment for service on the board.

Sec. 38. Minnesota Statutes 1998, section 128C.02, is amended by adding a subdivision to read:

Subd. 9. [PURCHASING.] In purchasing goods and services, the league must follow all laws that apply to school districts under sections 123B.52 and 471.345.

Sec. 39. Minnesota Statutes 1998, section 128C.20, subdivision 1, is amended to read:

Subdivision 1. [ANNUALLY.] Each year the commissioner of children, families, and learning shall obtain and review the following information about the league:

(1) an accurate and concise summary of the annual financial and compliance audit prepared by the state auditor that includes information about the compensation of and the expenditures by the executive director of the league and league staff;

(2) a list of all complaints filed with the league and all lawsuits filed against the league and the disposition of those complaints and lawsuits;

(3) an explanation of the executive director's performance review;

(4) information about the extent to which the league has implemented its affirmative action policy, its comparable worth plan, and its sexual harassment and violence policy and rules; and

(5) an evaluation of any proposed changes in league policy.

The commissioner may examine any league activities or league-related issues when the commissioner believes this review is warranted.

Sec. 40. Minnesota Statutes 1998, section 169.01, subdivision 6, is amended to read:

Subd. 6. [SCHOOL BUS.] "School bus" means a motor vehicle used to transport pupils to or from a school defined in section 120A.22, or to or from school-related activities, by the school or a school district, or by someone under an agreement with the school or a school district. A school bus does not include a motor vehicle transporting children to or from school for which parents or guardians receive direct compensation from a school district, a motor coach operating under charter carrier authority, a transit bus providing services as defined in section 174.22, subdivision 7, or a vehicle otherwise qualifying as a type III vehicle under paragraph (5), when the vehicle is properly registered and insured and being driven by an employee or agent of a school district for nonscheduled transportation. A school bus may be type A, type B, type C, or type D, or type III as follows:

(1) A "type A school bus" is a conversion or body constructed upon a van-type or cutaway front section vehicle with a left-side driver's door, designed for carrying more than ten persons. This definition includes two classifications: type A-I, with a gross vehicle weight rating (GVWR) over 10,000 pounds; and type A-II, with a GVWR of 10,000 pounds or less.

(2) A "type B school bus" is a conversion or body constructed and installed upon a van or front-section vehicle chassis, or stripped chassis, with a gross vehicle weight rating of more than 10,000 pounds, designed for carrying more than ten persons. Part of the engine is beneath or behind the windshield and beside the driver's seat. The entrance door is behind the front wheels.

(3) A "type C school bus" is a body installed upon a flat back cowl chassis with a gross vehicle weight rating of more than 10,000 pounds, designed for carrying more than ten persons. All of the engine is in front of the windshield and the entrance door is behind the front wheels. A type C school bus has a maximum length of 45 feet.

(4) A "type D school bus" is a body installed upon a chassis, with the engine mounted in the front, midship or rear, with a gross vehicle weight rating of more than 10,000 pounds, designed for carrying more than ten persons. The engine may be behind the windshield and beside the driver's seat; it may be at the rear of the bus, behind the rear wheels, or midship between the front and rear axles. The entrance door is ahead of the front wheels. A type D school bus has a maximum length of 45 feet.

(5) Type III school buses and type III Head Start buses are restricted to passenger cars, station wagons, vans, and buses ~~in service after January 1, 1999, having an original a~~ maximum manufacturer's rated seating capacity of ten or fewer people, including the driver, and a gross vehicle weight rating of 10,000 pounds or less. In this subdivision, "gross vehicle weight rating" means the value specified by the manufacturer as the loaded weight of a single vehicle. A "type III school bus" and "type III Head Start bus" must not be outwardly equipped and identified as a type A, B, C, or D school bus or type A, B, C, or D Head Start bus. A van or bus converted to a seating capacity of ten or fewer and placed in service on or after August 1, 1999, must have been originally manufactured to comply with the passenger safety standards.

Sec. 41. Minnesota Statutes 1998, section 169.03, subdivision 6, is amended to read:

Subd. 6. [WORKING ON HIGHWAY.] (a) The provisions of this chapter shall not apply to persons, motor vehicles, and other equipment while actually engaged in work upon the highway, except as provided in paragraphs (b) and (c).

(b) This chapter shall apply to those persons and vehicles when traveling to or from such work, except that persons operating equipment owned, rented or hired by road authorities shall be exempt from the width, height and length provisions of sections 169.80 and 169.81 and shall be exempt from the weight limitations of this chapter while engaged in snow or ice removal and while engaged in flood control operations on behalf of the state or a local governmental unit.

(c) Sections 169.121 to 169.129 and 169.444 apply to persons while actually engaged in work upon the highway.

