

## STATE OF MINNESOTA

## EIGHTY-FIRST SESSION — 1999

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 FORTY-SECOND DAY

SAINT PAUL, MINNESOTA, TUESDAY, APRIL 13, 1999

The House of Representatives convened at 2:30 p.m. and was called to order by Steve Sviggum, Speaker of the House.

Prayer was offered by the Reverend Mark Krieger, Evangelical Covenant Church, North Mankato, Minnesota.

The members of the House gave the pledge of allegiance to the flag of the United States of America.

The roll was called and the following members were present:

Abeler	Dorn	Holsten	Luther	Paulsen	Swenson
Abrams	Entenza	Howes	Mahoney	Pawlenty	Sykora
Anderson, B.	Erhardt	Huntley	Mares	Paymar	Tingelstad
Anderson, I.	Erickson	Jennings	Mariani	Peterson	Tomassoni
Bakk	Finseth	Johnson	Marko	Pugh	Trimble
Bishop	Folliard	Juhnke	McCollum	Rest	Tuma
Boudreau	Fuller	Kahn	McElroy	Reuter	Tunheim
Bradley	Gerlach	Kalis	McGuire	Rhodes	Van Dellen
Broecker	Gleason	Kelliher	Milbert	Rifenberg	Vandever
Buesgens	Goodno	Kielkucki	Molnau	Rostberg	Wagenius
Carlson	Gray	Knoblach	Mulder	Rukavina	Wejcman
Carruthers	Greenfield	Koskinen	Mullery	Schumacher	Wenzel
Cassell	Greiling	Krinkie	Munger	Seagren	Westerberg
Chaudhary	Gunther	Kubly	Murphy	Seifert, J.	Westfall
Clark, J.	Haake	Kuisle	Ness	Seifert, M.	Westrom
Clark, K.	Haas	Larsen, P.	Nornes	Skoe	Wilkin
Daggett	Hackbarth	Larsen, D.	Olson	Skoglund	Winter
Davids	Harder	Leighton	Opatz	Smith	Wolf
Dawkins	Hasskamp	Lenczewski	Orfield	Solberg	Workman
Dehler	Hausman	Leppik	Osskopp	Stanek	Spk. Sviggum
Dempsey	Hilty	Lieder	Otremba	Stang	
Dorman	Holberg	Lindner	Ozment	Storm	

A quorum was present.

Pelowski was excused.

Osthoff was excused until 2:55 p.m. Jaros was excused until 3:00 p.m. Biernat was excused until 4:10 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Kelliher moved that further reading of the Journal be suspended and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

## REPORTS OF CHIEF CLERK

S. F. No. 1382 and H. F. No. 1848, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

## SUSPENSION OF RULES

Goodno moved that the rules be so far suspended that S. F. No. 1382 be substituted for H. F. No. 1848 and that the House File be indefinitely postponed. The motion prevailed.

## REPORTS OF STANDING COMMITTEES

Seagren from the Committee on K-12 Education Finance to which was referred:

H. F. No. 2333, A bill for an act relating to education; repealing the January 15 deadline for settlement of teacher contracts; repealing Minnesota Statutes 1998, section 123B.05.

Reported the same back with the following amendments:

Page 1, delete line 6 and insert:

## "ARTICLE 1

## GENERAL EDUCATION

Section 1. 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 basic skills~~ revenue per pupil unit 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.

*(Effective Date: Section 1 (123A.05, subdivision 2) is effective for revenue for fiscal year 2000 and later.)*

Sec. 2. Minnesota Statutes 1998, section 123B.79, is amended by adding a subdivision to read:

Subd. 9. [RESERVED REVENUE FOR TRANSPORTATION.] A school district may establish one or more reserve for transportation accounts in the general fund which will contain revenue designated to those accounts by the board. Revenue contained in a reserve for transportation account may only be used for transportation-related expenditures and shall not be available for other purposes.

Sec. 3. 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.

*(Effective Date: Section 3 (123B.92, subdivision 9) is effective for revenue for fiscal year 2000 and later.)*

Sec. 4. 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.

*(Effective Date: Section 4 (124D.68, subdivision 9) is effective for revenue for fiscal year 2000 and later.)*

Sec. 5. 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.

*(Effective Date: Section 5 (124D.69, subdivision 1) is effective for revenue for fiscal year 2000 and later.)*

Sec. 6. 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 of a pupil unit for fiscal year 1995 and thereafter.

(e) A pupil who is in any of grades 1 to 6 is counted as 1.06 pupil units for fiscal year 1995 and thereafter.

(f) A pupil who is in any of grades 7 to 12 is counted as 1.3 pupil units.

(g) A pupil who is in the post-secondary enrollment options program is counted as 1.3 pupil units.

*(Effective Date: Section 6 (126C.05, subdivision 1) is effective for revenue for fiscal year 2000 and later.)*

Sec. 7. 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) Notwithstanding paragraphs (a) to (c), for a school building where the number of pupils enrolled in the building has increased by more than ten percent over the previous year, compensation revenue pupil units shall be computed using data for the current fiscal year less ten percent of the pupil units for that year.

(f) The percentages in this subdivision must be based on the count of individual pupils and not on a building average or minimum.

(Effective Date: Section 7 (126C.05, subdivision 3) is effective for revenue for fiscal year 2000 and later.)

Sec. 8. Minnesota Statutes 1998, section 126C.05, subdivision 15, is amended to read:

Subd. 15. [LEARNING YEAR PUPIL UNITS.] (a) When a pupil is enrolled in a learning year program under section 124D.128, an area learning center under sections 123A.05 and 123A.06, an alternative program approved by the commissioner, or a contract alternative program under section 124D.68, subdivision 3, paragraph (d), or subdivision 3a, for more than ~~1,020~~ 1,038 hours in a school year for a secondary student, more than ~~935~~ 952 hours in a school year for an elementary student, or more than ~~425~~ 433 hours in a school year for a kindergarten student without a disability, that pupil may be counted as more than one pupil in average daily membership. The amount in excess of one pupil must be determined by the ratio of the number of hours of instruction provided to that pupil in excess of: (i) the greater of ~~1,020~~ 1,038 hours or the number of hours required for a full-time secondary pupil in the district to ~~1,020~~ 1,038 for a secondary pupil; (ii) the greater of ~~935~~ 952 hours or the number of hours required for a full-time elementary pupil in the district to ~~935~~ 952 for an elementary pupil in grades 1 through 6; and (iii) the greater of ~~425~~ 433 hours or the number of hours required for a full-time kindergarten student without a disability in the district to ~~425~~ 433 for a kindergarten student without a disability. Hours that occur after the close of the instructional year in June shall be attributable to the following fiscal year. A kindergarten student must not be counted as more than 1.2 pupils in average daily membership under this subdivision.

(b)(i) To receive general education revenue for a pupil in an alternative program that has an independent study component, a district must meet the requirements in this paragraph. The district must develop, with the pupil, a continual learning plan for the pupil. A district must allow a minor pupil's parent or guardian to participate in developing the plan, if the parent or guardian wants to participate. The plan must identify the learning experiences and expected outcomes needed for satisfactory credit for the year and for graduation. The plan must be updated each year. Each school district that has a state-approved public alternative program must reserve revenue in an amount equal to at least 90 percent of the district average general education revenue per pupil unit less compensatory revenue per pupil unit times the number of pupil units generated by students attending a state-approved public alternative program. The amount of reserved revenue available under this subdivision may only be spent for program costs associated with the state-approved public alternative program. Compensatory revenue must be allocated according to section 126C.15, subdivision 2.

(ii) General education revenue for a pupil in an approved alternative program without an independent study component must be prorated for a pupil participating for less than a full year, or its equivalent. Each school district that has a state-approved public alternative program must reserve revenue in an amount equal to at least 90 percent of the district average general education revenue per pupil unit less compensatory revenue per pupil unit times the number of pupil units generated by students attending a state-approved public alternative program. The amount of reserved revenue available under this subdivision may only be spent for program costs associated with the state-approved public alternative program. Compensatory revenue must be allocated according to section 126C.15, subdivision 2.

(iii) General education revenue for a pupil in an approved alternative program that has an independent study component must be paid for each hour of teacher contact time and each hour of independent study time completed toward a credit or graduation standards necessary for graduation. Average daily membership for a pupil shall equal the number of hours of teacher contact time and independent study time divided by 1,020.

(iv) For an alternative program having an independent study component, the commissioner shall require a description of the courses in the program, the kinds of independent study involved, the expected learning outcomes of the courses, and the means of measuring student performance against the expected outcomes.

*(Effective Date: Section 8 (126C.05, subdivision 15) is effective the day following final enactment for revenue for fiscal year 2000 and later.)*

Sec. 9. Minnesota Statutes 1998, section 126C.05, is amended by adding a subdivision to read:

Subd. 18. [BASIC SKILLS SUMMER SCHOOL PUPIL UNITS.] (a) When a pupil who has not passed an assessment of basic standards in reading, writing, or mathematics is enrolled in a mastery of basic skills summer school program that is not a part of the regular school term and the student has a total enrollment time of more than 1,038 hours in a school year, the pupil may be counted as more than one pupil in average daily membership for purposes of this subdivision only. The amount in excess of one pupil must be determined by the ratio of the number of hours of instruction provided to that pupil in excess of 1,038 hours. For each pupil, only the amount of summer school enrollment time attributable to basic skills instruction may be used to calculate the additional hours in the school year. Basic skills instruction is defined as in Minnesota's rules on graduation standards and includes reading, writing, and mathematics. Hours that occur after the close of the instructional year in June are attributable to the following fiscal year.

(b) A pupil enrolled in a school district program for whom payment is made under this subdivision may be counted by the district only for the computation of basic revenue, according to section 126C.10, subdivision 2.

(c) Revenue for a pupil enrolled in a basic skills summer school program offered by a cooperative unit, as defined in section 123A.24, subdivision 2, equals the number of hours of summer instruction actually received by the student times the ratio of the basic formula allowance to 1,038.

(d) Nothing in this section precludes a district from using area learning center funds to help students during a summer school program or the regular school year to master the reading, writing, or math basic skills needed to pass the state's basic skills tests.

*(Effective Date: Section 9 (126C.05, subdivision 18) is effective the day following final enactment and applies to summer school sessions held after May 15, 1999.)*

Sec. 10. Minnesota Statutes 1998, section 126C.10, subdivision 1, is amended to read:

Subdivision 1. [GENERAL EDUCATION REVENUE.] For fiscal year +999 2000 and thereafter, the general education revenue for each district equals the sum of the district's basic revenue, class size reduction 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.

*(Effective Date: Section 10 (126C.10, subdivision 1) is effective for revenue for fiscal year 2000 and later.)*

Sec. 11. 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 \$3,700.~~ The formula allowance for fiscal year 2001 and subsequent fiscal years is ~~\$3,597~~ \$3,875.

*(Effective Date: Section 11 (126C.10, subdivision 2) is effective for revenue for fiscal year 2000 and later.)*

Sec. 12. Minnesota Statutes 1998, section 126C.10, subdivision 3, is amended to read:

Subd. 3. [COMPENSATORY EDUCATION REVENUE.] (a) The compensatory education revenue for each building in the district equals the greater of:

(1) the formula allowance times the compensation revenue pupil units computed according to section 126C.05, subdivision 3; or

(2) for a building located in a qualifying school district the product of: (i) the state average amount of compensatory revenue per school district enrollee less the district's average amount of compensatory revenue per school district enrollee; (ii) the ratio of the district's average enrollment per building less the state average enrollment per building to the state average enrollment per building; and (iii) the ratio of the district's total number of eligible pupils to 10,000.

(b) For the purposes of paragraph (a), a qualifying school district:

(1) receives less than the state average amount of compensatory revenue per school district enrollee;

(2) enrolls more than the state average number of pupils eligible for free or reduced price meals; and

(3) has an average building enrollment greater than the state average building enrollment.

(c) Revenue shall be paid to the district and must be allocated according to section 126C.15, subdivision 2.

*(Effective Date: Section 12 (126C.10, subdivision 3) is effective for revenue for fiscal year 2000 and later.)*

Sec. 13. 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~~ \$365 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 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.~~

*(Effective Date: Section 13 (126C.10, subdivision 4) is effective for revenue for fiscal year 2000 and later.)*

Sec. 14. 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 pupil unit to ~~\$10,000~~ \$8,404.

*(Effective Date: Section 14 (126C.10, subdivision 10) is effective for revenue for fiscal year 2000 and later.)*

Sec. 15. 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;

(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. 16. 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.

*(Effective Date: Section 16 (126C.10, subdivision 19) is effective for revenue for fiscal year 2000 and later.)*

Sec. 17. 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 pupil unit to ~~\$10,000~~ \$8,404.

*(Effective Date: Section 17 (126C.10, subdivision 21) is effective for revenue for fiscal year 2000 and later.)*

Sec. 18. Minnesota Statutes 1998, section 126C.10, is amended by adding a subdivision to read:

Subd. 23. [CLASS SIZE REDUCTION REVENUE.] The class size reduction revenue for a district with an approved plan under section 126C.12, subdivision 6, equals the sum of \$125 times the average daily membership in regular kindergarten plus \$250 times the average daily membership in grades 1 through 3.

Sec. 19. Minnesota Statutes 1998, section 126C.10, is amended by adding a subdivision to read:

Subd. 24. [EQUITY REVENUE.] (a) A school district is eligible for an equity revenue adjustment if the school district's general education revenue, including referendum revenue, calculated under this section and section 126C.17, is in the lowest 50th percentile of pupil-weighted general education revenue per pupil unit for that year.

(b) Equity revenue for an eligible district equals:

(1) for a district in the lowest tenth percentile of general education revenue, \$50 times the district's resident pupil units;

(2) for a district between the tenth and 20th percentile of general education revenue, \$40 times the district's resident pupil units;

(3) for a district between the 20th and 30th percentile of general education revenue, \$30 times the district's resident pupil units;

(4) for a district between the 30th and 40th percentile of general education revenue, \$20 times the district's resident pupil units; and

(5) for a district between the 40th and 50th percentile of general education revenue, \$10 times the district's resident pupil units.

*(Effective Date: Section 19 (126C.10, subdivision 24) is effective for revenue for fiscal year 2000 and later.)*

Sec. 20. Minnesota Statutes 1998, section 126C.10, is amended by adding a subdivision to read:

Subd. 25. [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.

*(Effective Date: Section 20 (126C.10, subdivision 25) is effective for revenue for fiscal year 2000 and later.)*

Sec. 21. Minnesota Statutes 1998, section 126C.12, is amended to read:

126C.12 [CLASS SIZE REDUCTION AND LEARNING AND DEVELOPMENT REVENUE AMOUNT AND USE.]

Subdivision 1. [REVENUE.] Of a district's general education revenue an amount equal to the sum of (1) the class size reduction revenue under section 126C.10, subdivision 23, plus (2) 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.

Subd. 2. [~~INSTRUCTOR-DEFINED DEFINITIONS.~~] Primary instructor (a) "Classroom teacher" means a public employee licensed by the board of teaching to provide direct instruction to children in kindergarten through grade 6 and whose duties are full-time classroom instruction, excluding a teacher for whom categorical aids are received pursuant to sections 125A.76 and 125A.77. Except as provided in section 122A.68, subdivision 6, instructor does not include supervisory and support personnel, except school social workers as defined in section 122A.15. An instructor. A classroom teacher whose duties are less than full-time instruction must be included as an equivalent only for the number of hours of instruction in grades kindergarten through 6 grade 3.

(b) "Class size" means the district-wide ratio of: (1) the number of full-time students in kindergarten through grade 3 receiving instruction in the core subjects of reading and mathematics at least 40 percent of the time in classrooms to (2) the number of full-time equivalent classroom teachers in kindergarten through grade 3, determined as of October 1.

Subd. 3. [INSTRUCTION CONTACT TIME.] Instruction may be provided by a primary instructor, classroom teacher or by a team of instructors, or by teacher resident supervised by a primary instructor classroom teachers. The district must maximize instructor classroom teacher to learner student average instructional contact time in the core subjects of reading and mathematics.

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 average class size in kindergarten through grade 6 3 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 student. A district must not increase the district-wide instructor-to-learner ratios district-wide class sizes in other grades as a result of reducing instructor-to-learner ratios class sizes in kindergarten through grade 6 3. 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, or instructors who do not meet the definition of a classroom teacher under subdivision 2 as the district employed during the 1998-1999 school year under this section.

Subd. 5. [ADDITIONAL REVENUE USE.] If the board of a district determines that the district has achieved and is maintaining the instructor-to-learner ratios class sizes specified in subdivision 4 and is using individualized learning plans, the board may use the revenue to reduce class sizes in grades 4 through 6, provide full-day kindergarten, employ additional education assistants or aides, improve program offerings, purchase instructional material and, services, or technology, provide staff development needed for reduced instructor-to-learner ratios. If additional revenue remains, the district must use the revenue to improve program offerings, including programs provided through interactive television, throughout the district or other general education purposes class sizes, or for other strategies to improve student achievement, according to the district's plan approved under subdivision 6.

Subd. 6. [APPROVED PLAN.] (a) A district is eligible for class size reduction revenue under section 126C.10, subdivision 23, if the school board adopts a biennial class size reduction, learning and development plan that the commissioner approves.

(b) The plan must include the following:

(1) the actual class size as defined in subdivision 2, paragraph (b), for kindergarten through grade 3 for fiscal year 1999;

(2) the number of additional classroom teachers to be employed each year of the biennium to reduce class size below the fiscal year 1999 level;

(3) the proposed class size for kindergarten through grade 3 for each year of the biennium;

(4) the school board policy on class size for kindergarten through grade 3; and

(5) a description of how the district will provide a class size of 17 or lower for reading and mathematics instruction in kindergarten through grade 3. The plan must also include a budget summary for the class size reduction and learning and development revenue in the format prescribed by the commissioner in consultation with districts, and a statement assuring that expenditures under the plan will supplement, not supplant, programs provided by the district during fiscal year 1999, that use other revenue sources.

(c) The first priority for using class size reduction revenue must be to reduce the district average class size from the district's fiscal year 1999 level to 17 to 1 for kindergarten through grade 3 beginning in the core subjects of reading and mathematics. If the district faces classroom space constraints, the local school board must consider all available options for increasing the amount of classroom space available for kindergarten through grade 3, including reallocating existing space by changing grade levels assigned to school buildings, and increasing overall space through building leases, additions, or new construction.

(d) If the district is unable to achieve an average class size ratio of 17 to 1 in kindergarten through grade 3, or the district is able to achieve an average class size ratio of 17 to 1 in kindergarten through grade 3, for reading and mathematics instruction only, then to remain eligible for class size reduction revenue the local school board must submit an amended plan consistent with the requirements of this paragraph and paragraph (b) focusing on school and student improvement using reading and mathematics instruction that includes proven instructional practices, flexible staffing patterns, or small group learning. The amended plan must include district review of student progress over time.

(e) A district's biennial class size reduction, learning development plan must be submitted to the commissioner by August 15 of each odd-numbered year.

Subd. 7. [ANNUAL REPORT.] By August 15 each year, a district receiving class size reduction revenue must submit a report to the commissioner in the manner prescribed by the commissioner in consultation with districts. The report must include the district's class size as defined in subdivision 2, paragraph (b), for kindergarten through grade 3 and a summary of the district's actual expenditures by program component for the preceding fiscal year. In the district's report required under section 120B.11, subdivision 5, districts receiving revenue under this section shall include data measuring the impact of class size reduction on student achievement. A district that succeeds in reducing its average class size in kindergarten through grade 3 to a level of 1 to 17 on average must include strategies for improving student achievement and reviewing student progress in subsequent biennial class size reduction, learning, and development plans.

*(Effective Date: Section 21 (126C.12) is effective for revenue for fiscal year 2000 and later.)*

Sec. 22. 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.~~

*(Effective Date: Section 22 (126C.13, subdivision 1) is effective for taxes payable in 2000 and later.)*

Sec. 23. 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. 24. Minnesota Statutes 1998, section 126C.15, is amended to read:

126C.15 [~~COMPENSATORY EDUCATION~~ BASIC SKILLS 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~~, 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.