Sec. 42. Minnesota Statutes 1998, section 171.3215, subdivision 2, is amended to read:

Subd. 2. [CANCELLATION FOR DISQUALIFYING AND OTHER OFFENSES.] Within ten days of receiving notice under section 631.40, subdivision 1a, or otherwise receiving notice for a nonresident driver, that a school bus driver has been convicted of a disqualifying offense, the commissioner shall permanently cancel the school bus driver's endorsement on the offender's driver's license and in the case of a nonresident, the driver's privilege to operate a school bus in Minnesota. A school bus driver whose endorsement or privilege to operate a school bus in Minnesota has been permanently canceled may not apply for reinstatement. Within ten days of receiving notice under section 631.40, subdivision 1a, or otherwise receiving notice for a nonresident driver, that a school bus driver has been convicted of ~~a gross misdemeanor, or~~ a violation of section 169.121, 169.129, or a similar statute or ordinance from another state, and within ten days of revoking a school bus driver's license under section 169.123, the commissioner shall cancel the school bus driver's endorsement on the offender's driver's license or the nonresident's privilege to operate a school bus in Minnesota for five years. After five years, a school bus driver may apply to the commissioner for reinstatement. Even after five years, cancellation of a school bus driver's endorsement or a nonresident's privilege to operate a school bus in Minnesota for a violation under section 169.121, 169.123, 169.129, or a similar statute or ordinance from another state, shall remain in effect until the driver provides proof of successful completion of an alcohol or controlled substance treatment program. For a first offense, proof of completion is required only if treatment was ordered as part of a chemical use assessment. Within ten days of receiving notice under section 631.40, subdivision 1a, or otherwise receiving notice for a nonresident driver, that a school bus driver has been convicted of a fourth moving violation in the last three years, the commissioner shall cancel the school bus driver's endorsement on the offender's driver's license or the nonresident's privilege to operate a school bus in Minnesota until one year has elapsed since the last conviction. A school bus driver who has no new convictions after one year may apply for reinstatement. Upon canceling the offender's school bus driver's endorsement, the commissioner shall immediately notify the licensed offender of the cancellation

in writing, by depositing in the United States post office a notice addressed to the licensed offender at the licensed offender's last known address, with postage prepaid thereon.

Sec. 43. Minnesota Statutes 1998, section 171.3215, subdivision 4, is amended to read:

Subd. 4. [WAIVER OF PERMANENT CANCELLATION.] (a) The commissioner of public safety or the commissioner's designee, in consultation with the division of driver and vehicle services, may waive the permanent cancellation requirement of this section 171.3215 for a person convicted of a misdemeanor, a gross misdemeanor, a nonfelony violation of chapter 152, or a felony that is not a violent crime under section 609.1095.

(b) After notice to the requesting school district and contract provider of school bus transportation, the commissioner may waive the permanent cancellation requirement after ten years have elapsed since the person was convicted of a violation of section 609.582, subdivision 2, 3, or 4.

Sec. 44. Minnesota Statutes 1998, section 181.101, is amended to read:

181.101 [WAGES; HOW OFTEN PAID.]

Every employer must pay all wages earned by an employee at least once every ~~30~~ 31 days on a regular pay day designated in advance by the employer regardless of whether the employee requests payment at longer intervals. Unless paid earlier, the wages earned during the first half of the first ~~30-day~~ 31-day pay period become due on the first regular payday following the first day of work. If wages earned are not paid, the commissioner of labor and industry or the commissioner's representative may demand payment on behalf of an employee. If payment is not made within ten days of demand, the commissioner may charge and collect the wages earned and a penalty in the amount of the employee's average daily earnings at the rate agreed upon in the contract of employment, not exceeding 15 days in all, for each day beyond the ten-day limit following the demand. Money collected by the commissioner must be paid to the employee concerned. This subdivision section does not prevent an employee from prosecuting a claim for wages. This section does not prevent a school district or other public school entity from paying any wages earned by its employees during a school year on regular pay days in the manner provided by an applicable contract or collective bargaining agreement, or a personnel policy adopted by the governing board. For purposes of this section, "employee" includes a person who performs agricultural labor as defined in section 181.85, subdivision 2. For purposes of this section, wages are earned on the day an employee works.

Sec. 45. Minnesota Statutes 1998, section 209.07, is amended by adding a subdivision to read:

Subd. 4. [SCHOOL DISTRICT BOARD ELECTION; SURETY BOND REQUIREMENTS.] If an election approving the issuance of bonds by a school district is contested, the contestant shall file in the district court a surety bond of at least \$5,000 or a greater amount determined necessary by the court to provide security for costs of the contest to the school district, including any additional costs that may be incurred by the school district if the bond issue is delayed. The court may waive the requirements of this subdivision to the extent it finds that there is a reasonable likelihood that the contestant will prevail and that filing the bond would impose an undue hardship. If the surety bond is not filed within the time allowed by the court, the contest shall be dismissed with prejudice.