*(Effective Date: Section 24 (126C.15) is effective for revenue for fiscal year 2000 and later.)*

Sec. 25. 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 pupil units of the reorganizing districts for the fiscal year preceding the reorganization.

*(Effective Date: Section 25 (126C.17, subdivision 2) is effective for revenue for fiscal year 2000 and later.)*

Sec. 26. 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 pupil units for that year.

(b) The referendum equalization allowance equals \$350 for fiscal year 2000, \$415 for fiscal year 2001, \$455 for fiscal year 2002, and \$465 for fiscal year 2003 and later.

(c) Referendum equalization revenue must not exceed a district's total referendum revenue for that year.

*(Effective Date: Section 26 (126C.17, subdivision 5) is effective for revenue for fiscal year 2000 and later.)*

Sec. 27. 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 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 pupil unit to ~~\$10,000~~ \$8,404.

*(Effective Date: Section 27 (126C.17, subdivision 6) is effective for revenue for fiscal year 2000 and later.)*

Sec. 28. 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;
- ~~(10)~~ (9) capital expenditure aid authorized in section 123B.57;
- ~~(11)~~ (10) school district cooperation aid authorized in section 126C.22;
- ~~(12)~~ assurance of mastery aid according to section 124D.67;

~~(13)~~ (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;

~~(14)~~ (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;

~~(17)~~ (13) special education excess cost aid authorized in section 125A.79; and

~~(18)~~ (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. 29. 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 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 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. 30. 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.~~

*(Effective Date: Section 30 (Laws 1996, chapter 412, article 1, section 35) is effective the day following final enactment.)*

Sec. 31. 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.

*(Effective Date: Section 31 (Laws 1997, First Special Session chapter 4, article 1, section 61, subdivision 1) is effective the day following final enactment.)*

Sec. 32. 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.

*(Effective Date: Section 32 (Laws 1997, First Special Session chapter 4, article 1, section 61, subdivision 2) is effective the day following final enactment.)*

Sec. 33. 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.

*(Effective Date: Section 33 (Laws 1997, First Special Session chapter 4, article 1, section 61, subdivision 3) is effective the day following final enactment.)*

Sec. 34. 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.

*(Effective Date: Section 34 (Laws 1997, First Special Session chapter 4, article 1, section 61, subdivision 4) is effective the day following final enactment.)*

Sec. 35. Laws 1998, chapter 397, article 12, section 8, is amended to read:

Sec. 8. [FORMULA ALLOWANCE.]

For fiscal ~~year 2000~~ years 2001 and later, the basic formula allowance under Minnesota Statutes, section 124A.22, subdivision 2, is ~~increased by \$67~~ \$3,597 per ~~actual~~ resident pupil unit for purposes of calculating compensatory revenue and ~~sparsity revenue~~ under Minnesota Statutes, section ~~124A.22~~ 126C.10.

*(Effective Date: Section 35 (Laws 1998, chapter 397, article 12, section 8) is effective for revenue for fiscal year 2001 and later.)*

Sec. 36. [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 \$400,000 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, may permanently transfer up to \$400,000 from its debt redemption fund to its general fund.

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.

*(Effective Date: Section 36 is effective the day following final enactment.)*

Sec. 37. [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>\$3,022,718,000</u>	<u>.....</u>	<u>2000</u>
<u>\$3,148,277,000</u>	<u>.....</u>	<u>2001</u>

The 2000 appropriation includes \$272,186,000 for 1999 and \$2,750,532,000 for 2000.

The 2001 appropriation includes \$295,181,000 for 2000 and \$2,853,096,000 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>2000</u>
<u>\$102,000</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>\$5,537,000</u>	. . . . .	<u>2000</u>
<u>\$518,000</u>	. . . . .	<u>2001</u>

The 2000 appropriation includes \$869,000 for 1999 and \$4,668,000 for 2000.

The 2001 appropriation includes \$518,000 for 2000 and \$0 for 2001.

Sec. 38. [REPEALER.]

(a) Minnesota Statutes 1998, sections 123B.92, subdivisions 2, 6, 7, 8, and 10; 124D.67; 126C.05, subdivision 4; and 126C.06, are repealed. Laws 1997, First Special Session chapter 4, article 1, section 62, subdivision 5, is repealed.

(b) Minnesota Statutes 1998, section 123B.92, subdivision 4, is repealed effective for revenue for fiscal year 2000.

(c) Minnesota Statutes 1998, section 120B.05, is repealed effective for revenue for fiscal year 2000 and later."

Page 1, line 7, before "Minnesota" insert "(d)"

Page 1, after line 7, insert:

"Sec. 39. [EFFECTIVE DATES.]

When preparing the prekindergarten through grade 12 education conference committee report for adoption by the legislature, the revisor shall combine all effective date notations in this article into this effective dates section.

## ARTICLE 2

### SPECIAL PROGRAMS

Section 1. Minnesota Statutes 1998, section 121A.23, is amended to read:

121A.23 [HEALTH-RELATED PROGRAMS.]

Subdivision 1. [AIDS, HPV, and STI PROGRAM.] The commissioner of children, families, and learning, in consultation with the commissioner of health, ~~shall~~ may assist districts in developing and implementing a program to prevent and reduce the risk of acquired immune deficiency syndrome (AIDS), human papilloma virus (HPV), and sexually transmitted infection (STI). 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, HPV, and STI, 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, HPV, or STI prevention or AIDS, HPV, or STI risk reduction program;

(8) collaboration with local community health services, agencies and organizations having an AIDS, HPV, or STI prevention or AIDS, HPV, or STI 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, HPV, or STI, the department ~~must~~ may assist the service cooperative in the region serving that district to develop or implement the program. A district-sponsored community education program may satisfy the requirements of this subdivision.

Subd. 2. [FUNDING SOURCES.] Districts may accept funds for AIDS, HPV, or STI 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 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 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 of oral/aural deaf education shall include appropriate continuing education requirements for renewing this licensure.

Sec. 3. 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. 4. 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.

(Effective Date: Section 4 (123B.75, subdivision 6a) is effective the day following final enactment for revenue for fiscal year 1999 and later.)

Sec. 5. Minnesota Statutes 1998, section 124D.454, is amended to read:

124D.454 [ACCESS TO MINNESOTA'S ~~SCHOOL-TO-WORK~~ CAREER AND TECHNICAL SYSTEM FOR CHILDREN WITH A DISABILITY.]

Subdivision 1. [PURPOSE.] The purpose of this section is to provide a method to fund ~~school-to-work career and technical~~ programs for children with a disability. As used in this section, the term "children with a disability" shall have the meaning ascribed to it in section 125A.02.

Subd. 2. [DEFINITIONS.] For the purposes of this section and section 125A.77, the definitions in this subdivision apply.

(a) "Base year" for fiscal year 1996 means fiscal year 1995. Base year for 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~~ under this section, each child with a disability shall be counted as prescribed in section 126C.05, subdivision 1.

(c) "Average daily membership" has the meaning given it in section 126C.05.

(d) "Program growth factor" means 1.00 for fiscal year 1998 and later.

(e) "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 year 2000 and later.

Subd. 3. [BASE REVENUE.] (a) The ~~school-to-work career and technical~~ program-disabled base revenue equals the sum of the following amounts computed using base year data:

(1) 68 percent of the salary of each essential licensed person who provides direct instructional services to students employed during that fiscal year for services rendered in that district's ~~school-to-work career and technical~~ program for children with a disability;

(2) 47 percent of the costs of necessary equipment for ~~school-to-work career and technical~~ programs for children with a disability;

(3) 47 percent of the costs of necessary travel between instructional sites by ~~school-to-work career and technical~~ program teachers of children with a disability but not including travel to and from local, regional, district, state, or national vocational student organization meetings;

(4) 47 percent of the costs of necessary supplies for ~~school-to-work career and technical~~ programs for children with a disability but not to exceed an average of \$47 in any one school year for each child with a disability receiving these services;

(5) for ~~school-to-work career and technical~~ programs for children with disabilities provided by a contract approved by the commissioner with public, private, or voluntary agencies other than a Minnesota school district or cooperative center, in place of programs 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;

(6) for ~~school-to-work career and technical~~ programs for children with disabilities provided by a contract approved by the commissioner with public, private, or voluntary agencies other than a Minnesota school district or cooperative center, that are supplementary to a full educational program provided by the school district, 52 percent of the amount of the contract; and

(7) for a contract approved by the commissioner with another Minnesota school district or cooperative center for vocational evaluation services for children with a disability for children that are not yet enrolled in grade 12, 52 percent of the amount of the contract.

(b) If requested by a school district for ~~school-to-work career and technical~~ programs during the base year for less than the full school 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 year.

Subd. 4. [ADJUSTED ~~SECONDARY VOCATIONAL CAREER AND TECHNICAL~~-DISABLED BASE REVENUE.] For fiscal year 1996 and later, a district's adjusted ~~secondary vocational career and technical~~-disabled base revenue equals the district's ~~secondary vocational career and technical~~-disabled base revenue times the ratio of the district's average daily membership for the current school year to the district's average daily membership for the base year.

Subd. 5. [STATE TOTAL ~~SCHOOL-TO-WORK CAREER AND TECHNICAL~~ PROGRAM-DISABLED REVENUE.] The state total ~~school-to-work career and technical~~ program-disabled revenue for fiscal year ~~1998~~ 2000 equals ~~\$8,924,000~~ \$8,982,000. The state total ~~school-to-work career and technical~~ program-disabled revenue for fiscal year ~~1999~~ 2001 equals ~~\$8,976,000~~ \$8,966,000. The state total ~~school-to-work career and technical~~ program-disabled revenue for later fiscal years equals:

(1) the state total ~~school-to-work career and technical~~ 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.

Subd. 6. [SCHOOL DISTRICT ~~SECONDARY VOCATIONAL CAREER AND TECHNICAL-DISABLED~~ REVENUE.] (a) A school district's ~~secondary vocational career and technical~~-disabled revenue for fiscal year 1996 and later equals the state total ~~secondary vocational career and technical~~-disabled revenue, minus the amount determined under paragraph (b), times the ratio of the district's adjusted ~~secondary vocational career and technical~~-disabled base revenue to the state total adjusted ~~secondary vocational career and technical~~-disabled base revenue.

(b) Notwithstanding paragraph (a), if the ~~secondary vocational career and technical~~-disabled base revenue for a district equals zero and no district residents were enrolled in ~~secondary vocational career and technical~~-disabled programs during the base year, the ~~secondary vocational career and technical~~-disabled revenue equals the amount computed according to subdivision 3 using current year data.

Subd. 7. [SCHOOL DISTRICT ~~SECONDARY VOCATIONAL CAREER AND TECHNICAL-DISABLED~~ AID.] A school district's ~~secondary vocational career and technical~~-disabled aid for fiscal year 1996 and later equals the district's ~~secondary vocational career and technical~~-disabled revenue times the aid percentage factor for that year.

Subd. 8. [USE OF AID.] The aid provided ~~pursuant to under~~ this section shall be paid only for services rendered as designated in subdivision 2 or for the costs designated in subdivision 3 which are incurred in ~~school-to-work career and technical~~ programs for children with a disability which are approved by the commissioner of children, families, and learning and operated ~~in accordance with~~ according to rules promulgated by the state board. These rules ~~shall be~~ are subject to the restrictions provided in section 124D.453, subdivision 6. The procedure for application for approval of these programs shall be as provided in section 125A.75, subdivisions 4 and 6, and the application review process shall be conducted by the office of lifework development in the department.

Subd. 9. [PAYMENT OF AID.] All aid ~~pursuant to under~~ this section shall be paid to the district or cooperative center providing the services. All aid received by a district or center from any source for ~~school-to-work career and technical~~ programs for children with a disability shall be ~~utilized~~ used solely for that purpose.

Subd. 10. [EXCLUSION.] A district shall not receive aid ~~pursuant to under~~ section 124D.453, 125A.76, or 125A.77 for salaries, supplies, travel or equipment for which the district receives aid ~~pursuant to under~~ this section.

Subd. 11. [REVENUE ALLOCATION FROM COOPERATIVE CENTERS AND INTERMEDIATE DISTRICTS.] For purposes of this section and section 125A.77, a cooperative center or an intermediate district must allocate its approved expenditures for ~~school-to-work career and technical~~ programs for children with a disability among participating school districts. Aid for ~~school-to-work career and technical~~ programs for children with a disability for services provided by a cooperative or intermediate district shall be paid to the participating districts.

Sec. 6. 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~~ \$16,092,000. The state total limited English proficiency programs revenue for fiscal year ~~1999~~ 2001 equals \$16,092,000.

(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. 7. 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. 8. 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. 9. [125A.155] [PLACEMENT IN ANOTHER STATE; 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. 10. 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. 11. 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. 12. 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)~~) (b) 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. 13. 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~~ 1.02 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. 14. 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~~ 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. 15. 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. 16. 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. 17. 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 percent of the difference between (1) the district's unreimbursed special education cost and (2) ~~5.7~~ 4.13 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. 18. 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) 70 percent of the difference between (i) the district's unreimbursed special education cost and (ii) 4.13 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. 19. 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. 20. 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. 21. [125A.80] [UNIFORM BILLING SYSTEM FOR THE EDUCATION COSTS OF OUT-OF-HOME PLACED STUDENTS.]

(a) 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.

(b) The commissioner shall implement a uniform billing system for education services for children placed out of the home under this section, by July 1, 2000. The commissioner shall provide training to school districts on the uniform billing system.

Sec. 22. 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.

(Effective Date: Section 22 (127A.45, subdivision 12a) is effective the day following final enactment for revenue for fiscal year 1999 and later.)

Sec. 23. 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.

(Effective Date: Section 23 (127A.45, subdivision 13) is effective the day following final enactment for revenue for fiscal year 1999 and later.)

Sec. 24. 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. 25. 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 following agencies are the administrative agencies responsible for assessing or investigating reports of alleged child maltreatment in facilities made under this section: 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. 26. 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 125.189 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. 27. 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 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.

~~(c) 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.

*(Effective Date: Section 27 (Laws 1997, First Special Session chapter 4, article 2, section 51, subdivision 29), is effective the day following final enactment.)*

Sec. 28. [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 EDUCATION PROGRAMS.] For grants to American Indian language and culture education programs according to Minnesota Statutes, section 124D.81, subdivision 1:

<u>\$730,000</u>	<u>.....</u>	<u>2000</u>
<u>\$730,000</u>	<u>.....</u>	<u>2001</u>

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>2000</u>
<u>\$464,000</u>	.....	<u>2001</u>

If the appropriation for either year is insufficient, the appropriation for the other year is available. Any balance in the first year does not cancel but is available in the second year.

Subd. 13. [TRAVEL FOR HOME-BASED SERVICES.] For aid for teacher travel for home-based services according to Minnesota Statutes, section 125A.75, subdivision 1:

<u>\$133,000</u>	.....	<u>2000</u>
<u>\$139,000</u>	.....	<u>2001</u>

The 2000 appropriation includes \$11,000 for 1999 and \$122,000 for 2000.

The 2001 appropriation includes \$13,000 for 2000 and \$126,000 for 2001.

Subd. 14. [SPECIAL EDUCATION EXCESS COST AID.] For excess cost aid:

<u>\$55,999,000</u>	.....	<u>2000</u>
<u>\$80,040,000</u>	.....	<u>2001</u>

The 2000 appropriation includes \$4,693,000 for 1999 and \$51,306,000 for 2000.

The 2001 appropriation includes \$5,701,000 for 2000 and \$74,339,000 for 2001.

Subd. 15. [CAREER AND TECHNICAL PROGRAMS; CHILDREN WITH DISABILITIES.] For aid for career and technical programs for children with disabilities according to Minnesota Statutes, section 124D.454:

<u>\$8,892,000</u>	.....	<u>2000</u>
<u>\$8,968,000</u>	.....	<u>2001</u>

The 2000 appropriation includes \$808,000 for 1999 and \$8,084,000 for 2000.

The 2001 appropriation includes \$898,000 for 2000 and \$8,070,000 for 2001.

Subd. 16. [SPECIAL PROGRAMS EQUALIZATION AID.] For special education levy equalization aid according to Minnesota Statutes, section 125A.77:

<u>\$526,000</u>	.....	<u>2000</u>
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The 2000 appropriation includes \$526,000 for 1999 and \$0 for 2000.

Subd. 17. [INTEGRATION AID.] For integration aid:

<u>\$37,182,000</u>	.....	<u>2000</u>
<u>\$43,787,000</u>	.....	<u>2001</u>

The 2000 appropriation includes \$2,902,000 for 1999 and \$34,280,000 for 2000.

The 2001 appropriation includes \$3,809,000 for 2000 and \$39,978,000 for 2001.

Subd. 18. [ADDITIONAL REVENUE FOR HOMELESS STUDENTS.] For additional revenue for homeless students according to Minnesota Statutes, section 124D.70:

<u>\$20,000</u>	. . . . .	<u>2000</u>
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The 2000 appropriation includes \$20,000 for 1999 and \$0 for 2000.

Subd. 19. [INTERDISTRICT DESEGREGATION OR INTEGRATION TRANSPORTATION AID.] For interdistrict desegregation or integration transportation aid under Minnesota Statutes, section 124D.87:

<u>\$970,000</u>	. . . . .	<u>2000</u>
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<u>\$970,000</u>	. . . . .	<u>2001</u>
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Any balance in the first year does not cancel but is available in the second year.

Subd. 20. [LITIGATION COSTS.] For paying the costs a district incurs under Minnesota Statutes, section 125A.75, subdivision 8:

<u>\$500,000</u>	. . . . .	<u>2000</u>
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<u>\$500,000</u>	. . . . .	<u>2001</u>
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Subd. 21. [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>
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<u>\$350,000</u>	. . . . .	<u>2001</u>
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This appropriation is available until June 30, 2001.

Subd. 22. [ROCHESTER SCHOOL DISTRICT.] For a special education revenue adjustment for independent school district No. 535, Rochester:

<u>\$150,000</u>	. . . . .	<u>2000</u>
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<u>\$15,000</u>	. . . . .	<u>2001</u>
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Any balance in the first year does not cancel but is available in the second year.

Sec. 29. [REPEALER.]

Minnesota Statutes 1998, sections 122A.31; 124D.65, subdivision 3; 124D.70; 125A.76, subdivision 6; 125A.77; and 125A.79, subdivision 3, are repealed. Laws 1995, First Special Session chapter 3, article 3, section 11; Laws 1997, First Special Session chapter 4, article 2, section 51, subdivision 10; and Laws 1998, chapter 398, article 2, section 57, are repealed.

Sec. 30. [EFFECTIVE DATES.]

When preparing the prekindergarten through grade 12 education conference committee report for adoption by the legislature, the revisor shall combine all effective date notations in this article into this effective dates section.

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 2001 equals the lesser of:

(a) ~~\$80~~ \$70 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. [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>\$12,465,000</u>	.....	<u>2000</u>
<u>\$11,249,000</u>	.....	<u>2001</u>

The 2000 appropriation includes \$1,159,000 for 1999 and \$11,306,000 for 2000.

The 2001 appropriation includes \$1,256,000 for 2000 and \$9,993,000 for 2001.

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>\$3,900,000</u>	.....	<u>2000</u>
<u>\$3,900,000</u>	.....	<u>2001</u>

Of this appropriation, \$100,000 each year is for ISEEK.

Subd. 5. [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>2000</u>
<u>\$625,000</u>	.....	<u>2001</u>

Any balance in the first year does not cancel but is available in the second year.

Sec. 3. [REPEALER.]

(a) Minnesota Statutes 1998, sections 124D.32; and 136A.233, are repealed.

(b) Minnesota Statutes 1998, section 124D.453, is repealed effective June 30, 2001.

#### ARTICLE 4

#### FACILITIES AND TECHNOLOGY

Section 1. 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).

(Effective Date: Section 1 (123B.53, subdivision 4) is effective for revenue for fiscal years 2000 and later.)

Sec. 2. 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 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.

*(Effective Date: Section 2 (123B.53, subdivision 5) is effective for revenue for fiscal years 2000 and later.)*

Sec. 3. 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. 4. 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. 5. 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 pupil units in the district for the school year to which the levy is attributable, to ~~\$4,707.50~~ \$3,956.

*(Effective Date: Section 5 (123B.57, subdivision 4) is effective for revenue for fiscal years 2000 and later.)*

Sec. 6. 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. 7. Minnesota Statutes 1998, section 124C.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. 8. 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 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:

(~~i~~) (i) establish a joint powers board under section 471.59 to represent all participating districts and govern the magnet school facility;

(~~ii~~) (ii) design the planned magnet school facility to meet the applicable requirements contained in Minnesota Rules, chapter 3535;

(~~iii~~) (iii) submit a statement of need, including reasons why the magnet school will facilitate integration and improve learning;

(~~iv~~) (iv) prepare an educational plan that includes input from both community and professional staff; and

(~~v~~) (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)~~(i)~~(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. 9. 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~~ are 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) A school district 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, maintain and 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 cluster organization 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.~~ 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 the 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. 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.~~

*(Effective Date: Section 9 (125B.20) is effective the day following final enactment.)*

Sec. 10. 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 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.~~

*(Effective Date: Section 10 (126C.40, subdivision 4) is effective for revenue for fiscal years 2000 and later.)*

Sec. 11. 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.

*(Effective Date: Section 11 (126C.63, subdivision 5) is effective for revenue for fiscal years 2000 and later.)*

Sec. 12. 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.

*(Effective Date: Section 12 (126C.63, subdivision 8) is effective for revenue for fiscal years 2000 and later.)*

Sec. 13. 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.

*(Effective Date: Section 13 (126C.69, subdivision 2) is effective for revenue for fiscal years 2000 and later.)*

Sec. 14. 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).

*(Effective Date: Section 14 (126C.69, subdivision 9) is effective for revenue for fiscal years 2000 and later.)*

Sec. 15. 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~~ make grant awards;

~~(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.

*(Effective Date: Section 15 (Laws 1995, First Special Session chapter 3, article 12, section 7) is effective the day following final enactment.)*

Sec. 16. 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.

*(Effective Date: Section 16 (Laws 1997, First Special Session chapter 4, article 9, section 13) is effective the day following final enactment.)*

Sec. 17. [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.

*(Effective Date: Section 17 (Howard Lake) is effective retroactive to July 1, 1996.)*

Sec. 18. [FISCAL YEARS 2000 AND 2001 DECLINING PUPIL UNIT AID; ADA-BORUP; WARREN-ALVARADO-OSLO; BRECKENRIDGE; EAST GRAND FORKS; KITTSON CENTRAL; ARGYLE-STEPHEN; CLIMAX.]

Subdivision 1. [FISCAL YEAR 2000.] For fiscal year 2000 only, independent school district Nos. 2854, Ada-Borup; 846, Breckenridge; 595, East Grand Forks; 2176, Warren-Alvarado-Oslo; 2171, Kittson Central; 2856, Argyle-Stephen; and 592, Climax, are eligible for declining pupil unit aid equal to the product of the general education formula allowance for fiscal year 2000 times 50 percent of the difference between the districts' actual pupil units for the 1996-1997 school year and the districts' actual pupil units for the 1999-2000 school year.

Subd. 2. [FISCAL YEAR 2001.] For fiscal year 2001 only, independent school district Nos. 2854, Ada-Borup; 846, Breckenridge; 595, East Grand Forks; 2176, Warren-Alvarado-Oslo; 2171, Kittson Central; 2856, Argyle-Stephen; and 592, Climax, are eligible for declining pupil unit aid equal to the product of the general education formula allowance for fiscal year 2001 times 25 percent of the difference between the districts' actual pupil units for the 1996-1997 school year and the districts' actual pupil units for the 2000-2001 school year.

Sec. 19. [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>2000</u>
<u>\$14,957,000</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>2000</u>
<u>\$32,057,000</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 \$28,801,000 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>2000</u>
<u>\$2,851,000</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>2000</u>
<u>\$19,286,000</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. 18. [DISASTER RELIEF FACILITIES GRANT; ST. PETER.] (a) For a disaster relief facilities grant to independent school district No. 508, St. Peter:

<u>\$541,000</u>	: : : : :	<u>2000</u>
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(b) This grant is for facilities replacements costs not covered by the district's insurance settlement or through federal emergency management agency payments.

Subd. 19. [DISASTER RELIEF FACILITIES GRANT; COMFREY.] For a grant to independent school district No. 81, Comfrey, for losses related to the March 29, 1998 tornado:

<u>\$325,000</u>	: : : : :	<u>2000</u>
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Subd. 20. [OPERATING LOSSES; 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>\$211,000</u>	: : : : :	<u>2000</u>
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<u>\$282,000</u>	: : : : :	<u>2001</u>
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Subd. 21. [FLOODS; DECLINING PUPIL AID.] For declining pupil aid under section 18:

<u>\$1,409,000</u>	: : : : :	<u>2000</u>
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<u>\$869,000</u>	: : : : :	<u>2001</u>
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Sec. 20. [REPEALER.]

(a) Minnesota Statutes 1998, section 123B.64, subdivision 4, is repealed effective for revenue for fiscal year 2000.

(b) Minnesota Statutes 1998, section 123B.64, subdivisions 1, 2, and 3, are repealed effective for revenue for fiscal year 2001.

Sec. 21. [REVISOR INSTRUCTION.]

In the next and subsequent editions of Minnesota Statutes, the revisor shall codify section 15 as Minnesota Statutes, section 125B.21.

Sec. 22. [EFFECTIVE DATES.]

When preparing the prekindergarten through grade 12 education conference committee report for adoption by the legislature, the revisor shall combine all effective date notations in this article into this effective dates section.

## ARTICLE 5

### EDUCATION EXCELLENCE

Section 1. Minnesota Statutes 1998, section 120A.22, subdivision 5, is amended to read:

Subd. 5. [AGES AND TERMS.] (a) Every child between seven and 16 years of age must receive instruction. A child enrolled in a public school must receive a minimum of 170 days of student instruction or its equivalent consistent with section 120A.41. Every child under the age of seven who is enrolled in a half-day kindergarten, or a full-day kindergarten program on alternate days, or other kindergarten programs shall receive instruction. Except as provided in subdivision 6, a parent may withdraw a child under the age of seven from enrollment at any time.

(b) A school district by annual board action may require children subject to this subdivision to receive instruction in summer school. A district that acts to require children to receive instruction in summer school shall establish at the time of its action the criteria for determining which children must receive instruction.

Sec. 2. Minnesota Statutes 1998, section 120A.41, is amended to read:

120A.41 [LENGTH OF SCHOOL YEAR; MINIMUM NUMBER OF DAYS OF INSTRUCTION.]

For the 1999-2000 school year and later, a school board's annual school calendar must include at least three additional 170 days of student instruction beyond the number of days of student instruction the board formally adopted as its school calendar at the beginning of the 1996-1997 school year., not including summer school, or the equivalent of 170 days of student instruction in a district operating a flexible school year program, and at least 175 days when school is in session. For grades 1 to 12, days devoted to parent-teacher conferences, teachers' workshops, or other staff development opportunities are not part of the minimum number of days of student instruction. Days devoted to meetings authorized or called by the commissioner are not part of the required minimum number of days of student instruction.

*(Effective Date: Section 2 (120A.41) is effective for the 1999-2000 school year and thereafter.)*

Sec. 3. Minnesota Statutes 1998, section 122A.07, subdivision 1, is amended to read:

Subdivision 1. [APPOINTMENT OF MEMBERS.] The board of teaching consists of 11 members appointed by the governor, ~~with the advice and consent of the senate.~~ Membership terms, compensation of members, removal of members, the filling of membership vacancies, and fiscal year and reporting requirements are as provided in sections 214.07 to 214.09. No member may be reappointed for more than one additional term.

*(Effective Date: Section 3 (122A.07, subdivision 1) is effective the day following final enactment, and applies retroactively to appointments to the board made before that date, so that senate confirmation is not required for any pending appointment.)*

Sec. 4. Minnesota Statutes 1998, section 122A.18, is amended by adding a subdivision to read:

Subd. 7a. [SUBSTITUTE TEACHER LICENSES.] (a) The board of teaching may grant a license limited to substitute teaching to a person who is enrolled in and making satisfactory progress in a board-approved teacher program and who has successfully completed student teaching. This license shall be valid for one year or until the person successfully completes the teacher preparation program, whichever occurs first.

(b) The department of children, families, and learning shall develop procedures to expeditiously issue licenses under paragraph (a). Upon receipt of a person's application for licensure and other required documents, the department shall complete processing of the application within one week.

Sec. 5. Minnesota Statutes 1998, section 122A.60, subdivision 3, is amended to read:

Subd. 3. [STAFF DEVELOPMENT OUTCOMES.] The 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;
- (5) effectively teach and model violence prevention policy and curriculum that address 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; and
- (7) effectively mentor or support teachers new to the school or district.

Sec. 6. 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. 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 first be used to implement mentoring programs to assist teachers in the first years of teaching in the district and then may be used to make grants to school sites that demonstrate exemplary use of allocated staff development revenue. 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 team. The site decision-making 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. 7. 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.

*(Effective Date: Section 7 (123B.36, subdivision 1) is effective for the 1999-2000 school year and later.)*

Sec. 8. 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.

*(Effective Date: Section 8 (123B.49, subdivision 4) is effective for the 1999-2000 school year and later.)*

Sec. 9. Minnesota Statutes 1998, section 124D.03, subdivision 8, is amended to read:

Subd. 8. [TRANSPORTATION.] If requested by the parent of a pupil, the nonresident district shall provide transportation within the district.

The resident district is not required to provide or pay for transportation between the pupil's residence and the border of the nonresident district. A parent may be reimbursed by the nonresident district for the costs of transportation from the pupil's residence to the border of the nonresident district if the pupil is from a family whose income is at or below the poverty level, as determined by the federal government. The reimbursement may not exceed the pupil's actual cost of transportation or ~~15~~ 30 cents per mile traveled, whichever is less. Reimbursement may not be paid for more than 250 miles per week.

At the time a nonresident district notifies a parent or guardian that an application has been accepted under subdivision 4 or 5, the nonresident district must provide the parent or guardian with the following information regarding the transportation of nonresident pupils under section 123B.88, subdivision 6.

Sec. 10. Minnesota Statutes 1998, section 124D.10, subdivision 3, is amended to read:

Subd. 3. [SPONSOR; GRANT.] A school board, intermediate school district school board, education cooperative board, town or city governing entity, private college, community college, state university, technical college, or the University of Minnesota may sponsor one or more charter schools.

Sec. 11. Minnesota Statutes 1998, section 124D.10, is amended by adding a subdivision to read:

Subd. 3a. [CHARTER SCHOOL APPEALS BOARD.] The commissioner shall appoint a charter school appeals board of nine members. The board must review and approve or disapprove charter school applications and requests for waivers. The board must provide outreach and technical assistance to sponsors.

*(Effective date: Section 11 (124D.10, subdivision 3a) is effective June 30, 2000, to be consistent with sections 24 (Laws 1998, chapter 398, article 6, section 38) and 25 (Laws 1998, chapter 398, article 6, section 39).)*

Sec. 12. 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. A charter school established under section 124D.101 must elect a board of directors under this paragraph.

(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. 13. 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 percent~~ the majority 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. 14. 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 45 days of the date the state board approves 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. 15. Minnesota Statutes 1998, section 124D.10, subdivision 10, is amended to read:

Subd. 10. [PUPIL PERFORMANCE.] A charter school must design its programs to at least provide instruction in the subject areas under section 120A.22, subdivision 9, and meet the outcomes basic skills requirements in reading, mathematics, and writing adopted by the state board for public school students. In the absence of state board requirements, the school must meet the outcomes contained in the contract with the sponsor. The achievement levels of the outcomes contained in the contract may exceed the achievement levels of any outcomes adopted by the state board for public school students.

*(Effective Date: Section 15 (124D.10, subdivision 10) is effective for the 1999-2000 school year and later.)*

Sec. 16. 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 teacher, 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.

*(Effective Date: Section 16 (124D.10, subdivision 11) is effective for the 1999-2000 school year and later.)*

Sec. 17. 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~~ \$1,200.

Sec. 18. 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.

Sec. 19. Minnesota Statutes 1998, section 124D.11, subdivision 7, is amended to read:

Subd. 7. [USE OF STATE MONEY.] Money received from the state may not be used to purchase land or buildings unless the written contract for a charter school provides for a charter school program operated jointly by the board of directors of the charter school and a residential academy under Laws 1998, chapter 398, article 5, section 46, in which case money may be used to purchase land or buildings. The school may own land and buildings if obtained through nonstate sources.

Sec. 20. Minnesota Statutes 1998, section 124D.11, subdivision 8, is amended to read:

Subd. 8. [START-UP COSTS.] (a) During the first two years of a charter school's operation, the charter school is eligible for aid to pay for start-up costs and additional operating costs.

(b) In the first year of operation, start-up cost aid equals the ~~greater~~ lesser of:

(1) ~~\$50,000~~ \$250,000 per charter school; or

(2) ~~\$500~~ \$50,000 plus the product of \$2,000 times the charter school's pupil units served for that year.

(c) In the second year of operation, start-up cost aid equals the greater of:

(1) \$50,000 per charter school; or

(2) \$500 times the charter school's pupil units served for that year.

(d) A charter school in its third year of operation or later is eligible for one additional year of start-up cost aid equal to \$500 times the increase in its pupil units in the current fiscal year over its pupil units served in the preceding fiscal year if the charter school's board has adopted a resolution substantially expanding the mission of the charter school or substantially expanding the grades served by the charter school.

(e) The department of children, families, and learning must provide 90 percent of the funding for start-up costs to each eligible charter school within 45 days after the first day of student attendance for that year.

Sec. 21. 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 paragraph (a) and section 127A.45, subdivision 3, start-up cost aid must be paid according to subdivision 8.

Sec. 22. 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. 23. Laws 1998, chapter 398, article 6, section 38, is amended to read:

Sec. 38. [REPEALER.]

(a) Minnesota Statutes 1996, section 121.11, subdivisions 5, 7, 7b, 9, 11, 12, and 14; and Minnesota Statutes 1997 Supplement, section 121.11, subdivision 7e, are repealed effective ~~December 31, 1999~~ June 30, 2000.

(b) Minnesota Statutes 1996, section 121.11, subdivision 7d, is repealed effective January 10, 1999.

(c) Minnesota Statutes 1996, section 124.647; and Minnesota Statutes 1997 Supplement, section 169.452, are repealed.

*(Effective Date: Section 23 (Laws 1998, chapter 398, article 6, section 38) is effective the day following final enactment.)*

Sec. 24. Laws 1998, chapter 398, article 6, section 39, is amended to read:

Sec. 39. [EFFECTIVE DATES.]

(a) Sections 1 to 13 are effective ~~December 31, 1999~~ June 30, 2000.

(b) Sections 14, 28, 34, and 35 are effective the day following final enactment.

(c) Sections 17, 25, and 26 are effective July 1, 1998.

(d) Section 29 is effective for the 2000-2001 school year.

(e) Section 36 is effective June 30, 1998.

*(Effective Date: Section 24 (Laws 1998, chapter 398, article 6, section 39) is effective the day following final enactment.)*

Sec. 25. [PILOT PROGRAM TO IMPROVE TEACHER TRAINING.]

Subdivision 1. [ESTABLISHMENT.] A pilot program is established to allow Minnesota school districts, in collaboration with accredited teacher preparation institutions, to offer undergraduate and graduate teacher training opportunities. The program must provide teacher training 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 pilot program must be a school district. The program must be used to assist in improving teacher education by placing teacher education students in elementary and secondary classrooms under the supervision of a licensed classroom teacher.

(b) Each school district participating in this program may select the teacher training 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 and 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 education students.

(c) Temporary placements of teachers 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 an elementary or secondary school 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 pilot 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 training 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 elementary and secondary students enrolled in a participating site by using standardized test scores, the rate at which students pass the state's reading, math, and writing basic skills tests, or other valid and reliable assessment measures;

(5) whether accredited teacher preparation institutions and other organizations representing parents, business interests, and community groups are integral participants in the proposed program; and

(6) the ability of the applicant to provide information about the program to interested school districts and post-secondary institutions.

(b) The commissioner shall create an advisory committee composed of representatives of at least parents, the community, teachers, business groups, the state board of teaching, and accredited four-year, degree-granting institutions to review and recommend applicants to the commissioner. The commissioner may select up to five 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 pilot program must provide the instructional costs of teacher education students 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 teacher education students placed in an 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 pilot 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.

*(Effective Date: Section 25 (pilot program to improve teacher training) is effective the day following final enactment.)*

Sec. 26. [SALARY CREDIT FOR PRIOR EXPERIENCE AND TRAINING.]

Notwithstanding other law to the contrary, and 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.

*(Effective Date: Section 26 (salary credit) is effective for the 1999-2000 school year.)*

Sec. 27. [GRANT CLARIFICATION.]

Notwithstanding any other law to the contrary, the portion of the grant awarded to the Southwest Star Concept School for funds that were initially awarded, but not encumbered by July 1, 1998, is available until June 30, 1999, to independent school district No. 330, Heron Lake-Okabena.

*(Effective Date: Section 27 (grant clarification) is effective retroactive to June 30, 1998.)*

Sec. 28. [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:

<u>\$3,000,000</u>	*****	<u>2000</u>
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The school district must report to the legislature on the academic and social results of this program by January 15, 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. [RIGOROUS STANDARDS.] For implementing rigorous academic standards under Minnesota Statutes, section 120B.02:

<u>\$8,458,000</u>	*****	<u>2000</u>
<u>\$8,358,000</u>	*****	<u>2001</u>

Of this amount, \$500,000 each year is for the department to contract with the independent office of educational accountability under Minnesota Statutes, section 120B.31, subdivision 3.

\$100,000 of the fiscal year 2000 amount is a one-time appropriation to the independent office of educational accountability to establish statistically reliable norm-referenced interpretations based upon nationally representative samples of students that align with districts' and schools' existing longitudinal norm-referenced databases for the results from the state's third and fifth grade reading, mathematics, and writing tests and the eighth grade basic skills reading and mathematics tests that comprise part of the statewide testing system under Minnesota Statutes, section 120B.30, subdivision 1.

Any balance in the first year does not cancel but is available in the second year.

Subd. 4. [ADVANCED PLACEMENT AND INTERNATIONAL BACCALAUREATE PROGRAMS.] For the state advanced placement and international baccalaureate programs:

<u>\$1,875,000</u>	<u>.....</u>	<u>2000</u>
<u>\$1,875,000</u>	<u>.....</u>	<u>2001</u>

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.

A teacher or team of teachers who teach an advanced placement or international baccalaureate course shall receive a stipend for each student in that course taught by the teacher or team of teachers who receives a three or better on the advanced placement or a four or better on the international baccalaureate examination that covers the subject matter of the course. The commissioner shall determine the payment process and the amount of the teacher stipend ranging from \$25 to \$50 for each student receiving a qualifying score.

A stipend awarded to a teacher or team of teachers under this subdivision shall not be a mandatory subject of bargaining under Minnesota Statutes, chapter 179A, or any other law and shall not be a term or condition of employment. The amount of any award shall be final and shall not be subject to review by an arbitrator through any grievance or other process or by a court through any appeal process.

Any balance in the first year does not cancel but is available in the second year.

Subd. 5. [COLLABORATIVE URBAN EDUCATOR PROGRAMS.] For grants to collaborative urban educator programs that prepare and license people of color to teach:

<u>\$700,000</u>	<u>.....</u>	<u>2000</u>
<u>\$700,000</u>	<u>.....</u>	<u>2001</u>

Any balance in the first year does not cancel but is available in the second year. These are one-time appropriations.

Subd. 6. [CHARTER SCHOOL BUILDING LEASE AID.] For building lease aid according to Minnesota Statutes, section 124D.11, subdivision 4:

<u>\$2,992,000</u>	.....	<u>2000</u>
<u>\$3,616,000</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. 7. [CHARTER SCHOOL START-UP GRANTS.] For charter school start-up cost aid under Minnesota Statutes, section 124D.11, subdivision 8:

<u>\$2,579,000</u>	.....	<u>2000</u>
<u>\$2,754,000</u>	.....	<u>2001</u>

The 2000 appropriation includes \$100,000 for 1999 and \$2,479,000 for 2000.