Sec. 46. Laws 1997, First Special Session chapter 4, article 5, section 22, is amended to read:

Sec. 20. [GRANT PROGRAM TO PROMOTE PROFESSIONAL TEACHING STANDARDS.]

Subdivision 1. [ESTABLISHMENT.] A grant program to promote professional teaching standards through the national board for professional teaching standards ~~for fiscal year 1998~~ is established to provide eligible teachers with the opportunity to receive national board for professional teaching standards certification and to reward teachers who have already received such certification.

Subd. 2. [ELIGIBILITY.] An applicant for a grant must be a licensed K-12 school teacher employed in a state school. To be eligible for a grant, the teacher must have been employed as a teacher for a minimum of five school years and demonstrate either that the national board for professional teaching standards has accepted the teacher as a candidate for board certification or that the teacher already has received board certification.

Subd. 3. [APPLICATION PROCESS.] To obtain a grant to participate in the national board for professional teaching standards certification process or to receive a reward for already completing the board certification process, a teacher must submit an application to the commissioner of children, families, and learning in the form and manner the commissioner establishes. The applicant must demonstrate either that the national board for professional teaching standards has accepted the teacher as a candidate for board certification or that the teacher already has received board certification. The commissioner shall consult with the state board of teaching when reviewing the applications.

Subd. 4. [GRANT AWARDS; PROCEEDS.] (a) The commissioner may award matching grants of \$1,000 each to eligible teachers who provide a matching amount through collaboration with either a school district, professional organization, or both and are accepted as candidates for national board for professional teaching standards certification. Grant recipients shall use the grant to participate in the certification process. The grant award shall be paid to the national board for professional teaching standards in the teacher's name. Within 24 months of receiving certification, a grant recipient must satisfactorily complete one year of teaching service in a state school the certification process or repay the state the amount of the grant, except if the commissioner determines that death or disability prevents the grant recipient from providing the one year of teaching service.

(b) The commissioner may award grants to eligible teachers who have earned national board for professional teaching standards certification. The amount of each grant shall not exceed \$1,000 and the commissioner shall establish criteria to determine the actual amount of each grant. Grant recipients shall use the grant proceeds for educational purposes, including purchasing instructional materials, equipment, or supplies and realizing professional development opportunities.

Subd. 5. [REGIONAL COORDINATORS.] The state shall provide the equivalent of four full-time regional coordinators with two located in the seven-county metropolitan area and two located in greater Minnesota. \$25,000 per year, for the first two years only, shall be provided to cover expenses of the regional coordinators including, but not limited to, travel, meetings, web page maintenance, and cost related to supporting candidate's expenses. After the first two years, individual school districts must negotiate with the exclusive representative of the teachers in the district for coordinator positions.

Sec. 47. [ALTERNATIVE PATHWAYS FOR TEACHER PREPARATION.]

Subdivision 1. [ESTABLISHMENT.] A program is established to allow Minnesota school districts, in collaboration with accredited teacher preparation institutions, to offer undergraduate and graduate teacher preparation opportunities. The program must provide teacher preparation opportunities that effectively address the needs of different types of schools, students, and teachers.

Subd. 2. [ELIGIBILITY; PROGRAM USES; EMPLOYMENT TERMS.] (a) An applicant under this program must be a school district. The school district must collaborate with an accredited teacher preparation program and an exclusive representative of the teachers in the district. The program must be used to assist in improving teacher preparation by placing teacher education students in preschool, elementary, and secondary classrooms or other education settings under the supervision of a licensed classroom teacher.

(b) Each school district participating in this program may select the teacher preparation model that best promotes understanding the needs of each educational system or institution. For example:

(1) a public school educator may teach courses that assist in preparing future educators or take professional development courses; or

(2) a post-secondary teacher may teach courses at the school district or mentor student teachers.

Participation is not limited to one school or institution and may involve other participants, including parent/community groups, teacher organizations, and business groups. Participating schools and institutions are encouraged to develop program components that engage nontraditional teacher preparation students.