The 2001 appropriation includes \$275,000 for 1999 and \$2,479,000 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.

If any balance remains after payments are made to charter schools in their first or second year of operation, a charter school in operation before the existence of charter school start-up aid may receive reimbursement of up to \$50,000 for unreimbursed health and safety expenditures during the charter school's first two years of operation.

Subd. 8. [RESIDENTIAL ACADEMIES OPERATING COSTS.] For operating costs associated with the three residential academies created under Laws 1998, chapter 398, article 5, sections 46 and 54, subdivision 3:

<u>\$405,000</u>	.....	<u>2000</u>
<u>\$1,246,000</u>	.....	<u>2001</u>

Any balance in the first year does not cancel but is available in the second year.

Subd. 9. [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. 10. [PILOT PROGRAM TO IMPROVE TEACHER TRAINING.] For providing start-up costs to participants in the pilot program to improve teacher training:

<u>\$100,000</u>	.....	<u>2000</u>
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The commissioner of children, families, and learning must award \$20,000 in one-time start-up costs to independent school district No. 138, North Branch, if the district meets the requirements of section 26. This is a one-time appropriation.

This appropriation is available until June 30, 2001.

Subd. 11. [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>\$300,000</u>	. . . . .	<u>2000</u>
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This appropriation is available until June 30, 2001. This is a one-time appropriation.

Subd. 12. [CLASS SIZE PROJECT.] For a class size project in independent school district No. 12, Centennial, to demonstrate that significantly lower class size and instructor-to-learner ratios in a suburban community will result in measurable achievements for students, staff, and parents:

<u>\$100,000</u>	. . . . .	<u>2000</u>
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This appropriation is available until June 30, 2001. This is a one-time appropriation.

Subd. 13. [PROMOTING STUDENT SUCCESS IN KINDERGARTEN THROUGH GRADE 12.] For a program grant to independent school district No. 241, Albert Lea, to give at-risk children differentiated learning opportunities for developing learning readiness and language skills through a program that provides a 17:1 student-teacher ratio, para-educator assistance, and an accommodation plan for each child:

<u>\$100,000</u>	. . . . .	<u>2000</u>
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This appropriation is available until June 30, 2001. This is a one-time appropriation.

Subd. 14. [SCHOOL LINKED PREVENTION AND EARLY INTERVENTION.] For a grant to independent school district No. 283, St. Louis Park, and the Aquila community together program:

<u>\$30,000</u>	. . . . .	<u>2000</u>
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<u>\$30,000</u>	. . . . .	<u>2001</u>
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The purpose of the grant is to provide students in kindergarten through grade 6 with case management services, individual and group counseling, prevention education, and volunteers who serve as mentors or tutors for individual students and their families. Any balance in the first year does not cancel but is available in the second year. This is a one-time appropriation.

Subd. 15. [ALTERNATIVE FACILITIES DESIGN GRANT.] For a facilities grant to independent school district No. 495, Grand Meadow:

<u>\$1,500,000</u>	. . . . .	<u>2000</u>
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The purpose of the grant is to demonstrate that a school constructed using monolithic dome construction techniques can provide operating and construction savings for school districts throughout the state. The school district shall agree to provide the state with information and data about the potential benefits of this construction method. The school district shall provide the state with an analysis of a monolithic dome as a suitable educational environment. This is a one-time appropriation.

Sec. 29. [REPEALER.]

(a) Minnesota Statutes 1998, section 124D.90, is repealed.

(b) Minnesota Statutes 1998, section 135A.081, is repealed effective the day following final enactment. If the effective date of this repeal is after May 1, 1999, the repeal shall be retroactive to May 1, 1999.

Sec. 30. [EFFECTIVE DATES.]

When preparing the prekindergarten through grade 12 education conference committee report for adoption by the legislature, the revisor shall combine all effective date notations in this article into this effective dates section.

## 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 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.

(Effective Date: Section 10 (127A.45, subdivision 2) is effective for the payment of state aids for fiscal year 2000 and later.)

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:	<del>2.25</del> <u>4.6</u>
Payment 2	July 30:	<del>4.50</del> <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 <del>6.75</del> <u>15.2</u> percent	

Payment 4	August 30:	<del>9.0</del> <u>17.4</u>
Payment 5	September 15:	<del>12.75</del> <u>19.6</u>
Payment 6	September 30:	<del>16.50</del> <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 <del>20.75</del> <u>24</u> 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 <del>25.0</del> <u>27.3</u> percent	
Payment 9	November 15:	<del>31.0</del> <u>33.3</u>
Payment 10	November 30:	<del>37.0</del> <u>39.3</u>
Payment 11	December 15:	<del>40.0</del> <u>42.3</u>
Payment 12	December 30:	<del>43.0</del> <u>45.3</u>
Payment 13	January 15:	<del>47.25</del> <u>49.5</u>
Payment 14	January 30:	<del>51.5</del> <u>53.8</u>
Payment 15	February 15:	<del>56.0</del> <u>58.3</u>
Payment 16	February 28:	<del>60.5</del> <u>62.8</u>
Payment 17	March 15:	<del>65.25</del> <u>67.6</u>
Payment 18	March 30:	<del>70.0</del> <u>72.3</u>
Payment 19	April 15:	<del>73.0</del> <u>75.3</u>
Payment 20	April 30:	<del>79.0</del> <u>81.3</u>
Payment 21	May 15:	<del>82.0</del> <u>84.3</u>
Payment 22	May 30:	<del>90.0</del> <u>92.3</u>
Payment 23	June 20:	100.0

*(Effective Date: Section 11 (127A.45, subdivision 3) is effective for the payment of state aids for fiscal year 2000 and later.)*

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.

(Effective Date: Section 12 (127A.45, subdivision 4) is effective for the payment of state aids for fiscal year 2000 and later.)

Sec. 13. 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;

~~(F)~~ (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. 14. 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;

~~(F)~~ (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. 15. [INDEPENDENT SCHOOL DISTRICT NO. 656, FARIBAULT; FUND TRANSFER.]

Notwithstanding Minnesota Statutes, section 123B.79, or other law, on or before June 30, 2000, independent school district No. 656, Faribault, may transfer up to \$1,000,000 realized from the sale of real property from its capital expenditure account to the undesignated general fund.

*(Effective Date: Section 15 (Faribault fund transfer) is effective the day following final enactment.)*

Sec. 16. [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>2000</u>
<u>\$8,947,000</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>2000</u>
<u>\$11,878,000</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>2000</u>
<u>\$375,000</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>\$18,183,000</u>	.....	<u>2000</u>
<u>\$20,432,000</u>	.....	<u>2001</u>

The 2000 appropriation includes \$1,848,000 for 2000 and \$16,335,000 for 2001.

The 2001 appropriation includes \$1,815,000 for 2000 and \$18,617,000 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>\$250,000</u>	.....	<u>2000</u>
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This appropriation is available until June 30, 2001. This is a one-time appropriation.

Sec. 17. [REPEALER.]

Minnesota Statutes 1998, sections 124D.24; 124D.25; 124D.26; 124D.27; 124D.28; 124D.29; 124D.30; and 127A.45, subdivision 5, are repealed.

Sec. 18. [EFFECTIVE DATES.]

When preparing the prekindergarten through grade 12 education conference committee report for adoption by the legislature, the revisor shall combine all effective date notations in this article into this effective dates section.

## 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 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 elementary schools.

Subd. 3. [APPLICATION PROCESS.] To obtain a grant to receive reimbursement for providing breakfasts to all children, a public 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>\$7,770,000</u>	: : : : :	<u>2000</u>
<u>\$7,770,000</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>\$2,956,000</u>	<u>.....</u>	<u>2000</u>
<u>\$2,956,000</u>	<u>.....</u>	<u>2001</u>

Any balance in the first year does not cancel but is available in the second year.

Sec. 3. [REPEALER.]

Minnesota Statutes 1998, sections 124D.112, 124D.113, 124D.115, and 124D.116, are repealed.

## ARTICLE 8

### LIBRARIES

Section 1. Minnesota Statutes 1998, section 123B.93, is amended to read:

123B.93 [ADVERTISING ON SCHOOL BUSES.]

(a) The commissioner, through a competitive process, and with the approval of the school bus safety advisory committee may contract with advertisers regarding advertising on school buses. At a minimum, the contract must prohibit advertising and advertising images that:

- (1) solicit the sale of, or promote the use of, alcoholic beverages and tobacco products;
- (2) are discriminatory in nature or content;
- (3) imply or declare an endorsement of the product or service by the school district;
- (4) contain obscene material;
- (5) are false, misleading, or deceptive; or
- (6) relate to an illegal activity or antisocial behavior.

(b) Advertisement must meet the following conditions:

- (1) the advertising attached to the school bus does not interfere with bus identification under section 169.441; and
- (2) the bus with attached advertising meets the school bus equipment standards under sections 169.4501 to 169.4504.

(c) All buses operated by school districts may be attached with advertisements under the state contract. All school district contracts shall include a provision for advertisement. Each school district shall be reimbursed by the advertiser for all costs incurred by the district and its contractors for supporting the advertising program, including, but not limited to, retrofitting buses, storing advertising, attaching advertising to the bus, and related maintenance.

(d) The commissioner shall hold harmless and indemnify each district for all liabilities arising from the advertising program. Each district must tender defense of all such claims to the commissioner within five days of receipt.

(e) All revenue from the contract shall be deposited in the general fund. The commissioner shall establish the criteria, procedures, and application process for distributing money to school districts using software filtering technology under section 125B.22.

Sec. 2. [125B.22] [INTERNET ACCESS FOR STUDENTS.]

Recognizing the difference between school libraries, school computer labs, and school media centers, which serve unique educational purposes, and public libraries, which are designed for public inquiry, all school district computers with access to the Internet available for student use, to the maximum extent possible under the law, must be equipped to restrict, including by use of available software filtering technology, all access by students to material that is reasonably believed to be obscene or child pornography or material harmful to minors under federal or state law.

Sec. 3. [134.47] [INTERNET ACCESS FOR CHILDREN.]

Recognizing the difference between public libraries, which are designed for public inquiry, and school libraries, school computer labs, and school media centers, which serve unique educational purposes, all public library computers with access to the Internet available for use by children under the age of 18, to the maximum extent possible under the law, must be equipped to restrict, including by use of available software filtering technology, all access by children to material that is reasonably believed to be obscene or child pornography or material harmful to minors under federal or state law.

Sec. 4. Laws 1997, First Special Session chapter 4, article 8, section 4, is amended to read:

Sec. 4. [LIBRARY PLOT 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, 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 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 ~~prilot~~ 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 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 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. 5. [SCHOOL DISTRICT INTERNET USE POLICY.]

Notwithstanding any law to the contrary, each school district must adopt an Internet use policy or amend an existing Internet use policy to comply with Minnesota Statutes, section 125B.22.

Sec. 6. [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:

\$8,495,000	*****	<u>2000</u>
\$8,570,000	*****	<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>\$1,700,000</u>	<u>.....</u>	<u>2000</u>
<u>\$1,700,000</u>	<u>.....</u>	<u>2001</u>

Any balance in the first year does not cancel but is available in the second year.

Subd. 5. [BUS ADVERTISING REVENUE ALLOCATION.] For school district expenses under Minnesota Statutes, section 125B.22:

<u>\$2,500,000</u>	<u>.....</u>	<u>2000</u>
<u>\$2,500,000</u>	<u>.....</u>	<u>2001</u>

The commissioner must proportionally reduce this appropriation if the revenue in any year under Minnesota Statutes, section 123B.93, is less than the appropriation. The commissioner also may use a portion of the appropriation to reimburse districts that demonstrate they incurred excess costs in implementing Minnesota Statutes, section 123B.93.

Sec. 7. [REPEALER.]

Minnesota Statutes 1998, section 134.155, is repealed. Laws 1997, First Special Session chapter 4, article 3, section 5; and article 8, section 5, are 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 43A.18, subdivision 4a, is amended to read:

Subd. 4a. [COMPENSATION REPORTS.] On July 1 of each odd-numbered year the state agricultural society, the World Trade Center corporation board of directors, and the Minnesota Technology, Inc. board of directors, ~~and the governing board of the Minnesota state high school league~~ shall each submit a report to the legislative commission on employee relations on the total compensation plan for their employees.

*(Effective Date: Section 2 (43A.18, subdivision 4a) is effective for the 1999-2000 school year and later.)*

Sec. 3. Minnesota Statutes 1998, section 121A.15, subdivision 1, is amended to read:

Subdivision 1. (a) Except as provided in subdivisions 3, 4, and 10, no person over two months old may be allowed to enroll or remain enrolled in any elementary or secondary school or child care facility in this state until the person has submitted to the administrator or other person having general control and supervision of the school or child care facility, one of the following statements:

(1) a statement from a physician or a public clinic which provides immunizations stating that the person has received immunization, consistent with medically acceptable standards, against measles after having attained the age of 12 months, rubella, diphtheria, tetanus, pertussis, polio, mumps, haemophilus influenza type b, and hepatitis B; or

(2) a statement from a physician or a public clinic which provides immunizations stating that the person has received immunizations, consistent with medically acceptable standards, against measles after having attained the age of 12 months, rubella, mumps, and haemophilus influenza type b and that the person has commenced a schedule of immunizations for diphtheria, tetanus, pertussis, polio, and hepatitis B and which indicates the month and year of each immunization received.

(b) The administrator or other person having general control and supervision of the school or child care facility must inform the parent or guardian of the person seeking to enroll or remain enrolled of the exemptions from immunizations permitted under subdivision 3.

Sec. 4. 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.

*(Effective Date: Section 4 (128C.01, subdivision 4) is effective immediately.)*

Sec. 5. Minnesota Statutes 1998, section 128C.01, subdivision 5, is amended to read:

Subd. 5. [CERTAIN COMMERCIAL RELATIONSHIPS PROHIBITED.] The board may ~~not~~ enter into corporate partnerships or similar agreements, ~~with any business or commercial organization that sells products or services used by student or adult participants in league activities while they participate in activities regulated by the league.~~ The board may sell advertising to any such business or organization if the advertising is clearly identified as advertising paid for by the business or commercial organization.

*(Effective Date: Section 5 (128C.01, subdivision 5) is effective for the 1999-2000 school year.)*

Sec. 6. [128C.015] [OMBUDSPERSON.]

The state high school league shall appoint an ombudsperson who shall be available for persons concerned about league bylaws, policies, rules, or other issues and who feel that their concerns have not received proper attention. The ombudsperson also may investigate issues such as a student's eligibility and may advocate on behalf of parents and students before the league's representative assembly. The league and the commissioner must publicize the availability of the ombudsperson's services using means reasonably calculated to inform interested persons. One form of notice must be the Internet where the league must include on its Internet website the name, address, and telephone number of the ombudsperson.

*(Effective Date: Section 6 (128C.015) is effective for the 1999-2000 school year and later.)*

Sec. 7. 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.

*(Effective Date: Section 7 (128C.02, subdivision 9) is effective for the 1999-2000 school year and later.)*

Sec. 8. Minnesota Statutes 1998, section 128C.12, subdivision 1, is amended to read:

Subdivision 1. [DUES AND EVENTS REVENUE.] The state auditor annually must examine the accounts of, and audit all money paid to, the state high school league by its members. The audit must include financial and compliance issues. The state auditor must also audit all money derived from any event sponsored by the league.

~~League audits must include audits of~~ The state auditor may audit administrative regions of the league. ~~The league and its~~ Administrative regions of the league may not contract with private auditors. The scope of the state auditor's examinations of the league must be agreed upon by the board and the state auditor, provided that all requirements of this section must be met.

*(Effective Date: Section 8 (128C.12, subdivision 1) is effective for the 1999-2000 school year and later.)*

Sec. 9. Minnesota Statutes 1998, section 128C.20, is amended to read:

128C.20 [COMMISSIONER REVIEW OF LEAGUE.]

Subdivision 1. [ANNUALLY.] Each year the commissioner of children, families, and learning shall ~~obtain~~ submit a written report to the legislature after obtaining and ~~review~~ reviewing 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 bylaws and policy. Copies of the commissioner's report must be provided to the representative assembly and the board of directors before a change in the league's bylaws or policies.

Subd. 2. [RECOMMEND LAWS.] The commissioner may recommend to the legislature whether any legislation is made necessary by league activities.

Subd. 3. [ISSUE REVIEW.] The commissioner of children, families, and learning may examine league-related issues, at the discretion of the commissioner.

*(Effective Date: Section 9 (128C.20) is effective for the 1999-2000 school year and later.)*

Sec. 10. [TRANSITION.]

Notwithstanding Minnesota Statutes, section 15.0597, the terms of persons who are members appointed by the governor before the effective date of Minnesota Statutes, section 128C.01, subdivision 4, shall have their term end on July 31 of the last year of their appointment.

*(Effective Date: Section 10 (transition) is effective immediately.)*

Sec. 11. [REVISOR INSTRUCTION.]

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."

Sec. 12. [EFFECTIVE DATES.]

When preparing the prekindergarten through grade 12 education conference committee report for adoption by the legislature, the revisor shall combine all effective date notations in this article into this effective dates section.

ARTICLE 10

STATE AGENCIES

Section 1. Minnesota Statutes 1998, section 119A.01, subdivision 1, is amended to read:

Subdivision 1. [ABOLISHMENT.] The position of commissioner of education and the department of education are abolished. The employees of the department of education are transferred to the department of education, children, and families, and learning under section 15.039, subdivision 7.

Sec. 2. Minnesota Statutes 1998, section 119A.01, subdivision 2, is amended to read:

Subd. 2. [ESTABLISHMENT.] The department of education, children, and families, and learning is established.

Sec. 3. [EXEMPTION TO LABOR DAY SCHOOL START RESTRICTION.]

Notwithstanding Minnesota Statutes, section 120A.40, the Lola and Rudy Perpich Minnesota Center for Arts Education may begin the 1999-2000 and 2000-2001 school years any day prior to Labor Day.

*(Effective Date: Section 3 (Exemption to School Start) is effective the day following final enactment.)*

Sec. 4. [APPROPRIATIONS; DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING.]

Subdivision 1. [DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING.] The sums 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. [DEPARTMENT.] For the department of children, families, and learning:

<u>\$30,099,000</u>	: : : : :	<u>2000</u>
<u>\$27,385,000</u>	: : : : :	<u>2001</u>

- (a) Any balance in the first year does not cancel but is available in the second year.
- (b) \$21,000 each year is from the trunk highway fund.
- (c) \$634,000 in 2000 and \$642,000 in 2001 is for the academic excellence foundation.
- (d) \$255,000 in 2000 is for the state board of education.
- (e) \$687,000 in 2000 and \$692,000 in 2001 is for the board of teaching.

(f) The expenditures of federal grants and aids as shown in the biennial budget document and its supplements are approved and appropriated and shall be spent as indicated.

(g) At least \$50,000 is to ensure compliance with state and federal laws prohibiting discrimination because of race, religion, or sex. The department shall use the appropriation to provide state-level leadership on equal education opportunities which promote elimination of discriminatory practices in the areas of race, religion, and sex in public schools and public educational agencies under its general supervision and on activities including, at least, compliance monitoring and voluntary compliance when local school district deficiencies are found.

(h) \$2,000,000 in 2000 is for litigation-related costs. This is a one-time appropriation.

(i) \$78,000 each year is for additional staffing and technology for the Minnesota library for the blind and physically handicapped.

Sec. 5. [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>\$6,889,000</u>	. . . . .	<u>2000</u>
<u>\$7,035,000</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 asset preservation and facility repair. The center for arts education, in cooperation with the Minnesota arts board, shall develop the guidelines for the education residency project and the PASS program. 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. 6. [APPROPRIATIONS; FARIBAULT ACADEMIES.]

(a) The sums indicated in this section are appropriated from the general fund to the Faribault academies for the deaf and the blind for the fiscal years designated:

<u>\$10,025,000</u>	. . . . .	<u>2000</u>
<u>\$10,244,000</u>	. . . . .	<u>2001</u>

(b) Of this appropriation, \$75,000 in each fiscal year is for asset preservation and facility repair.