(c) Temporary placements made under this program must not have a negative effect on participants' salaries, seniority, or other benefits. Specifically, temporary placements of teachers may not displace or cause any reduction in the number of nonovertime hours worked, wages, or benefits of a currently employed teacher. Notwithstanding Minnesota Statutes, sections 122A.16 and 123B.02, subdivision 14, a member of the staff of a post-secondary institution may teach in a preschool, elementary school, secondary school, or other education settings, or perform a service agreed upon under this section for which a license would otherwise be required without holding the applicable license. In addition, a licensed educator employed by a school district may teach or perform a service, agreed upon under this section, at a post-secondary institution without meeting the applicable qualifications of the post-secondary institution. A district is not subject to Minnesota Statutes, section 127A.43, as a result of entering into an agreement according to this section that enables a post-secondary educator to teach or provide services in the district. All arrangements and details regarding an exchange must be mutually agreed to by each participating school district and post-secondary institution before implementing the exchange and must not violate any term or condition of the participating school district's collective bargaining agreement.

(d) An educator who held a temporary position or an exchanged position under this section must be continued in or restored to the position previously held, or to a position of like seniority, status, and pay upon return. Retirement benefits under an employer-sponsored pension or retirement plan must not be reduced because of time spent on an exchange or temporary position under this section.

(e) An educator who is continued in or restored to a position under paragraph (d):

(1) must be continued or restored without loss of seniority; and

(2) may participate in insurance or other benefits offered by the employer under its established rules and practices.

Subd. 3. [APPLICATION PROCESS.] To participate in this program, a school district must submit an application to the commissioner of children, families, and learning in the form and manner established by the commissioner. The application must describe how the applicant will improve teacher education by providing undergraduate or graduate teacher preparation opportunities in order to effectively address the needs of different types of schools, students, and teachers, and how the applicant will use technology to implement the program. The commissioner may require additional information from an applicant.

Subd. 4. [PROGRAM PARTICIPANTS; MONETARY AWARDS.] (a) When selecting program participants, the commissioner must determine:

(1) whether an applicant has met the requirements of this section;

(2) whether the location of a program is particularly suitable for realizing the purpose of this section;

(3) the number of teacher candidates, teachers, and students who would participate in the program;

(4) the ability of the applicant to demonstrate the positive effect of the existing program on students enrolled in a participating school district by using standardized test scores, the rate at which students pass the state's reading, math, and writing basic skills test, or other valid and reliable assessment measures;

(5) whether public post-secondary institutions with board of teaching approved teacher

preparation programs and other organizations representing parents, business interests, and community interests are integral participants in the proposed program;

(6) whether the program addresses the shortage of teachers in any areas identified by the commissioner of children, families, and learning; and

(7) the ability of the applicant to provide information about the program to interested school districts and post-secondary institutions.

(b) The commissioner may select applicants to participate in this program for the 1999-2000 school year and later. Participants must be located throughout the state. The commissioner must provide one-time start-up costs of up to \$20,000 per participating site.

Subd. 5. [POST-SECONDARY INSTITUTION FUNDING.] Notwithstanding other law to the contrary, and consistent with subdivision 6, a post-secondary institution participating in this program must provide the instructional costs of educating students in teacher preparation programs and may charge the students the costs of tuition.

Subd. 6. [PARTICIPANTS' FEES.] A school district participating in this program may charge reasonable fees to a student in a teacher preparation program placed in a preschool, elementary, or secondary classroom to receive teacher training.

Subd. 7. [EVALUATION.] The commissioner must contract with an independent qualified expert to evaluate the impact of the program on teacher efficacy and student performance and present a report to the commissioner and the education committees of the legislature by February 15, 2005.

Sec. 48. [BOARD OF TEACHING.]

The board of teaching must communicate with school districts, including district human resources personnel, on the procedures available to districts for expediting the hiring of substitute teachers.

Sec. 49. [TRANSITION.]

Notwithstanding Minnesota Statutes, section 15.0597, the terms of persons who are members appointed by the governor before the effective date of section 8, shall have their term end on July 31 of the year following the last year of their appointment.

Sec. 50. [MODEL STATE POLICY ON STUDENT RECORDS.]

Subdivision 1. [COMMISSIONER OF ADMINISTRATION.] By December 1, 1999, the commissioner of administration shall compile and make available a model policy that accurately reflects state and federal data regulations regarding access to and dissemination of educational data by schools and by other government agencies who serve school-aged children, and access by schools to data about students who have exhibited violent behaviors. The model policy shall include procedures and other guidelines detailing allowable use and transfer of educational data according to state and federal law.

Subd. 2. [RECOMMENDATIONS TO THE LEGISLATURE.] By January 15, 2000, the commissioner, in consultation with representatives from federal agencies, state agencies, county governments, school districts, cities, and parents who have an interest in educational and other applicable data, shall make recommendations to the legislature regarding necessary clarifications of state law and any enforcement mechanisms identified as essential for the proper sharing of data.

Sec. 51. [SCHOOL YEAR START DATE.]