(c) Any balance in the first year does not cancel but is available in the second year.

Sec. 7. [REVISOR INSTRUCTION.]

In the next and subsequent editions of Minnesota Statutes and Minnesota Rules, all references to the commissioner of children, families, and learning shall be changed to the commissioner of education, children, and families and all references to the department of children, families, and learning shall be changed to the department of education, children, and families.

Sec. 8. [EFFECTIVE DATE.]

When preparing the prekindergarten through grade 12 education conference committee report for adoption by the legislature, the revisor shall combine all effective date notations in this article into this effective date section."

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; 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; 122A.07, subdivision 1; 122A.18, by adding a subdivision; 122A.28; 122A.60, subdivision 3; 122A.61, subdivision 1; 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.03, subdivision 8; 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.65, subdivision 4; 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 124D; 125A; 125B; 128C; and 134; repealing Minnesota Statutes 1998, sections 120B.05; 122A.31; 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.115; 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; and 136A.233; 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."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Bishop from the Committee on Ways and Means to which was referred:

H. F. No. 2380, A bill for an act relating to education; appropriating money for education and related purposes to the higher education services office, board of trustees of the Minnesota state colleges and universities, board of regents of the University of Minnesota, and the Mayo medical foundation, with certain conditions; modifying certain conditions for the Minnesota state colleges and universities; clarifying requirements for student conduct policy; modifying programs that promote college affordability; modifying provisions relating to regent selection and recruitment; authorizing board of regents to establish a branch campus in Rochester; clarifying and changing requirements for private career schools; providing for rulemaking; amending Minnesota Statutes 1998, sections 16B.465, subdivision 4; 135A.155; 136A.031, subdivision 3; 136A.121, subdivisions 5 and 6; 136A.125, subdivision 4; 136F.02, subdivision 2; 136F.04, subdivision 1; 136F.22, subdivision 1; 136F.32, subdivision 2, and by adding a subdivision; 137.0245, subdivision 4; 141.21, subdivisions 3, 5, 6, and by adding subdivisions; 141.22; 141.25, subdivisions 1, 2, 3, 5, 6, 7, 8, 9, 10, and 12; 141.26, subdivision 2; 141.271, subdivisions 1, 2, 3, 4, 5, 6, and 12; 141.28, subdivisions 3 and 5; 141.29, subdivision 1; 141.31; 141.32; 141.35; and 471.59, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 137; and 141; repealing Minnesota Statutes 1998, sections 136A.1359; 136A.136; 141.25, subdivisions 9a, 9b, and 11; and 141.36.

Reported the same back with the following amendments:

Page 2, line 9, delete "\$1,272,589,000" and insert "\$1,272,565,000" and delete "\$1,352,999,000" and insert "\$1,352,975,000" and delete "\$2,625,588,000" and insert "\$2,625,540,000"

Page 2, line 16, delete "541,990,000" and insert "541,966,000" and delete "1,129,857,000" and insert "1,129,833,000"

Page 2, line 19, delete "615,923,000" and insert "615,899,000" and delete "1,200,548,000" and insert "1,200,524,000"

Page 4, line 41, delete "541,990,000" and insert "541,966,000"

Page 6, line 40, delete "8,784,000" and insert "8,760,000"

Page 7, line 23, delete "615,923,000" and insert "615,899,000"

Page 7, line 28, delete "546,014,000" and insert "545,990,000"

Page 7, line 56, delete "and"

Page 8, line 27, delete "2,944,000" and insert "2,920,000"

With the recommendation that when so amended the bill pass.

The report was adopted.

REPORT FROM THE CHAIR OF THE  
COMMITTEE ON WAYS AND MEANS

April 13, 1999

Edward A. Burdick  
Chief Clerk of the House of Representatives  
The State of Minnesota

Dear Mr. Burdick:

House Rule 4.03 requires the Chair of the Committee on Ways and Means to certify to the House of Representatives that the Committee has reconciled any finance and revenue bills with the budget resolution and targets.

Please accept this letter as certification that House File Nos. 343, 595, 949, 2105, 2390, 2380 and 2387 reconcile with the budget resolution and targets.

Sincerely,

REPRESENTATIVE DAVE BISHOP  
Chair, House Ways and Means Committee

**SECOND READING OF HOUSE BILLS**

H. F. No. 2380 was read for the second time.

**SECOND READING OF SENATE BILLS**

S. F. No. 1382 was read for the second time.

**INTRODUCTION AND FIRST READING OF HOUSE BILLS**

The following House Files were introduced:

Paulsen introduced:

H. F. No. 2391, A bill for an act relating to taxation; reducing the metropolitan council levy limit for general purposes; freezing the levy limit for the livable communities demonstration account; abolishing the levy for the tax base revitalization account; amending Minnesota Statutes 1998, sections 473.249, subdivision 1; 473.252, subdivision 2; and 473.253, subdivision 1; repealing Minnesota Statutes 1998, section 473.252, subdivisions 4 and 5.

The bill was read for the first time and referred to the Committee on Taxes.

Jennings introduced:

H. F. No. 2392, A bill for an act relating to taxation; extending the time for Chisago county to file approval of an aggregate removal tax.

The bill was read for the first time and referred to the Committee on Taxes.

Daggett, Harder, Wolf and Milbert introduced:

H. F. No. 2393, A bill for an act relating to taxation; sales and use; defining capital equipment to include certain communications equipment; amending Minnesota Statutes 1998, section 297A.01, subdivision 16.

The bill was read for the first time and referred to the Committee on Taxes.

McGuire; Hasskamp; Skoglund; Broecker; Stanek; Clark, K.; Mariani; Hausman; Paymar; Lenczewski; Skoe; Rest; Wejcman; Kelliher; Kubly; Folliard; Wagenius; Murphy; Orfield; Luther; Entenza; Koskinen; Biernat; Gray; Dawkins; Holberg; Dehler and Abeler introduced:

H. F. No. 2394, A bill for an act relating to commerce; banning the sale of video games containing graphic violence to children; prohibiting the public showing, display, or other exhibition of video games containing graphic violence in specified places; providing remedies; proposing coding for new law in Minnesota Statutes, chapter 325I.

The bill was read for the first time and referred to the Committee on Commerce.

McGuire, Hasskamp, Dorn, Dawkins, Dehler and Hausman introduced:

H. F. No. 2395, A bill for an act relating to violence; requiring the department of children, families, and learning to prepare a report on effective ways to control juvenile access to violent video games; requiring a scientific study on how violent video games encourage aggressive acts by juveniles.

The bill was read for the first time and referred to the Committee on Education Policy.

McElroy introduced:

H. F. No. 2396, A bill for an act relating to the property tax refund; combining the schedules for renters and homeowners; increasing the percentage of rent constituting property taxes; amending Minnesota Statutes 1998, sections 290A.03, subdivisions 11 and 13; 290A.04, subdivisions 1, 2, and 4; and 290A.23, subdivision 1; repealing Minnesota Statutes 1998, section 290A.04, subdivisions 2a and 2b.

The bill was read for the first time and referred to the Committee on Taxes.

McElroy introduced:

H. F. No. 2397, A bill for an act relating to taxation; tax increment financing; establishing rules for pooling by pre-1982 districts; proposing coding for new law in Minnesota Statutes, chapter 469.

The bill was read for the first time and referred to the Committee on Taxes.

### MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 60, A bill for an act relating to health; allowing reimbursement for supplemental private duty nursing services provided by spouses of recipients under the community alternative care home and community-based waived services program; amending Minnesota Statutes 1998, section 256B.49, by adding a subdivision.

The Senate has appointed as such committee:

Senators Betzold, Berglin and Kiscaden.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 426, A resolution memorializing the President and Congress to enact laws that will expedite the exchange of intermingled state and federal lands located within the exterior boundaries of the Superior National Forest to consolidate land ownership for the purpose of enabling each government to properly discharge its respective management duties.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 528, A bill for an act relating to transportation; requiring department of transportation specifications for underground storage tanks to include certain types of fiberglass and steel tanks; proposing coding for new law in Minnesota Statutes, chapter 174.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 627, A bill for an act relating to Washington county; changing the length of the terms of housing and redevelopment authority commissioners; amending Laws 1974, chapter 475, section 2, by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 872, A bill for an act relating to contracts; regulating building and construction contracts; providing for the enforceability of certain agreements indemnifying against environmental liability; amending Minnesota Statutes 1998, section 337.02.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 346, A bill for an act relating to courts; prohibiting certain contracting arrangements for freelance court reporting services; regulating certain services; proposing coding for new law in Minnesota Statutes, chapter 486.

PATRICK E. FLAHAVEN, Secretary of the Senate

Smith moved that the House refuse to concur in the Senate amendments to H. F. No. 346, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 1968, A bill for an act relating to insurance; making changes in Medicare supplemental insurance required by federal law; amending Minnesota Statutes 1998, sections 62A.31, subdivisions 1, 3, and by adding a subdivision; and 62A.43, subdivision 4.

PATRICK E. FLAHAVER, Secretary of the Senate

### CONCURRENCE AND REPASSAGE

Dauids moved that the House concur in the Senate amendments to H. F. No. 1968 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1968, A bill for an act relating to insurance; making changes in Medicare supplemental insurance required by federal law; amending Minnesota Statutes 1998, sections 62A.31, subdivisions 1, 3, and by adding a subdivision; and 62A.43, subdivision 4.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Dorn	Holsten	Luther	Paulsen	Sykora
Abrams	Entenza	Howes	Mahoney	Pawlentz	Tingelstad
Anderson, B.	Erhardt	Huntley	Mares	Paymar	Tomassoni
Anderson, I.	Erickson	Jennings	Mariani	Peterson	Trimble
Bakk	Finseth	Johnson	Marko	Pugh	Tuma
Bishop	Folliard	Juhnke	McCollum	Rest	Tunheim
Boudreau	Fuller	Kahn	McElroy	Reuter	Van Dellen
Bradley	Gerlach	Kalis	McGuire	Rhodes	Vanderveer
Broecker	Gleason	Kelliher	Milbert	Rifenberg	Wagenius
Buesgens	Goodno	Kielkucki	Molnau	Rostberg	Wejcman
Carlson	Gray	Knoblach	Mulder	Schumacher	Wenzel
Carruthers	Greenfield	Koskinen	Mullery	Seagren	Westerberg
Cassell	Greiling	Krinkie	Munger	Seifert, J.	Westfall
Chaudhary	Gunther	Kubly	Murphy	Seifert, M.	Westrom
Clark, J.	Haake	Kuisle	Ness	Skoe	Wilkin
Clark, K.	Haas	Larsen, P.	Nornes	Skoglund	Winter
Daggett	Hackbarth	Larson, D.	Olson	Smith	Wolf
Dauids	Harder	Leighton	Opatz	Solberg	Workman
Dawkins	Hasskamp	Lenczewski	Orfield	Stanek	Spk. Sviggum
Dehler	Hausman	Leppik	Osskopp	Stang	
Dempsey	Hilty	Lieder	Otremba	Storm	
Dorman	Holberg	Lindner	Ozment	Swenson	

The bill was repassed, as amended by the Senate, and its title agreed to.

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1605, 841, 1821, 1976, 171, 1825 and 1041.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 496, 845, 2038, 985 and 1848.

PATRICK E. FLAHAVEN, Secretary of the Senate

### **FIRST READING OF SENATE BILLS**

S. F. No. 1605, A bill for an act relating to labor relations; providing arbitration procedures for firefighters; amending Minnesota Statutes 1998, section 179A.16, by adding a subdivision.

The bill was read for the first time.

Rhodes moved that S. F. No. 1605 and H. F. No. 1173, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 841, A bill for an act relating to insurance; providing an alternative benefit plan for small employers; authorizing a small employer alternative benefit plan pilot project; modifying certain health plan company requirements; amending Minnesota Statutes 1998, sections 62L.02, subdivision 16; 62L.05, subdivision 5, and by adding a subdivision; 62Q.095, subdivision 1; and 62Q.51, subdivision 4.

The bill was read for the first time.

Haas moved that S. F. No. 841 and H. F. No. 870, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1821, A bill for an act relating to housing; modifying provision for amending zoning ordinance by cities of the first class; modifying housing finance agency provisions; authorizing agency to make equity take-out loans to owners of federally subsidized housing under certain circumstances; allowing participants to receive rental assistance for family stabilization for up to 60 months; clarifying purposes for which community rehabilitation funds may be used; establishing account to provide homeownership opportunities for disabled; modifying low-income housing credits; amending Minnesota Statutes 1998, sections 462.357, subdivision 5; 462A.073, subdivision 2; 462A.205, subdivisions 1, 2, 5, 6, and 9; 462A.206, subdivision 2; 462A.21, by adding a subdivision; 462A.222, subdivision 3; and 462A.223, subdivision 2; repealing Minnesota Statutes 1998, section 462A.073, subdivision 3.

The bill was read for the first time.

Gunther moved that S. F. No. 1821 and H. F. No. 1910, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1976, A bill for an act relating to municipal electric power; defining city within the meaning of the act; authorizing the Minneapolis park and recreation board to engage in the local distribution and sale of hydroelectric power to protect the natural, historical, ecological, and aesthetic value of the Mississippi river at the Falls of St. Anthony; amending Minnesota Statutes 1998, section 453.52, subdivision 3.

The bill was read for the first time.

Kahn moved that S. F. No. 1976 and H. F. No. 1286, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 171, A bill for an act relating to commerce; providing an appropriation for an education campaign on mortgage flipping; establishing penalties; proposing coding for new law in Minnesota Statutes, chapter 82B.

The bill was read for the first time and referred to the Committee on Ways and Means.

S. F. No. 1825, A bill for an act relating to agriculture; establishing a citizens advisory council on food; requiring a report.

The bill was read for the first time and referred to the Committee on Agriculture and Rural Development Finance.

S. F. No. 1041, A bill for an act relating to agriculture; changing and clarifying provisions of the warehouse law; amending Minnesota Statutes 1998, sections 231.01; 231.04; 231.08; 231.09; 231.11; 231.12; 231.13; 231.14; 231.15; 231.16; 231.17; 231.18, subdivisions 1 and 6; 231.24; 231.28; 231.34; 231.36; 231.37; 231.38; and 231.39; proposing coding for new law in Minnesota Statutes, chapter 231; repealing Minnesota Statutes 1998, sections 231.02; 231.03; 231.05; 231.06; 231.07; 231.10; 231.15; and 231.35.

The bill was read for the first time.

Dorman moved that S. F. No. 1041 and H. F. No. 893, now on the Calendar for the Day, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 496, A bill for an act relating to crime; allowing courts to extend the time period for search warrants for financial records; amending Minnesota Statutes 1998, section 626.15.

The bill was read for the first time.

Holberg moved that S. F. No. 496 and H. F. No. 1169, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 845, A bill for an act relating to agriculture; the board of animal health; authorizing the board of animal health to implement a federal voluntary Johne's disease program; changing the name of the executive secretary of the board of animal health to the executive director; repealing limitations on the sale of cattle; amending Minnesota Statutes 1998, sections 35.02, subdivision 1; 35.04; 35.05; 35.08; 35.09, subdivisions 2 and 2a; 35.67; 35.68; 35.82, subdivisions 1b, 2, and 3; 35.92, subdivision 5; and 35.93, subdivision 1; repealing Minnesota Statutes 1998, sections 35.245; and 35.96, subdivision 4.

The bill was read for the first time and referred to the Committee on Agriculture and Rural Development Finance.

S. F. No. 2038, A bill for an act relating to insurance; regulating workers' compensation self-insurance; providing reporting and financial requirements; amending Minnesota Statutes 1998, sections 79A.21, subdivisions 2 and 3; 79A.22, subdivision 2; 79A.23; and 79A.24, subdivision 2.

The bill was read for the first time.

Paulsen moved that S. F. No. 2038 and H. F. No. 2010, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 985, A bill for an act relating to human rights; prohibiting business discrimination on the basis of national origin, creed, or religion; amending Minnesota Statutes 1998, section 363.03, subdivision 8a.

The bill was read for the first time.

Reuter moved that S. F. No. 985 and H. F. No. 821, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1848, A bill for an act relating to workers' compensation; modifying third party liability provisions; requiring attorneys to file statements of attorney fees; modifying special compensation fund procedures; increasing the benefit for burial expenses; providing alternative cost allocation accounts; amending Minnesota Statutes 1998, sections 176.011, subdivision 3; 176.061, subdivisions 3, 5, 7, 10, and by adding a subdivision; 176.081, subdivision 1; 176.101, subdivisions 1, 2a, and 8; 176.102, subdivision 11; 176.111, subdivision 18, and by adding a subdivision; 176.129, subdivisions 2, 3, and 4; 176.231, subdivision 2; and 176.611, subdivision 2a.

The bill was read for the first time.

Leighton moved that S. F. No. 1848 and H. F. No. 1915, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

## CONSENT CALENDAR

S. F. No. 1470 was reported to the House.

Howes moved to amend S. F. No. 1470 as follows:

Page 1, after line 18, insert:

"Sec. 2. Minnesota Statutes 1998, section 85.018, subdivision 4, is amended to read:

Subd. 4. [NONMOTORIZED USE TRAILS.] No motorized vehicle shall be operated on a trail designated for nonmotorized use. This subdivision does not apply to motorized wheelchairs or other motorized devices operated by an individual who is physically disabled."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 1470, A bill for an act relating to natural resources; modifying the route of Paul Bunyan state trail; amending Minnesota Statutes 1998, section 85.015, subdivision 15.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Dorn	Howes	Mahoney	Paymar	Tomassoni
Abrams	Entenza	Huntley	Mares	Peterson	Trimble
Anderson, B.	Erhardt	Jennings	Marko	Pugh	Tuma
Anderson, I.	Erickson	Johnson	McCollum	Rest	Tunheim
Bakk	Folliard	Juhnke	McElroy	Reuter	Van Dellen
Bishop	Fuller	Kahn	McGuire	Rhodes	Vandev eer
Boudreau	Gerlach	Kalis	Milbert	Rifenberg	Wagenius
Bradley	Gleason	Kelliher	Molnau	Rostberg	Wejzman
Broecker	Goodno	Kielkucki	Mulder	Schumacher	Wenzel
Buesgens	Gray	Knoblach	Mullery	Seagren	Westerberg
Carlson	Greenfield	Koskinen	Munger	Seifert, J.	Westfall
Carruthers	Greiling	Krinkie	Murphy	Seifert, M.	Westrom
Cassell	Gunther	Kubly	Ness	Skoe	Wilkin
Chaudhary	Haake	Kuise	Nornes	Skoglund	Winter
Clark, J.	Haas	Larsen, P.	Olson	Smith	Wolf
Clark, K.	Hackbarth	Larson, D.	Opatz	Solberg	Workman
Daggett	Harder	Leighton	Orfield	Stanek	Spk. Sviggum
Davids	Hasskamp	Lenczewski	Osskopp	Stang	
Dawkins	Hausman	Leppik	Otremba	Storm	
Dehler	Hilty	Lieder	Ozment	Swenson	
Dempsey	Holberg	Lindner	Paulsen	Sykora	
Dorman	Holsten	Luther	Pawlenty	Tingelstad	

The bill was passed, as amended, and its title agreed to.