Subdivision 1. [GOODHUE.] Notwithstanding Minnesota Statutes, section 120A.40, and Laws 1997, First Special Session chapter 4, article 7, section 49, subdivision 1, for the 1999-2000 school year independent school district No. 253, Goodhue, may begin the school year on August 30, 1999.

Subd. 2. [MILACA.] Notwithstanding Minnesota Statutes 1996, section 126.12, subdivision 1, and Laws 1997, First Special Session chapter 4, article 7, section 49, subdivision 1, for the 1998-1999 school year only, independent school district No. 912, Milaca, may begin the school year on August 24, 1998.

Subd. 3. [WORTHINGTON.] Notwithstanding Minnesota Statutes, section 120A.40, and Laws 1997, First Special Session chapter 4, article 7, section 49, subdivision 1, for the 1999-2000 school year, independent school district No. 518, Worthington, may begin the school year on August 23, 1999.

Sec. 52. [STATE BOARD OF EDUCATION CHANGED TO COMMISSIONER OF CHILDREN, FAMILIES, AND LEARNING; OTHER CHANGES.]

The provisions of Laws 1998, chapter 398, article 5, section 55, and related sections apply except as provided under this article.

Sec. 53. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING.] The following sums are appropriated from the general fund to the department of children, families, and learning in the fiscal years indicated.

Subd. 2. [ALTERNATIVE PATHWAYS FOR TEACHER PREPARATION.] For providing program participants under section 58 with start-up costs:

<u>\$100,000</u>	<u>2000</u>
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This appropriation is available until June 30, 2001.

The commissioner shall award a \$20,000 grant to independent school district No. 138, North Branch, if the district meets the requirements of the program.

Subd. 3. [COLLABORATIVE URBAN EDUCATOR PROGRAMS.] For collaborative urban educator programs providing alternative pathways to licensure:

<u>\$1,300,000</u>	.....	<u>2000</u>
<u>\$1,300,000</u>	.....	<u>2001</u>

\$400,000 each year is for the Collaborative Urban Educators Program at St. Thomas University; \$400,000 each year is for Hamline University and \$500,000 each year is for the South East Asia Teachers Program at Concordia University, St. Paul.

Any balance in the first year does not cancel but is available in the second year.

Subd. 4. [PILLAGER REIMBURSEMENT.] For independent school district No. 116, Pillager, for reimbursement of extraordinary legal expenses due to a lawsuit with statewide implications:

<u>\$325,000</u>	<u>2000</u>
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Subd. 5. [PARTNERS FOR QUALITY SCHOOL IMPROVEMENT.] For the school improvement pilot training program established in Laws 1997, First Special Session chapter 4, article 7, section 47:

<u>\$500,000</u>	<u>2000</u>
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This appropriation is available until June 30, 2001.

Subd. 6. [PROFESSIONAL TEACHING STANDARDS.] For grant awards for national board for professional teaching standards certification and for regional coordinators to counsel and assist teacher candidates for the certification:

<u>\$400,000</u>	<u>2000</u>
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This appropriation is available until June 30, 2001. This is a one-time appropriation.

Sec. 54. [REPEALER.]

Minnesota Statutes 1998, sections 127A.42, subdivision 8; 127A.60, subdivisions 2, 3, and 4; 127A.61; 127A.62, subdivision 2; 127A.64; and 127A.66, subdivision 1, are repealed effective December 31, 1999.

Sec. 55. [EFFECTIVE DATES.]

Sections 1; 7, paragraphs (c) and (e); 27; 28; 37; 44; 47, and 49 are effective the day following final enactment. Notwithstanding any law to the contrary, section 2 is effective for the 1999-2000 school year and thereafter. Sections 3, 9 to 12, 21, 26, 29, 30, 32 to 36, and 52 are effective December 31, 1999. Section 38 is effective for the 1999-2000 school year and thereafter. Section 51, subdivision 2, is effective retroactive to July 1, 1998.

ARTICLE 10

STATE AGENCIES

Section 1. Minnesota Statutes 1998, section 125A.64, is amended by adding a subdivision to read:

Subd. 6. [EXEMPTION TO SEPTEMBER 1 SCHOOL START RESTRICTION.] Notwithstanding Minnesota Statutes, section 120A.40, subdivision 1, the board of the Minnesota state academies for the deaf and blind may begin the school year any day prior to September 1.

Sec. 2. Minnesota Statutes 1998, section 129C.10, is amended by adding a subdivision to read:

Subd. 8. [EXEMPTION TO SEPTEMBER 1 SCHOOL START RESTRICTION.] Notwithstanding Minnesota Statutes, section 120A.40, subdivision 1, the Lola and Rudy Perpich Minnesota center for arts education may begin the school year any day prior to September 1.