S. F. No. 1920, A bill for an act relating to state government; modifying the appointment process and position classifications for the state archaeologist; amending Minnesota Statutes 1998, section 138.35, subdivisions 1 and 1a.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 122 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Abeler	Bradley	Chaudhary	Dehler	Erickson	Goodno
Abrams	Broecker	Clark, J.	Dempsey	Finseth	Greenfield
Anderson, I.	Buesgens	Clark, K.	Dorman	Folliard	Greiling
Bakk	Carlson	Daggett	Dorn	Fuller	Gunther
Bishop	Carruthers	Davids	Entenza	Gerlach	Haake
Boudreau	Cassell	Dawkins	Erhardt	Gleason	Haas

Hackbarth	Knobloch	Marko	Paulsen	Skoglund	Wagenius
Harder	Koskinen	McGuire	Pawlenty	Smith	Wejcman
Hasskamp	Krinkie	Milbert	Paymar	Solberg	Wenzel
Hilty	Kubly	Molnau	Peterson	Stanek	Westerberg
Holberg	Kuisle	Mulder	Pugh	Stang	Westfall
Holsten	Larsen, P.	Mullery	Rest	Storm	Westrom
Howes	Larson, D.	Munger	Reuter	Swenson	Wilkin
Huntley	Leighton	Murphy	Rhodes	Sykora	Winter
Jennings	Lenczewski	Ness	Rifenberg	Tingelstad	Wolf
Johnson	Leppik	Nornes	Rostberg	Tomassoni	Workman
Juhnke	Lieder	Opatz	Schumacher	Trimble	Spk. Sviggum
Kahn	Lindner	Orfield	Seagren	Tuma	
Kalis	Luther	Osskopp	Seifert, J.	Tunheim	
Kelliher	Mahoney	Otremba	Seifert, M.	Van Dellen	
Kielkucki	Mares	Ozment	Skoe	Vandever	

Those who voted in the negative were:

Anderson, B.      Olson

The bill was passed and its title agreed to.

S. F. No. 510 was reported to the House.

Boudreau moved to amend S. F. No. 510 as follows:

Page 2, after line 32, insert:

"Sec. 2. Minnesota Statutes 1998, section 150A.05, subdivision 2, is amended to read:

Subd. 2. [EXEMPTIONS AND EXCEPTIONS OF CERTAIN PRACTICES AND OPERATIONS.] Sections 150A.01 to 150A.12 do not apply to:

(1) the practice of dentistry or dental hygiene in any branch of the armed services of the United States, the United States Public Health Service, or the United States Veterans Administration;

(2) the practice of dentistry, dental hygiene, or dental assisting by undergraduate dental students, dental hygiene students, and dental assisting students of the University of Minnesota, schools of dental hygiene, or schools of dental assisting approved by the board, when acting under the direction and supervision of a licensed dentist or a licensed dental hygienist acting as an instructor;

(3) the practice of dentistry by licensed dentists of other states or countries while appearing as clinicians under the auspices of a duly approved dental school or college, or a reputable dental society, or a reputable dental study club composed of dentists;

(4) the actions of persons while they are taking examinations for licensure or registration administered or approved by the board pursuant to sections 150A.03, subdivision 1, and 150A.06, subdivisions 1, 2, and 2a;

(5) the practice of dentistry by dentists and dental hygienists licensed by other states during their functioning as examiners responsible for conducting licensure or registration examinations administered by regional and national testing agencies with whom the board is authorized to affiliate and participate under section 150A.03, subdivision 1, and the practice of dentistry by the regional and national testing agencies during their administering examinations pursuant to section 150A.03, subdivision 1;

(6) the use of X-rays or other diagnostic imaging modalities for making radiographs or other similar records in a hospital or clinic under the supervision of a physician or dentist or by a person who is credentialed to use diagnostic imaging modalities or X-ray machines for dental treatment, roentgenograms, or dental diagnostic purposes by a credentialing agency other than the board of dentistry; or

(7) the service, other than service performed directly upon the person of a patient, of constructing, altering, repairing, or duplicating any denture, partial denture, crown, bridge, splint, orthodontic, prosthetic, or other dental appliance, when performed according to a written work order from a licensed dentist in accordance with section 150A.10, subdivision 3; or

(8) the making of extra-oral X-rays in a hospital or dental clinic by a health care professional who (i) is licensed or registered by a health-related licensing board, as defined in section 214.01, subdivision 2, other than the board of dentistry; (ii) is practicing under the supervision of a dentist licensed in Minnesota; and (iii) has passed an examination for individuals operating X-ray equipment for use on humans required under section 144.121, subdivision 5."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 510, A bill for an act relating to health occupation; expanding the number of members on the board of dentistry; limiting practice of dentistry under name of certain business organizations; amending Minnesota Statutes 1998, sections 150A.02, subdivision 1; and 150A.11, subdivision 1.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Dempsey	Harder	Kubly	Mulder	Reuter
Abrams	Dorman	Hasskamp	Kuisle	Mullery	Rhodes
Anderson, B.	Dorn	Hausman	Larsen, P.	Munger	Rifenberg
Anderson, I.	Entenza	Hilty	Larson, D.	Murphy	Rostberg
Bakk	Erhardt	Holberg	Leighton	Ness	Rukavina
Bishop	Erickson	Holsten	Lenczewski	Nornes	Schumacher
Boudreau	Finseth	Howes	Leppik	Olson	Seagren
Bradley	Folliard	Huntley	Lieder	Opatz	Seifert, J.
Broecker	Fuller	Jaros	Lindner	Orfield	Seifert, M.
Buesgens	Gerlach	Jennings	Luther	Osskopp	Skoe
Carlson	Gleason	Johnson	Mahoney	Osthoff	Skoglund
Carruthers	Goodno	Juhnke	Mares	Otremba	Smith
Cassell	Gray	Kahn	Mariani	Ozment	Solberg
Chaudhary	Greenfield	Kalis	Marko	Paulsen	Stanek
Clark, J.	Greiling	Kelliher	McCollum	Pawlenty	Stang
Clark, K.	Gunther	Kielkucki	McElroy	Paymar	Storm
Daggett	Haake	Knoblach	McGuire	Peterson	Swenson
Davids	Haas	Koskinen	Milbert	Pugh	Sykora
Dehler	Hackbarth	Krinkie	Molnau	Rest	Tingelstad

Tomassoni	Tunheim	Wagenius	Westerberg	Wilkin	Workman
Trimble	Van Dellen	Wejcman	Westfall	Winter	Spk. Sviggum
Tuma	Vandever	Wenzel	Westrom	Wolf	

The bill was passed, as amended, and its title agreed to.

#### REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Pawlenty from the Committee on Rules and Legislative Administration, pursuant to rule 1.21, designated the following bills to be placed on the Calendar for the Day, immediately following the remaining bills on the Calendar for the Day, for Tuesday, April 13, 1999:

S. F. Nos. 832 and 1017; H. F. Nos. 893 and 979; S. F. No. 451; H. F. No. 1369; S. F. Nos. 2017 and 303; H. F. No. 1106; and S. F. No. 1330.

#### CALENDAR FOR THE DAY

S. F. No. 778 was reported to the House.

Kuisle moved to amend S. F. No. 778 as follows:

Page 3, after line 7, insert:

"Sec. 2. Minnesota Statutes 1998, section 169.471, subdivision 1, is amended to read:

Subdivision 1. [TELEVISION SCREEN IN VEHICLE.] No television screen shall be installed or used in any motor vehicle ~~at any point forward of the back of the driver's seat, or which~~ where it is visible to the driver while operating the motor vehicle except:

- (1) video screens installed in law enforcement vehicles;
- (2) closed circuit video systems used exclusively to aid the driver's visibility to the rear or sides of the vehicle; and
- (3) video screens installed as part of a vehicle control system or used in intelligent vehicle highway applications.

Sec. 3. [EFFECTIVE DATE.]

Section 2 is effective the day following final enactment."

Amend the title accordingly

The motion prevailed and the amendment was adopted.

## CALL OF THE HOUSE

On the motion of Molnau and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Abeler	Dorn	Holberg	Lieder	Osthoff	Stang
Abrams	Entenza	Howes	Lindner	Otremba	Storm
Anderson, B.	Erhardt	Huntley	Luther	Ozment	Swenson
Anderson, I.	Erickson	Jaros	Mahoney	Paulsen	Sykora
Bakk	Finseth	Jennings	Mariani	Paymar	Tingelstad
Bishop	Folliard	Johnson	Marko	Peterson	Tomassoni
Boudreau	Fuller	Juhnke	McCollum	Pugh	Trimble
Bradley	Gerlach	Kahn	McElroy	Rest	Tuma
Broecker	Gleason	Kalis	McGuire	Reuter	Tunheim
Buesgens	Goodno	Kelliher	Milbert	Rhodes	Van Dellen
Carlson	Gray	Kielkucki	Molnau	Rifenberg	Vandever
Carruthers	Greenfield	Knoblach	Mulder	Rostberg	Wagenius
Cassell	Greiling	Koskinen	Mullery	Rukavina	Wejzman
Chaudhary	Gunther	Krinkie	Munger	Schumacher	Wenzel
Clark, J.	Haake	Kubly	Murphy	Seagren	Westerberg
Daggett	Haas	Kuise	Ness	Seifert, J.	Winter
Davids	Hackbarth	Larsen, P.	Nornes	Seifert, M.	Wolf
Dawkins	Harder	Larson, D.	Olson	Skoglund	Workman
Dehler	Hasskamp	Leighton	Opatz	Smith	Spk. Sviggum
Dempsey	Hausman	Lenczewski	Orfield	Solberg	
Dorman	Hilty	Leppik	Osskopp	Stanek	

Pawlenty moved that further proceedings of the roll call be suspended and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

Marko offered an amendment to S. F. No. 778, as amended.

## POINT OF ORDER

Molnau raised a point of order pursuant to rule 3.21 that the Marko amendment was not in order. The Speaker ruled the point of order well taken and the Marko amendment out of order.

Marko appealed the decision of the Speaker.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?" and the roll was called. There were 73 yeas and 58 nays as follows:

Those who voted in the affirmative were:

Abeler	Bradley	Daggett	Erhardt	Gunther	Holberg
Abrams	Broecker	Davids	Erickson	Haake	Holsten
Anderson, B.	Buesgens	Dehler	Finseth	Haas	Howes
Bishop	Cassell	Dempsey	Fuller	Hackbarth	Kalis
Boudreau	Clark, J.	Dorman	Gerlach	Harder	Kielkucki

Knoblach	Molnau	Paulsen	Seifert, M.	Tingelstad	Wolf
Krinkie	Mulder	Pawlenty	Skoglund	Tuma	Workman
Kuisle	Munger	Reuter	Smith	Van Dellen	Spk. Sviggum
Larsen, P.	Ness	Rhodes	Stanek	Vandever	
Leppik	Nornes	Rifenberg	Stang	Westerberg	
Lindner	Olson	Rostberg	Storm	Westfall	
Mares	Osskopp	Seagren	Swenson	Westrom	
McElroy	Ozment	Seifert, J.	Sykora	Wilkin	

Those who voted in the negative were:

Anderson, I.	Gleason	Johnson	Luther	Orfield	Solberg
Bakk	Gray	Juhnke	Mahoney	Osthoff	Tomassoni
Carlson	Greenfield	Kahn	Mariani	Otremba	Trimble
Carruthers	Greiling	Kelliher	Marko	Paymar	Tunheim
Chaudhary	Hasskamp	Koskinen	McCollum	Peterson	Wagenius
Clark, K.	Hausman	Kubly	McGuire	Pugh	Wejcman
Dawkins	Hilty	Larson, D.	Milbert	Rest	Wenzel
Dorn	Huntley	Leighton	Mullery	Rukavina	Winter
Entenza	Jaros	Lenczewski	Murphy	Schumacher	
Folliard	Jennings	Lieder	Opatz	Skoe	

So it was the judgment of the House that the decision of the Speaker should stand.

S. F. No. 778, A bill for an act relating to motor vehicles; requiring release of a security interest in a vehicle to be acted on within seven days if satisfied by a dealer; amending Minnesota Statutes 1998, section 168A.20.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Dehler	Hackbarth	Krinkie	Molnau	Rest
Abrams	Dempsey	Harder	Kubly	Mulder	Reuter
Anderson, B.	Dorman	Hasskamp	Kuisle	Mullery	Rhodes
Anderson, I.	Dorn	Hausman	Larsen, P.	Munger	Rifenberg
Bakk	Entenza	Hilty	Larson, D.	Murphy	Rostberg
Bishop	Erhardt	Holberg	Leighton	Ness	Rukavina
Boudreau	Erickson	Holsten	Lenczewski	Nornes	Schumacher
Bradley	Finseth	Howes	Leppik	Olson	Seagren
Broecker	Folliard	Huntley	Lieder	Opatz	Seifert, J.
Buesgens	Fuller	Jaros	Lindner	Orfield	Seifert, M.
Carlson	Gerlach	Jennings	Luther	Osskopp	Skoe
Carruthers	Gleason	Johnson	Mahoney	Osthoff	Skoglund
Cassell	Goodno	Juhnke	Mares	Otremba	Smith
Chaudhary	Gray	Kahn	Mariani	Ozment	Solberg
Clark, J.	Greenfield	Kalis	Marko	Paulsen	Stanek
Clark, K.	Greiling	Kelliher	McCollum	Pawlenty	Stang
Daggett	Gunther	Kielkucki	McElroy	Paymar	Storm
Davids	Haake	Knoblach	McGuire	Peterson	Swenson
Dawkins	Haas	Koskinen	Milbert	Pugh	Sykora

Tingelstad	Tuma	Vandev eer	Wenzel	Westrom	Wolf
Tomassoni	Tunheim	Wagenius	Westerberg	Wilkin	Workman
Trimble	Van Dellen	Wejcman	Westfall	Winter	Spk. Sviggum

The bill was passed, as amended, and its title agreed to.

The Speaker called Boudreau to the Chair.

S. F. No. 1528, A bill for an act relating to natural resources; modifying harmful exotic species provisions; amending Minnesota Statutes 1998, sections 84.027, subdivision 13; 84D.01, subdivision 2; 84D.02, subdivision 4; 84D.03, subdivision 1, and by adding a subdivision; 84D.09, subdivision 2; 84D.10; 84D.11, by adding a subdivision; and 84D.12, subdivisions 1 and 3; repealing Minnesota Statutes 1998, sections 84D.01, subdivision 10; and 84D.03, subdivision 2.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Dorn	Holsten	Lindner	Otremba	Stang
Abrams	Entenza	Howes	Luther	Ozment	Storm
Anderson, B.	Erhardt	Huntley	Mahoney	Paulsen	Swenson
Anderson, I.	Erickson	Jaros	Mares	Pawlenty	Sykora
Bakk	Finseth	Jennings	Mariani	Paymar	Tingelstad
Bishop	Folliard	Johnson	Marko	Peterson	Tomassoni
Boudreau	Fuller	Juhnke	McCollum	Pugh	Trimble
Bradley	Gerlach	Kahn	McElroy	Rest	Tuma
Broecker	Gleason	Kalis	McGuire	Reuter	Tunheim
Buesgens	Goodno	Kelliher	Milbert	Rhodes	Van Dellen
Carlson	Gray	Kielkucki	Molnau	Rifenberg	Vandev eer
Carruthers	Greenfield	Knoblach	Mulder	Rostberg	Wagenius
Cassell	Greiling	Koskinen	Mullery	Rukavina	Wejcman
Chaudhary	Gunther	Krinkie	Munger	Schumacher	Wenzel
Clark, J.	Haake	Kubly	Murphy	Seagren	Westerberg
Clark, K.	Haas	Kuisle	Ness	Seifert, J.	Westfall
Daggett	Hackbarth	Larsen, P.	Nornes	Seifert, M.	Westrom
Davids	Harder	Larson, D.	Olson	Skoe	Wilkin
Dawkins	Hasskamp	Leighton	Opatz	Skoglund	Winter
Dehler	Hausman	Lenczewski	Orfield	Smith	Wolf
Dempsey	Hilty	Leppik	Osskopp	Solberg	Workman
Dorman	Holberg	Lieder	Osthoff	Stank	Spk. Sviggum

The bill was passed and its title agreed to.

#### CALL OF THE HOUSE LIFTED

Molnau moved that the call of the House be suspended. The motion prevailed and it was so ordered.

S. F. No. 1324, A bill for an act relating to motor vehicles; requiring commissioner of public safety to impose commercial driver's license disqualifications for violations of an out-of-service order; requiring commissioner of transportation to impose civil penalties for violations of an out-of-service order; amending Minnesota Statutes 1998, section 171.165, by adding a subdivision; and 221.036, subdivision 3.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 116 yeas and 15 nays as follows:

Those who voted in the affirmative were:

Abeler	Dorman	Hausman	Lindner	Paulsen	Sykora
Abrams	Dorn	Hilty	Mares	Pawlenty	Tingelstad
Anderson, B.	Entenza	Holberg	Marko	Paymar	Tuma
Anderson, I.	Erhardt	Holsten	McCollum	Peterson	Tunheim
Bishop	Erickson	Huntley	McElroy	Pugh	Van Dellen
Boudreau	Finseth	Jennings	McGuire	Rest	Vandevor
Bradley	Folliard	Johnson	Milbert	Reuter	Wagenius
Broecker	Fuller	Kahn	Molnau	Rhodes	Wejzman
Buesgens	Gerlach	Kalis	Mulder	Rifenberg	Wenzel
Carlson	Gleason	Kelliher	Mullery	Rostberg	Westerberg
Carruthers	Goodno	Kielkucki	Munger	Seagren	Westfall
Cassell	Gray	Knobloch	Murphy	Seifert, J.	Wilkin
Chaudhary	Greenfield	Koskinen	Ness	Seifert, M.	Winter
Clark, J.	Greiling	Krinkie	Nornes	Skoe	Wolf
Clark, K.	Gunther	Kuisle	Olson	Skoglund	Workman
Daggett	Haake	Larsen, P.	Opatz	Solberg	Spk. Sviggum
Dauids	Haas	Larsen, D.	Orfield	Stanek	
Dawkins	Hackbarth	Lenczewski	Osskopp	Stang	
Dehler	Harder	Leppik	Osthoff	Storm	
Dempsey	Hasskamp	Lieder	Ozment	Swenson	

Those who voted in the negative were:

Bakk	Kubly	Mahoney	Rukavina	Tomassoni
Jaros	Leighton	Mariani	Schumacher	Trimble
Juhnke	Luther	Otremba	Smith	Westrom

The bill was passed and its title agreed to.

S. F. No. 673, A bill for an act relating to health plans; regulating contract stacking; providing a remedy; proposing coding for new law in Minnesota Statutes, chapter 62Q.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Anderson, I.	Boudreau	Buesgens	Cassell	Clark, K.
Abrams	Bakk	Bradley	Carlson	Chaudhary	Daggett
Anderson, B.	Bishop	Broecker	Carruthers	Clark, J.	Dauids

Dawkins	Haas	Koskinen	Milbert	Pugh	Sykora
Dehler	Hackbarth	Krinkie	Molnau	Rest	Tingelstad
Dempsey	Harder	Kubly	Mulder	Reuter	Tomassoni
Dorman	Hasskamp	Kuisle	Mullery	Rhodes	Trimble
Dorn	Hausman	Larsen, P.	Munger	Rifenberg	Tuma
Entenza	Hilty	Larson, D.	Murphy	Rostberg	Tunheim
Erhardt	Holberg	Leighton	Ness	Rukavina	Van Dellen
Erickson	Holsten	Lenczewski	Nornes	Schumacher	Vandever
Finseth	Howes	Leppik	Olson	Seagren	Wagenius
Folliard	Huntley	Lieder	Opatz	Seifert, J.	Wejcman
Fuller	Jaros	Lindner	Orfield	Seifert, M.	Wenzel
Gerlach	Jennings	Luther	Osskopp	Skoe	Westerberg
Gleason	Johnson	Mahoney	Osthoff	Skoglund	Westfall
Goodno	Juhnke	Mares	Otremba	Smith	Westrom
Gray	Kahn	Mariani	Ozment	Solberg	Wilkin
Greenfield	Kalis	Marko	Paulsen	Stanek	Winter
Greiling	Kelliher	McCollum	Pawlenty	Stang	Wolf
Gunther	Kielkucki	McElroy	Paymar	Storm	Workman
Haake	Knoblach	McGuire	Peterson	Swenson	Spk. Sviggum

The bill was passed and its title agreed to.

S. F. No. 854 was reported to the House.

Larsen, P., moved to amend S. F. No. 854 as follows:

Page 1, line 16, delete everything after "inception"

Page 1, delete line 17

Page 1, line 18, delete "617.87"

Page 1, after line 20, insert:

"Sec. 2. Minnesota Statutes 1998, section 394.21, is amended by adding a subdivision to read:

Subd. 3. [NUISANCE.] Subdivision 1a does not prohibit a county from enforcing an ordinance providing for the prevention or abatement of nuisances, as defined in section 561.01, or eliminating a use determined to be a public nuisance, as defined in section 617.81, subdivision 2, paragraph (a), clauses (1) to (9), without payment of compensation."