Sec. 3. Minnesota Statutes 1998, section 626.556, subdivision 10b, is amended to read:

Subd. 10b. [DUTIES OF COMMISSIONER; NEGLECT OR ABUSE IN FACILITY.] (a) This section applies to the commissioner of children, families, and learning. The commissioner of the agency responsible for assessing or investigating the report shall immediately investigate if the report alleges that:

(1) a child who is in the care of a facility as defined in subdivision 2 is neglected, physically abused, or sexually abused by an individual in that facility, or has been so neglected or abused by an individual in that facility within the three years preceding the report; or

(2) a child was neglected, physically abused, or sexually abused by an individual in a facility defined in subdivision 2, while in the care of that facility within the three years preceding the report.

The commissioner shall arrange for the transmittal to the commissioner of reports received by local agencies and may delegate to a local welfare agency the duty to investigate reports. In conducting an investigation under this section, the commissioner has the powers and duties specified for local welfare agencies under this section. The commissioner or local welfare agency may interview any children who are or have been in the care of a facility under investigation and their parents, guardians, or legal custodians.

(b) Prior to any interview, the commissioner or local welfare agency shall notify the parent, guardian, or legal custodian of a child who will be interviewed in the manner provided for in subdivision 10d, paragraph (a). If reasonable efforts to reach the parent, guardian, or legal custodian of a child in an out-of-home placement have failed, the child may be interviewed if there is reason to believe the interview is necessary to protect the child or other children in the facility. The commissioner or local agency must provide the information required in this subdivision to the parent, guardian, or legal custodian of a child interviewed without parental notification as soon as

possible after the interview. When the investigation is completed, any parent, guardian, or legal custodian notified under this subdivision shall receive the written memorandum provided for in subdivision 10d, paragraph (c).

(c) In conducting investigations under this subdivision the commissioner or local welfare agency shall obtain access to information consistent with subdivision 10, paragraphs (h), (i), and (j).

(d) Except for foster care and family child care, the commissioner has the primary responsibility for the investigations and notifications required under subdivisions 10d and 10f for reports that allege maltreatment related to the care provided by or in facilities licensed by the commissioner. The commissioner may request assistance from the local social service agency.

Sec. 4. [TRANSFER OF PROGRAMS.]

The powers and duties of the department of children, families, and learning with respect to drug policy and violence prevention under Minnesota Statutes 1998, sections 119A.25, 119A.26, 119A.27, 119A.28, 119A.29, 119A.31, 119A.32, 119A.33, and 119A.34, are transferred to the department of public safety under Minnesota Statutes, section 15.039.

Sec. 5. [APPROPRIATIONS; DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING.]

Subdivision 1. [DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING.] The sums indicated in this section are appropriated from the general fund unless otherwise indicated to the department of children, families, and learning for the fiscal years designated.

Subd. 2. [TEACHING AND LEARNING PROGRAM.] (a) For the teaching and learning program in the department of children, families, and learning:

<u>\$9,979,000</u>	<u>.....</u>	<u>2000</u>
<u>\$9,926,000</u>	<u>.....</u>	<u>2001</u>

(b) Any balance the first year does not cancel but is available in the second year.

(c) \$21,000 each year is from the trunk highway fund.

(d) \$673,000 in 2000 and \$678,000 in 2001 is for the board of teaching.

(e) Notwithstanding Minnesota Statutes, section 15.53, subdivision 2, the commissioner of children, families, and learning may contract with a school district for a period no longer than five consecutive years to work in the development or implementation of the graduation rule. The commissioner may contract for services and expertise as necessary. The contracts are not subject to Minnesota Statutes, section 16B.06.

Subd. 3. [LIFEWORk DEVELOPMENT PROGRAM.] For the lifework development program in the department of children, families, and learning:

<u>\$1,162,000</u>	<u>.....</u>	<u>2000</u>
<u>\$1,183,000</u>	<u>.....</u>	<u>2001</u>

Any balance the first year does not cancel but is available in the second year.

Subd. 4. [MANAGEMENT AND SUPPORT SERVICES PROGRAM.] (a) For the management and support services program in the department of children, families, and learning:

<u>\$16,987,000</u>	<u>.....</u>	<u>2000</u>
<u>\$14,421,000</u>	<u>.....</u>	<u>2001</u>

(b) Any balance the first year does not cancel but is available in the second year.

(c) \$165,000 in 2000 is for the state board of education. Any functions of the state board of education that are not specifically transferred to another agency are transferred to the department of children, families, and learning under Minnesota Statutes, section 15.039. For the position that is classified, upon transferring the responsibilities, the current incumbent is appointed to the classified position without exam or probationary period.