Page 2, line 1, delete everything after "inception"

Page 2, line 2, delete everything before the period

Page 2, after line 5, insert:

"Sec. 4. Minnesota Statutes 1998, section 462.357, is amended by adding a subdivision to read:

Subd. 1d. [NUISANCE.] Subdivision 1c does not prohibit a municipality from enforcing an ordinance providing for the prevention or abatement of nuisances, as defined in section 561.01, or eliminating a use determined to be a public nuisance, as defined in section 617.81, subdivision 2, paragraph (a), clauses (1) to (9), without payment of compensation."

Page 2, line 6, delete "CITY OF ST. LOUIS PARK" and insert "EXCEPTIONS"

Page 2, line 7, before "Notwithstanding" insert "(a)" and delete "2" and insert "3"

Page 2, after line 11, insert:

"(b) This act does not apply to an ordinance that is the subject of an action commenced on or before January 1, 1999, to amortize a specific land use. Such an ordinance may be enforced only with regard to the specific use that is the subject of the action and only as determined by the court or by the parties in an agreement to settle the action.

(c) A city that is a party to an action commenced on or before January 1, 1999, to eliminate a land use, may enact and enforce an amortization of use ordinance to eliminate the land use that is the subject of the action."

Page 2, line 13, delete "Sections 1 and 2" and insert "Sections 1 to 4, and 5, paragraphs (b) and (c)."

Page 2, line 14, delete "Section 3" and insert "Section 5, paragraph (a)"

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Paymar, Opatz and Hasskamp moved to amend S. F. No. 854, as amended, as follows:

Page 1, line 20, after "ordinance" insert ", or to advertising devices, as defined in section 173.02, subdivision 2, that are not adjacent to interstate or primary highways"

Page 2, line 5, after "ordinance" insert ", or to advertising devices, as defined in section 173.02, subdivision 2, that are not adjacent to interstate or primary highways"

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Paymar et al amendment and the roll was called. There were 56 yeas and 74 nays as follows:

Those who voted in the affirmative were:

Bakk	Gleason	Johnson	Luther	Orfield	Solberg
Carlson	Gray	Juhnke	Mahoney	Osthoff	Trimble
Carruthers	Greenfield	Kahn	Mariani	Otremba	Tunheim
Chaudhary	Greiling	Kalis	Marko	Paymar	Wagenius
Clark, J.	Hasskamp	Kelliher	McCollum	Pugh	Wejcmán
Clark, K.	Hausman	Koskinen	Milbert	Rest	Winter
Dawkins	Hilty	Kubly	Mullery	Rhodes	
Dorn	Huntley	Leighton	Munger	Schumacher	
Entenza	Jaros	Lenczewski	Nornes	Skoe	
Folliard	Jennings	Lieder	Opatz	Skoglund	

Those who voted in the negative were:

Abeler	Dempsey	Holberg	Molnau	Seagren	Vandever
Abrams	Dorman	Holsten	Mulder	Seifert, J.	Wenzel
Anderson, B.	Erhardt	Howes	Ness	Seifert, M.	Westerberg
Anderson, I.	Erickson	Kielkucki	Olson	Smith	Westfall
Bishop	Finseth	Knoblach	Osskopp	Stanek	Westrom
Boudreau	Fuller	Krinkie	Ozment	Stang	Wilkin
Bradley	Gerlach	Kuile	Paulsen	Storm	Wolf
Broecker	Goodno	Larsen, P.	Pawlenty	Swenson	Workman
Buesgens	Gunther	Larson, D.	Peterson	Sykora	Spk. Sviggum
Cassell	Haake	Leppik	Reuter	Tingelstad	
Daggett	Haas	Lindner	Rifenberg	Tomassoni	
Davids	Hackbarth	Mares	Rostberg	Tuma	
Dehler	Harder	McElroy	Rukavina	Van Dellen	

The motion did not prevail and the amendment was not adopted.

Trimble moved to amend S. F. No. 854, as amended, as follows:

Page 1, line 20, before the period, insert ", or to billboards that could contain adult-oriented material"

A roll call was requested and properly seconded.

The question was taken on the Trimble amendment and the roll was called. There were 59 yeas and 73 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Gleason	Juhnke	Mahoney	Orfield	Skoglund
Bakk	Gray	Kahn	Mariani	Osthoff	Solberg
Biernat	Greenfield	Kalis	Marko	Otremba	Trimble
Carlson	Greiling	Kelliher	McCollum	Paymar	Tunheim
Chaudhary	Hasskamp	Koskinen	McGuire	Peterson	Wagenius
Clark, K.	Hausman	Kubly	Milbert	Pugh	Wejcman
Dawkins	Hilty	Leighton	Mullery	Rest	Wenzel
Dorn	Jaros	Lenczewski	Munger	Rukavina	Westerberg
Entenza	Jennings	Lieder	Murphy	Schumacher	Winter
Folliard	Johnson	Luther	Opatz	Skoe	

Those who voted in the negative were:

Abeler	Clark, J.	Fuller	Holsten	Leppik	Osskopp
Abrams	Daggett	Gerlach	Howes	Lindner	Ozment
Anderson, B.	Davids	Goodno	Huntley	Mares	Paulsen
Bishop	Dehler	Gunther	Kielkucki	McElroy	Pawlenty
Boudreau	Dempsey	Haake	Knoblach	Molnau	Reuter
Bradley	Dorman	Haas	Krinkie	Mulder	Rhodes
Broecker	Erhardt	Hackbarth	Kuile	Ness	Rifenberg
Buesgens	Erickson	Harder	Larsen, P.	Nornes	Rostberg
Cassell	Finseth	Holberg	Larson, D.	Olson	Seagren

Seifert, J.	Stang	Tingelstad	Vandever	Wolf
Seifert, M.	Storm	Tomassoni	Westfall	Workman
Smith	Swenson	Tuma	Westrom	Spk. Sviggum
Stanek	Sykora	Van Dellen	Wilkin	

The motion did not prevail and the amendment was not adopted.

Trimble moved to amend S. F. No. 854, as amended, as follows:

Page 1, line 20, after the period, insert "Billboards may be prohibited by amortization in cities of the first class. Any billboards removed by cities of the first class may be placed in other areas regardless of local zoning or other ordinances."

A roll call was requested and properly seconded.

The question was taken on the Trimble amendment and the roll was called. There were 25 yeas and 106 nays as follows:

Those who voted in the affirmative were:

Biernat	Gleason	Kahn	Munger	Skoglund
Carruthers	Gray	Kelliher	Orfield	Trimble
Clark, K.	Greenfield	Mahoney	Osthoff	Wagenius
Dawkins	Hausman	Mariani	Paymar	Wejcman
Entenza	Jaros	McCollum	Pugh	Winter

Those who voted in the negative were:

Abeler	Dorman	Holsten	Lindner	Pawlenty	Swenson
Abrams	Dorn	Howes	Luther	Peterson	Sykora
Anderson, B.	Erhardt	Huntley	Mares	Rest	Tingelstad
Anderson, I.	Erickson	Jennings	Marko	Reuter	Tomassoni
Bakk	Finseth	Juhnke	McElroy	Rhodes	Tuma
Bishop	Folliard	Kalis	McGuire	Rifenberg	Tunheim
Boudreau	Fuller	Kielkucki	Milbert	Rostberg	Van Dellen
Bradley	Gerlach	Knoblach	Molnau	Rukavina	Vandever
Broecker	Goodno	Koskinen	Mulder	Schumacher	Wenzel
Buesgens	Greiling	Krinkie	Murphy	Seagren	Westerberg
Carlson	Gunther	Kubly	Ness	Seifert, J.	Westfall
Cassell	Haake	Kuisle	Nornes	Seifert, M.	Westrom
Chaudhary	Haas	Larsen, P.	Olson	Skoe	Wilkin
Clark, J.	Hackbarth	Larson, D.	Opatz	Smith	Wolf
Daggett	Harder	Leighton	Osskopp	Solberg	Workman
Dauids	Hasskamp	Lenczewski	Otremba	Stanek	Spk. Sviggum
Dehler	Hilty	Leppik	Ozment	Stang	
Dempsey	Holberg	Lieder	Paulsen	Storm	

The motion did not prevail and the amendment was not adopted.

Paymar and Wagenius moved to amend S. F. No. 854, as amended, as follows:

Page 1, line 24, after "municipality" insert ", except a city of the first class"

A roll call was requested and properly seconded.

The question was taken on the Paymar and Wagenius amendment and the roll was called. There were 33 yeas and 100 nays as follows:

Those who voted in the affirmative were:

Biernat	Gleason	Johnson	McCollum	Osthoff	Trimble
Carruthers	Gray	Kahn	Milbert	Paymar	Wagenius
Chaudhary	Greenfield	Kelliher	Mullery	Pugh	Wejzman
Clark, K.	Hausman	Luther	Munger	Rhodes	
Dawkins	Hilty	Mahoney	Opatz	Skoe	
Entenza	Jaros	Mariani	Orfield	Skoglund	

Those who voted in the negative were:

Abeler	Dorman	Holsten	Lieder	Peterson	Tingelstad
Abrams	Dorn	Howes	Lindner	Rest	Tomassoni
Anderson, B.	Erhardt	Huntley	Mares	Reuter	Tuma
Anderson, I.	Erickson	Jennings	Marko	Rifenberg	Tunheim
Bakk	Finseth	Juhnke	McElroy	Rostberg	Van Dellen
Bishop	Folliard	Kalis	McGuire	Rukavina	Vandever
Boudreau	Fuller	Kielkucki	Molnau	Schumacher	Wenzel
Bradley	Gerlach	Knoblach	Mulder	Seagren	Westerberg
Broecker	Goodno	Koskinen	Murphy	Seifert, J.	Westfall
Buesgens	Greiling	Krinkie	Ness	Seifert, M.	Westrom
Carlson	Gunther	Kubly	Nornes	Smith	Wilkin
Cassell	Haake	Kuisle	Olson	Solberg	Winter
Clark, J.	Haas	Larsen, P.	Osskopp	Stanek	Wolf
Daggett	Hackbarth	Larson, D.	Otremba	Stang	Workman
Davids	Harder	Leighton	Ozment	Storm	Spk. Sviggum
Dehler	Hasskamp	Lenczewski	Paulsen	Swenson	
Dempsey	Holberg	Leppik	Pawlenty	Sykora	

The motion did not prevail and the amendment was not adopted.

Munger was excused for the remainder of today's session.

Trimble and McCollum moved to amend S. F. No. 854, as amended, as follows:

Page 2, delete lines 6 to 11

ReNUMBER sections in sequence

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Trimble and McCollum amendment and the roll was called. There were 19 yeas and 112 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Gray	Jaros	Mahoney	Skoe
Clark, K.	Greenfield	Kahn	Mullery	Trimble
Dawkins	Hausman	Kelliher	Osthoff	Wejcman
Entenza	Hilty	Koskinen	Paymar	

Those who voted in the negative were:

Abeler	Dorman	Howes	Mares	Peterson	Sykora
Abrams	Dorn	Huntley	Mariani	Pugh	Tingelstad
Anderson, B.	Erhardt	Jennings	Marko	Rest	Tomassoni
Bakk	Erickson	Johnson	McElroy	Reuter	Tuma
Biernat	Finseth	Juhnke	McGuire	Rhodes	Tunheim
Bishop	Folliard	Kalis	Milbert	Rifenberg	Van Dellen
Boudreau	Fuller	Kielkucki	Molnau	Rostberg	Vandever
Bradley	Gerlach	Knoblach	Mulder	Rukavina	Wagenius
Broecker	Gleason	Krinkie	Murphy	Schumacher	Wenzel
Buesgens	Goodno	Kubly	Ness	Seagren	Westerberg
Carlson	Greiling	Kuisle	Nornes	Seifert, J.	Westfall
Carruthers	Gunther	Larsen, P.	Olson	Seifert, M.	Westrom
Cassell	Haake	Larson, D.	Opatz	Skoglund	Wilkin
Chaudhary	Haas	Leighton	Orfield	Smith	Winter
Clark, J.	Hackbarth	Lenczewski	Osskopp	Solberg	Wolf
Daggett	Harder	Leppik	Otremba	Stanek	Workman
Davids	Hasskamp	Lieder	Ozment	Stang	Spk. Sviggum
Dehler	Holberg	Lindner	Paulsen	Storm	
Dempsey	Holsten	Luther	Pawlenty	Swenson	

The motion did not prevail and the amendment was not adopted.

Dawkins moved to amend S. F. No. 854, as amended, as follows:

Page 2, delete line 13

Page 2, line 14, delete "enactment."

A roll call was requested and properly seconded.

The question was taken on the Dawkins amendment and the roll was called. There were 44 yeas and 88 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Chaudhary	Entenza	Greenfield	Jaros	Koskinen
Bakk	Clark, K.	Folliard	Greiling	Johnson	Lenczewski
Biernat	Dawkins	Gleason	Hausman	Kahn	Lieder
Carruthers	Dorn	Gray	Hilty	Kelliher	Luther

Mahoney	Mullery	Paymar	Skoglund	Tunheim
Mariani	Opatz	Rhodes	Solberg	Wagenius
Marko	Orfield	Rukavina	Tomassoni	Wejzman
McCollum	Osthoff	Skoe	Trimble	Wenzel

Those who voted in the negative were:

Abeler	Dorman	Howes	Mares	Peterson	Sykora
Abrams	Erhardt	Huntley	McElroy	Pugh	Tingelstad
Anderson, B.	Erickson	Jennings	McGuire	Rest	Tuma
Bishop	Finseth	Juhnke	Milbert	Reuter	Van Dellen
Boudreau	Fuller	Kalis	Molnau	Rifenberg	Vandever
Bradley	Gerlach	Kielkucki	Mulder	Rostberg	Westerberg
Broecker	Goodno	Knoblach	Murphy	Schumacher	Westfall
Buesgens	Gunther	Krinkie	Ness	Seagren	Westrom
Carlson	Haake	Kubly	Nornes	Seifert, J.	Wilkin
Cassell	Haas	Kuisle	Olson	Seifert, M.	Winter
Clark, J.	Hackbarth	Larsen, P.	Osskopp	Smith	Wolf
Daggett	Harder	Larson, D.	Otremba	Stanek	Workman
Davids	Hasskamp	Leighton	Ozment	Stang	Spk. Sviggum
Dehler	Holberg	Leppik	Paulsen	Storm	
Dempsey	Holsten	Lindner	Pawlenty	Swenson	

The motion did not prevail and the amendment was not adopted.

S. F. No. 854, A bill for an act relating to land use; precluding the termination of lawful land uses by amortization; authorizing the city of St. Louis Park to continue to enforce a certain ordinance; amending Minnesota Statutes 1998, sections 394.21, by adding a subdivision; and 462.357, by adding a subdivision.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 100 yeas and 32 nays as follows:

Those who voted in the affirmative were:

Abeler	Dorman	Howes	Luther	Rest	Tingelstad
Abrams	Dorn	Huntley	Mares	Reuter	Tomassoni
Anderson, B.	Erhardt	Jennings	McGuire	Rifenberg	Tuma
Anderson, I.	Erickson	Juhnke	Milbert	Rostberg	Tunheim
Bakk	Finseth	Kalis	Molnau	Rukavina	Van Dellen
Bishop	Fuller	Kielkucki	Mulder	Schumacher	Vandever
Boudreau	Gerlach	Knoblach	Murphy	Seagren	Wenzel
Bradley	Gleason	Krinkie	Ness	Seifert, J.	Westerberg
Broecker	Goodno	Kubly	Nornes	Seifert, M.	Westfall
Buesgens	Gunther	Kuisle	Olson	Skoe	Westrom
Carlson	Haake	Larsen, P.	Osskopp	Smith	Wilkin
Cassell	Haas	Larson, D.	Otremba	Solberg	Winter
Clark, J.	Hackbarth	Leighton	Ozment	Stanek	Wolf
Daggett	Harder	Lenczewski	Paulsen	Stang	Workman
Davids	Hasskamp	Leppik	Pawlenty	Storm	Spk. Sviggum
Dehler	Holberg	Lieder	Peterson	Swenson	
Dempsey	Holsten	Lindner	Pugh	Sykora	

Those who voted in the negative were:

Biernat	Folliard	Jaros	Mariani	Orfield	Wagenius
Carruthers	Gray	Johnson	Marko	Osthoff	Wejcman
Chaudhary	Greenfield	Kahn	McCollum	Paymar	
Clark, K.	Greiling	Kelliher	McElroy	Rhodes	
Dawkins	Hausman	Koskinen	Mullery	Skoglund	
Entenza	Hilty	Mahoney	Opatz	Trimble	

The bill was passed, as amended, and its title agreed to.

Molnau moved that the remaining bills on the Calendar for the Day be continued. The motion prevailed.

#### TAKEN FROM THE TABLE

Bishop moved that H. F. No. 878 be taken from the table.

A roll call was requested and properly seconded.

The question was taken on the Bishop motion and the roll was called.

Pursuant to rule 2.05, the Speaker excused Pawlenty from voting on the Bishop motion relating to H. F. No. 878.

There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Dorman	Holsten	Luther	Paulsen	Sykora
Abrams	Dorn	Howes	Mahoney	Paymar	Tingelstad
Anderson, B.	Entenza	Huntley	Mares	Peterson	Tomassoni
Anderson, I.	Erhardt	Jaros	Mariani	Pugh	Trimble
Bakk	Erickson	Jennings	Marko	Rest	Tuma
Biernat	Finseth	Johnson	McCollum	Reuter	Tunheim
Bishop	Folliard	Juhnke	McElroy	Rhodes	Van Dellen
Boudreau	Fuller	Kahn	McGuire	Rifenberg	Vandever
Bradley	Gerlach	Kalis	Milbert	Rostberg	Wagenius
Broecker	Gleason	Kelliher	Molnau	Rukavina	Wejcman
Buesgens	Goodno	Kielkucki	Mulder	Schumacher	Wenzel
Carlson	Greenfield	Knoblach	Mullery	Seagren	Westerberg
Carruthers	Greiling	Koskinen	Murphy	Seifert, J.	Westfall
Cassell	Gunther	Krinkie	Ness	Seifert, M.	Westrom
Chaudhary	Haake	Kubly	Nornes	Skoe	Wilkin
Clark, J.	Haas	Kuisle	Olson	Skoglund	Winter
Clark, K.	Hackbarth	Larsen, P.	Opatz	Smith	Wolf
Daggett	Harder	Larson, D.	Orfield	Solberg	Workman
Davids	Hasskamp	Lenczewski	Osskopp	Stanek	Spk. Sviggum
Dawkins	Hausman	Leppik	Osthoff	Stang	
Dehler	Hilty	Lieder	Otremba	Storm	
Dempsey	Holberg	Lindner	Ozment	Swenson	

The motion prevailed and H. F. No. 878 was taken from the table.

H. F. No. 878 was reported to the House.

#### MOTION FOR RECONSIDERATION

Bishop moved that the action whereby H. F. No. 878 was given a third reading on Tuesday, April 6, 1999, be now reconsidered. The motion prevailed.