(d) \$2,000,000 in 2000 is for litigation costs and may only be used for those purposes. This is a one-time appropriation.

Subd. 5. [OFFICE OF COMMUNITY SERVICES PROGRAM.] For the office of community services program in the department of children, families, and learning:

<u>\$4,188,000</u>	<u>.....</u>	<u>2000</u>
<u>\$4,255,000</u>	<u>.....</u>	<u>2001</u>

Any balance the first year does not cancel but is available the second year.

Sec. 6. [APPROPRIATIONS; LOLA AND RUDY PERPICH MINNESOTA CENTER FOR ARTS EDUCATION.]

The sums indicated in this section are appropriated from the general fund to the center for arts education for the fiscal years designated:

<u>\$7,239,000</u>	<u>.....</u>	<u>2000</u>
<u>\$7,400,000</u>	<u>.....</u>	<u>2001</u>

Of each year's appropriation, \$154,000 is to fund artist and arts organization participation in the education residency and education technology projects, \$75,000 is for school support for the residency project, \$121,000 is for further development of the partners: arts and school for students (PASS) program, including pilots, and \$220,000 is to fund the center for arts education base for asset preservation and facility repair. The guidelines for the education residency project and the pass program shall be developed and defined by the center for arts education in cooperation with the Minnesota arts board. The Minnesota arts board shall participate in the review and allocation process. The center for arts education and the Minnesota arts board shall cooperate to fund these projects.

Any balance in the first year does not cancel but is available in the second year.

Sec. 7. [APPROPRIATIONS; MINNESOTA STATE ACADEMIES.]

(a) The sums indicated in this section are appropriated from the general fund to the Minnesota state academies for the deaf and the blind for the fiscal years designated:

<u>\$10,039,000</u>	<u>.....</u>	<u>2000</u>
<u>\$10,258,000</u>	<u>.....</u>	<u>2001</u>

(b) Any balance in the first year does not cancel but is available in the second year.

(c) \$75,000 each year is for asset preservation and facility repair.

(d) \$15,000 each year is for the cost of holding board meetings in Faribault.

Sec. 8. [REVISOR INSTRUCTION.]

(a) In the next and subsequent editions of Minnesota Statutes and Minnesota Rules, the revisor shall change all references of the "Lola and Rudy Perpich Minnesota center for arts education" to the "Perpich center for arts education."

(b) In the next and subsequent editions of Minnesota Statutes the revisor shall renumber each section in column A with the corresponding number in column B. The revisor shall correct all cross-references to be consistent with the renumbering.

<u>Column A</u>	<u>Column B</u>
<u>119A.25</u>	<u>299A.291</u>
<u>119A.26</u>	<u>299A.292</u>
<u>119A.27</u>	<u>299A.293</u>
<u>119A.28</u>	<u>299A.294</u>
<u>119A.29</u>	<u>299A.295</u>
<u>119A.31</u>	<u>299A.296</u>
<u>119A.32</u>	<u>299A.297</u>
<u>119A.33</u>	<u>299A.298</u>
<u>119A.34</u>	<u>299A.299</u>

Sec. 9. [REPEALER.]

Minnesota Statutes 1998, section 119A.04, subdivision 5, is repealed.

Sec. 10. [EFFECTIVE DATE.]

Section 2 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to education; prekindergarten through grade 12; providing for general education; special programs; lifework development; facilities and technology; education excellence; other programs; nutrition programs; libraries; education policy; and state agencies; appropriating money; amending Minnesota Statutes 1998, sections 13.46, subdivision 2; 41D.02, subdivision 2; 120A.24, subdivision 1; 120A.40; 120B.30, subdivision 1; 120B.35; 121A.23; 121A.43, as amended; 121A.61, subdivision 1; 122A.09, subdivision 4; 122A.18, by adding subdivisions; 122A.19, subdivision 4; 122A.20, subdivisions 1 and 2; 122A.21; 122A.28; 122A.40, subdivisions 5, 7, and 16; 122A.41, subdivision 4; 122A.60, subdivisions 1 and 3; 122A.61, subdivision 1; 123A.05, subdivisions 2 and 3; 123A.06, subdivisions 1 and 2; 123A.48, subdivision 10; 123B.02, subdivision 3; 123B.195; 123B.36, subdivision 1; 123B.49, subdivision 4; 123B.53, subdivisions 2, 4, 5, 6, and 7; 123B.54; 123B.57, subdivision 4; 123B.59, subdivision 1; 123B.61; 123B.75, by adding a subdivision; 123B.77, subdivision 4; 123B.83, subdivision 4; 123B.90, subdivisions 2 and 3; 123B.91, subdivision 1; 123B.92, subdivision 9; 124D.03, by adding a subdivision; 124D.081, subdivision 3; 124D.10, subdivisions 3, 4, 5, 6, and 11; 124D.11, subdivisions 1, 4, 6, and by adding a subdivision; 124D.453, subdivision 3; 124D.454, subdivision 5; 124D.65, subdivisions 1, 4, and 5; 124D.68, subdivision 9; 124D.69, subdivision 1; 124D.86, subdivisions 1 and 3; 124D.87; 124D.88, subdivision 3; 124D.89, subdivision 1; 124D.94, subdivisions 3, 6, and 7; 125A.09, subdivisions 4 and 11; 125A.15; 125A.50, subdivisions 2 and 5; 125A.51; 125A.62; 125A.64; 125A.65, subdivisions 3, 5, 6, 7, 8, and 10; 125A.68, subdivision 1; 125A.69, subdivisions 1 and 3; 125A.70, subdivision 2; 125A.71, subdivision 3; 125A.72; 125A.73; 125A.75, subdivisions 3 and 8; 125A.76, subdivisions 1, 2, 4, and 5; 125A.79, subdivisions 1, 2, and by adding subdivisions; 125B.05, subdivision 3; 125B.20; 126C.05, subdivisions 1, 3, 5, 6, and 7; 126C.10, subdivisions 1, 2, 4, 5, 6, 7, 8, 9, 10, 13, 14, 18, 19, 20, 21, and by adding subdivisions; 126C.12, subdivisions 1 and 4; 126C.13, subdivisions 1 and 2; 126C.15; 126C.17, subdivisions 1, 2, 4, 5, 6, and 9; 126C.40, subdivision 4; 126C.41, subdivision 2; 126C.42, subdivisions 1 and 2; 126C.44; 126C.46; 126C.55, by adding a subdivision; 126C.63, subdivisions 5 and 8; 126C.69, subdivisions 2 and 9; 127A.05, subdivision 1; 127A.41, subdivision 5; 127A.42, subdivisions 5 and 6; 127A.44, subdivision 2; 127A.45, subdivisions 2, 3, 4, 13, and by adding a subdivision; 127A.47, subdivisions 1, 2, 7, and 8; 127A.49, subdivisions 2 and 3; 127A.51; 127A.60, subdivision 1; 127A.66, subdivision 2; 128C.01, subdivision 4; 128C.02, by adding a subdivision; 128C.20, subdivision 1; 129C.10, by adding a subdivision; 169.01, subdivision 6; 169.03, subdivision 6; 171.3215, subdivisions 2 and 4; 181.101; 209.07, by adding a subdivision; 241.021, subdivision 1; 245A.04, by adding a subdivision; and 626.556, subdivision 10b, and by adding a subdivision; Laws 1992, chapter 499, article 7, section 31, as amended; Laws 1993, chapter 224, article 3, section 32, as amended; Laws 1995 First Special Session chapter 3, article 12, section 7, as amended; Laws 1996, chapter 412, article 1, section 35; Laws 1997 First Special Session chapter 4, article 1, section 61, subdivisions 1, 2, 3, as amended, and 4; article 2, section 51, subdivision 29, as amended; article 3, section 25, subdivision 6; article

5, section 22; article 8, section 4; article 9, sections 6, 7, subdivision 2, and 13; Laws 1998, chapter 398, article 9, section 7; chapter 404, section 5, subdivision 5; and Laws 1999, chapter 123, section 22; proposing coding for new law in Minnesota Statutes, chapters 121A; 123A; 124D; 125A; 127A; repealing Minnesota Statutes 1998, sections 119A.04, subdivision 5; 120B.05; 123A.44; 123A.441; 123A.442; 123A.443; 123A.444; 123A.445; 123A.446; 123B.57, subdivisions 4, 5, and 7; 123B.58; 123B.59, subdivision 7; 123B.63, subdivisions 1 and 2; 123B.64, subdivisions 1, 2, 3, and 4; 123B.66; 123B.67; 123B.68; 123B.69; 123B.89; 123B.92, subdivisions 2, 4, 6, 7, 8, and 10; 124D.081, subdivisions 7 and 8; 124D.112; 124D.113; 124D.116; 124D.453; 124D.65, subdivisions 1, 2, and 3; 124D.67; 124D.70; 125A.76, subdivision 6; 125A.77; 125A.79, subdivision 3; 126C.05, subdivision 4; 126C.06; 127A.42, subdivision 8; 127A.45, subdivision 5; 127A.60, subdivisions 2, 3, and 4; 127A.61; 127A.62, subdivision 2; 127A.64; 127A.66, subdivision 1; and 134.155; Minnesota Rules, parts 3500.3900; 3500.4000; 3500.4100; 3500.4200; and 3500.4300."