#### CALL OF THE HOUSE

On the motion of Bishop and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Abeler	Dorn	Holsten	Lindner	Otremba	Storm
Abrams	Entenza	Howes	Luther	Paulsen	Swenson
Anderson, B.	Erhardt	Huntley	Mahoney	Paymar	Sykora
Anderson, I.	Erickson	Jaros	Mares	Peterson	Tingelstad
Biernat	Finseth	Jennings	Mariani	Pugh	Tomassoni
Bishop	Folliard	Johnson	Marko	Rest	Trimble
Boudreau	Fuller	Juhnke	McCollum	Reuter	Tuma
Bradley	Gerlach	Kahn	McElroy	Rhodes	Tunheim
Broecker	Gleason	Kalis	McGuire	Rifenberg	Van Dellen
Buesgens	Goodno	Kelliher	Milbert	Rostberg	Vandever
Carlson	Greenfield	Kielkucki	Molnau	Rukavina	Wagenius
Carruthers	Greiling	Knoblach	Mulder	Schumacher	Wejzman
Cassell	Gunther	Koskinen	Mullery	Seagren	Wenzel
Chaudhary	Haake	Krinkie	Murphy	Seifert, J.	Westerberg
Clark, J.	Haas	Kubly	Ness	Seifert, M.	Westfall
Daggett	Hackbarth	Kuisle	Nornes	Skoe	Westrom
Davids	Harder	Larsen, P.	Olson	Skoglund	Wilkin
Dawkins	Hasskamp	Larsen, D.	Opatz	Smith	Winter
Dehler	Hausman	Lenczewski	Orfield	Solberg	Wolf
Dempsey	Hilty	Leppik	Osskopp	Stanek	Workman
Dorman	Holberg	Lieder	Osthoff	Stang	Spk. Sviggum

Molnau moved that further proceedings of the roll call be suspended and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

Carruthers was excused between the hours of 5:15 p.m. and 7:55 p.m.

Dawkins was excused between the hours of 5:35 p.m. and 6:15 p.m.

Krinkie moved to amend H. F. No. 878, the second engrossment, as follows:

Page 1, line 13, delete "\$4,200,000" and insert "\$3,500,000"

Page 2, line 2, delete "\$4,200,000" and insert "\$3,500,000"

Page 2, line 4, delete "\$4,200,000" and insert "\$3,500,000"

Adjust numbers and total accordingly

A roll call was requested and properly seconded.

Jennings moved to amend the Krinkie amendment to H. F. No. 878, the second engrossment, as follows:

Page 1, line 3 of the Krinkie amendment, delete "\$3,500,000" and insert "\$3,000,000"

Page 1, line 4 of the Krinkie amendment, delete "\$3,500,000" and insert "\$3,000,000"

Page 1, line 5 of the Krinkie amendment, delete "\$3,500,000" and insert "\$3,000,000"

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment and the roll was called.

Pursuant to rule 2.05, the Speaker excused Pawlenty from voting on the Jennings amendment to the Krinkie amendment to H. F. No. 878, the second engrossment.

Tuma moved that those not voting be excused from voting. The motion prevailed.

There were 56 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Greenfield	Kalis	Mariani	Paymar	Trimble
Bakk	Greiling	Kelliher	Marko	Peterson	Tunheim
Biernat	Hasskamp	Koskinen	McGuire	Pugh	Wagenius
Carlson	Hausman	Kubly	Milbert	Rest	Wejzman
Chaudhary	Huntley	Larson, D.	Murphy	Rukavina	Wenzel
Clark, K.	Jaros	Leighton	Olson	Schumacher	Winter
Dorn	Jennings	Lenczewski	Opatz	Skoe	
Entenza	Johnson	Lieder	Orfield	Skoglund	
Folliard	Juhnke	Luther	Osskopp	Solberg	
Gleason	Kahn	Mahoney	Otremba	Tomassoni	

Those who voted in the negative were:

Abeler	Clark, J.	Fuller	Holsten	Mares	Paulsen
Abrams	Daggett	Gerlach	Howes	McCollum	Reuter
Anderson, B.	Davids	Goodno	Kielkucki	McElroy	Rhodes
Bishop	Dehler	Gunther	Knoblach	Molnau	Rifenberg
Boudreau	Dempsey	Haake	Krinkie	Mulder	Rostberg
Bradley	Dorman	Haas	Kuisle	Ness	Seagren
Broecker	Erhardt	Hackbarth	Larsen, P.	Nornes	Seifert, J.
Buesgens	Erickson	Harder	Leppik	Osthoff	Seifert, M.
Cassell	Finseth	Holberg	Lindner	Ozment	Smith

Stanek	Swenson	Tuma	Westerberg	Wilkin	Spk. Sviggum
Stang	Sykora	Van Dellen	Westfall	Wolf	
Storm	Tingelstad	Vandev eer	Westrom	Workman	

The motion did not prevail and the amendment to the amendment was not adopted.

The question recurred on the Krinkie amendment and the roll was called.

Pursuant to rule 2.05, the Speaker excused Pawlenty from voting on the Krinkie amendment to H. F. No. 878, the second engrossment.

Tuma moved that those not voting be excused from voting. The motion prevailed.

There were 111 yeas and 14 nays as follows:

Those who voted in the affirmative were:

Abeler	Entenza	Holsten	Lindner	Otremba	Storm
Abrams	Erhardt	Hoves	Luther	Ozment	Swenson
Anderson, B.	Erickson	Huntley	Mahoney	Paulsen	Sykora
Biernat	Finseth	Jennings	Mares	Peterson	Tingelstad
Bishop	Folliard	Johnson	Marko	Pugh	Tuma
Boudreau	Fuller	Juhnke	McCollum	Rest	Tunheim
Bradley	Gerlach	Kalis	McElroy	Reuter	Van Dellen
Broecker	Gleason	Kelliher	McGuire	Rhodes	Vandev eer
Buesgens	Goodno	Kielkucki	Milbert	Rifenberg	Westerberg
Carlson	Gray	Knoblach	Molnau	Rostberg	Westfall
Cassell	Greiling	Krinkie	Mulder	Schumacher	Westrom
Chaudhary	Gunther	Kubly	Murphy	Seagren	Wilkin
Clark, J.	Haake	Kuisle	Ness	Seifert, J.	Winter
Daggett	Haas	Larsen, P.	Nornes	Seifert, M.	Wolf
Davids	Hackbarth	Larson, D.	Olson	Skoe	Workman
Dehler	Harder	Leighton	Opatz	Skoglund	Spk. Sviggum
Dempsey	Hasskamp	Lenczewski	Orfield	Smith	
Dorman	Hausman	Leppik	Osskopp	Stanek	
Dorn	Holberg	Lieder	Osthoff	Stang	

Those who voted in the negative were:

Anderson, I.	Greenfield	Mariani	Solberg	Wejcman
Bakk	Hilty	Paymar	Tomassoni	Wenzel
Clark, K.	Kahn	Rukavina	Trimble	

The motion prevailed and the amendment was adopted.

Koskinen was excused for the remainder of today's session.

Trimble moved to amend H. F. No. 878, the second engrossment, as amended, as follows:

Page 2, line 33, before the period, insert ", provided that the zoo have one free day a month for Minnesota residents"

A roll call was requested and properly seconded.

The question was taken on the Trimble amendment and the roll was called.

Pursuant to rule 2.05, the Speaker excused Pawlenty from voting on the Trimble amendment to H. F. No. 878, the second engrossment, as amended.

Molnau moved that those not voting be excused from voting. The motion prevailed.

There were 58 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Gleason	Kalis	Marko	Paymar	Stanek
Bakk	Gray	Kelliher	McCollum	Peterson	Tomassoni
Biernat	Greenfield	Kubly	McGuire	Pugh	Trimble
Carlson	Greiling	Larson, D.	Milbert	Rest	Tunheim
Chaudhary	Hasskamp	Leighton	Mullery	Rukavina	Wagenius
Clark, K.	Howes	Lenczewski	Murphy	Schumacher	Wejzman
Dorn	Jaros	Lieder	Opatz	Skoe	Wenzel
Entenza	Johnson	Luther	Orfield	Skoglund	Winter
Folliard	Juhnke	Mahoney	Osskopp	Smith	
Fuller	Kahn	Mariani	Otremba	Solberg	

Those who voted in the negative were:

Abeler	Dehler	Harder	Lindner	Rhodes	Van Dellen
Abrams	Dempsey	Hausman	Mares	Rifenberg	Vandever
Anderson, B.	Dorman	Holberg	McElroy	Rostberg	Westerberg
Bishop	Erhardt	Holsten	Molnau	Seagren	Westfall
Boudreau	Erickson	Huntley	Mulder	Seifert, J.	Westrom
Bradley	Finseth	Jennings	Ness	Seifert, M.	Wilkin
Broecker	Gerlach	Kielkucki	Nornes	Stang	Wolf
Buesgens	Goodno	Knoblach	Olson	Storm	Workman
Cassell	Gunther	Krinkie	Osthoff	Swenson	Spk. Sviggum
Clark, J.	Haake	Kuisle	Ozment	Sykora	
Daggett	Haas	Larsen, P.	Paulsen	Tingelstad	
Davids	Hackbarth	Leppik	Reuter	Tuma	

The motion did not prevail and the amendment was not adopted.

Bishop and Osthoff moved to amend H. F. No. 878, the second engrossment, as amended, as follows:

Page 2, line 25, before "\$600,000" insert "(a)"

Page 2, after line 33, insert:

"(b) The zoological board must submit a report to the governor and legislature by February 1, 2000, analyzing alternative governing structures, including but not limited to, conversion to a private nonprofit or local governmental entity. The report must

include analysis of the impact on ownership of the facility, impacts on employees, and ongoing costs to the state related to any changes in governance structure. Release of the 2001 appropriation is contingent upon making significant progress toward financial self-sufficiency."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Bishop and Osthoff amendment and the roll was called.

Pursuant to rule 2.05, the Speaker excused Pawlenty from voting on the Bishop and Osthoff amendment to H. F. No. 878, the second engrossment, as amended.

Molnau moved that those not voting be excused from voting. The motion prevailed.

There were 92 yeas and 36 nays as follows:

Those who voted in the affirmative were:

Abeler	Dorman	Holsten	Mares	Rhodes	Van Dellen
Abrams	Dorn	Howes	Mariani	Rifenberg	Vandever
Anderson, B.	Erhardt	Huntley	McCollum	Rostberg	Wagenius
Biernat	Erickson	Jennings	McElroy	Seagren	Wejcmán
Bishop	Finseth	Johnson	Milbert	Seifert, J.	Westerberg
Boudreau	Fuller	Kelliher	Molnau	Seifert, M.	Westfall
Bradley	Gerlach	Kielkucki	Mulder	Smith	Westrom
Broecker	Goodno	Knoblach	Mullery	Solberg	Wilkin
Buesgens	Gunther	Krinkie	Ness	Stanek	Winter
Cassell	Haake	Kuisle	Nornes	Stang	Wolf
Chaudhary	Haas	Larsen, P.	Olson	Storm	Workman
Clark, J.	Hackbarth	Larsen, D.	Opatz	Swenson	Spk. Sviggum
Daggett	Harder	Leighton	Osskopp	Sykora	
Davids	Hasskamp	Lenczewski	Ozment	Tingelstad	
Dehler	Hausman	Leppik	Paulsen	Tuma	
Dempsey	Holberg	Lindner	Reuter	Tunheim	

Those who voted in the negative were:

Anderson, I.	Folliard	Jaros	Luther	Otremba	Schumacher
Bakk	Gleason	Juhnke	Mahoney	Paymar	Skoe
Carlson	Gray	Kahn	Marko	Peterson	Skoglund
Clark, K.	Greenfield	Kalis	McGuire	Pugh	Tomassoni
Dawkins	Greiling	Kubly	Murphy	Rest	Trimble
Entenza	Hilty	Lieder	Orfield	Rukavina	Wenzel

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

Pugh moved to amend H. F. No. 878, the second engrossment, as amended, as follows:

Page 1, after line 6, insert:

"ARTICLE 1  
APPROPRIATIONS"

Page 1, lines 8, 10 and 11 delete "act" and insert "article"

Page 3, line 38, delete "act" and insert "article"

Page 3, after line 38, insert:

"ARTICLE 2  
SALES TAX REBATE"

Section 1. [STATEMENT OF PURPOSE.]

(a) The state of Minnesota derives revenues from a variety of taxes, fees, and other sources, including the state sales tax.

(b) It is fair and reasonable to refund the existing state budget surplus in the form of a rebate of nonbusiness consumer sales taxes paid by individuals in calendar year 1997.

(c) Information concerning the amount of sales tax paid at various income levels is contained in the Minnesota tax incidence report, which is written by the commissioner of revenue and presented to the legislature according to Minnesota Statutes, section 270.0682.

(d) It is fair and reasonable to use information contained in the Minnesota tax incidence report to determine the proportionate share of the sales tax rebate due each eligible taxpayer since no effective or practical mechanism exists for determining the amount of actual sales tax paid by each eligible individual.

Sec. 2. [SALES TAX REBATE.]

(a) An individual who was eligible for a credit under Laws 1997, chapter 231, article 1, section 16, as amended by Laws 1997, First Special Session chapter 5, section 35, and Laws 1997, Third Special Session chapter 3, section 11, and Laws 1998, chapter 304, and Laws 1998, chapter 389, article 1, section 3, and who filed for that credit on or before April 15, 1999, or who filed a 1997 Minnesota income tax return and had a tax liability before refundable credits on that return of at least \$1 but did not file the claim for credit authorized under Laws 1997, chapter 231, article 1, section 16, as amended, and who was not claimed as a dependent on a 1997 federal income tax return filed by another person, shall receive a sales tax rebate.

(b) The sales tax rebate for taxpayers who filed the claim for credit authorized under Laws 1997, chapter 231, article 1, section 16, as amended, or the 1997 Minnesota income tax return as married filing joint or head of household must be computed according to the following schedule:

<u>Income</u>	<u>Sales Tax Rebate</u>
<u>less than \$2,500</u>	<u>\$ 380</u>
<u>at least \$2,500 but less than \$5,000</u>	<u>\$ 497</u>
<u>at least \$5,000 but less than \$10,000</u>	<u>\$ 532</u>
<u>at least \$10,000 but less than \$15,000</u>	<u>\$ 582</u>
<u>at least \$15,000 but less than \$20,000</u>	<u>\$ 641</u>
<u>at least \$20,000 but less than \$25,000</u>	<u>\$ 680</u>
<u>at least \$25,000 but less than \$30,000</u>	<u>\$ 732</u>
<u>at least \$30,000 but less than \$35,000</u>	<u>\$ 808</u>

<u>at least \$35,000 but less than \$40,000</u>	<u>\$ 869</u>
<u>at least \$40,000 but less than \$45,000</u>	<u>\$ 927</u>
<u>at least \$45,000 but less than \$50,000</u>	<u>\$ 977</u>
<u>at least \$50,000 but less than \$60,000</u>	<u>\$1,028</u>
<u>at least \$60,000 but less than \$70,000</u>	<u>\$1,136</u>
<u>at least \$70,000 but less than \$80,000</u>	<u>\$1,232</u>
<u>at least \$80,000 but less than \$90,000</u>	<u>\$1,353</u>
<u>at least \$90,000 but less than \$100,000</u>	<u>\$1,503</u>
<u>at least \$100,000 but less than \$120,000</u>	<u>\$1,628</u>
<u>at least \$120,000 but less than \$140,000</u>	<u>\$1,783</u>
<u>at least \$140,000 but less than \$160,000</u>	<u>\$1,928</u>
<u>at least \$160,000 but less than \$180,000</u>	<u>\$2,064</u>
<u>at least \$180,000 but less than \$200,000</u>	<u>\$2,193</u>
<u>at least \$200,000 but less than \$400,000</u>	<u>\$2,804</u>
<u>at least \$400,000 but less than \$600,000</u>	<u>\$3,690</u>
<u>at least \$600,000 but less than \$800,000</u>	<u>\$4,427</u>
<u>\$800,000 and over</u>	<u>\$5,000</u>

(c) The sales tax rebate for individuals who filed the claim for credit authorized under Laws 1997, chapter 231, article 1, section 16, as amended, or the 1997 Minnesota income tax return, as single or married filing separately must be computed according to the following schedule:

<u>Income</u>	<u>Sales Tax Rebate</u>
<u>less than \$2,500</u>	<u>\$ 217</u>
<u>at least \$2,500 but less than \$5,000</u>	<u>\$ 264</u>
<u>at least \$5,000 but less than \$10,000</u>	<u>\$ 318</u>
<u>at least \$10,000 but less than \$15,000</u>	<u>\$ 432</u>
<u>at least \$15,000 but less than \$20,000</u>	<u>\$ 492</u>
<u>at least \$20,000 but less than \$25,000</u>	<u>\$ 526</u>
<u>at least \$25,000 but less than \$30,000</u>	<u>\$ 546</u>
<u>at least \$30,000 but less than \$40,000</u>	<u>\$ 604</u>
<u>at least \$40,000 but less than \$50,000</u>	<u>\$ 688</u>
<u>at least \$50,000 but less than \$70,000</u>	<u>\$ 823</u>
<u>at least \$70,000 but less than \$100,000</u>	<u>\$1,016</u>
<u>at least \$100,000 but less than \$140,000</u>	<u>\$1,224</u>
<u>at least \$140,000 but less than \$200,000</u>	<u>\$1,478</u>
<u>at least \$200,000 but less than \$400,000</u>	<u>\$2,004</u>
<u>\$400,000 and over</u>	<u>\$2,500</u>

(d) Individuals who were not residents of Minnesota for any part of 1997 and who paid more than \$10 in Minnesota sales tax on nonbusiness consumer purchases in that year qualify for a rebate under this paragraph only. Qualifying nonresidents must file a claim for rebate on a form prescribed by the commissioner before the later of May 15, 1999, or 30 days after the date of enactment of this act. The claim must include receipts showing the Minnesota sales tax paid and the date of the sale. Taxes paid on purchases allowed in the computation of federal taxable income or reimbursed by an employer are not eligible for the rebate. The commissioner shall determine the qualifying taxes paid and rebate the lesser of:

(1) 68.08 percent of that amount; or

(2) the maximum amount for which the claimant would have been eligible as determined under paragraph (b) if the taxpayer filed the 1997 federal income tax return as a married taxpayer filing jointly or head of household, or as determined under paragraph (c) for other taxpayers.

(e) "Income," for purposes of this section other than paragraph (d), is taxable income as defined in section 63 of the Internal Revenue Code of 1986, as amended through December 31, 1996, plus the sum of any additions to federal taxable income for the taxpayer under Minnesota Statutes, section 290.01, subdivision 19a, and reported on the original return submitted to claim the credit under Laws 1997, chapter 231, article 1, section 16, as amended, or by subsequent adjustments to that return made within the time limits specified in paragraph (h). For an individual who was a resident of Minnesota for less than the entire year, the sales tax rebate equals the sales tax rebate calculated under paragraph (b) or (c) multiplied by the percentage determined pursuant to Minnesota Statutes, section 290.06, subdivision 2c, paragraph (e), as calculated on the original return submitted to claim the credit under Laws 1997, chapter 231, article 1, section 16, as amended, or by subsequent adjustments to that return made within the time limits specified in paragraph (h). For purposes of paragraph (d), "income" is taxable income as defined in section 63 of the Internal Revenue Code of 1986, as amended through December 31, 1996, and reported on the taxpayer's original federal tax return for the first taxable year beginning after December 31, 1996.

(f) The commissioner of revenue must begin making sales tax rebates by June 1, 1999. Sales tax rebates not paid by July 1, 1999, shall bear interest at the rate specified in Minnesota Statutes, section 270.75.

(g) A sales tax rebate shall not be adjusted based on changes to the return on which the claim for credit authorized under Laws 1997, chapter 231, article 1, section 16, as amended, is based that are made by order of assessment after April 15, 1999, or made by the taxpayer that are filed with the commissioner of revenue after April 15, 1999.

(h) Individuals who filed a joint claim for credit under Laws 1997, chapter 231, article 1, section 16, as amended, shall receive a joint sales tax rebate. After the sales tax rebate has been issued, but before the check has been cashed, either joint claimant may request a separate check for one-half of the joint sales tax rebate.

(i) The sales tax rebate is a "Minnesota tax law" for purposes of Minnesota Statutes, section 270B.01, subdivision 8.

(j) The sales tax rebate is "an overpayment of any tax collected by the commissioner" for purposes of Minnesota Statutes, section 270.07, subdivision 5. For purposes of this paragraph, a joint sales tax rebate is payable to each spouse equally.

(k) If the commissioner of revenue cannot locate an individual entitled to a sales tax rebate by July 1, 2001, or if an individual to whom a sales tax rebate was issued has not cashed the check by July 1, 2001, the right to the sales tax rebate shall lapse and the check shall be deposited in the general fund.

(l) Individuals entitled to a sales tax rebate pursuant to paragraph (a), but who did not receive one, and individuals who receive a sales tax rebate that was not correctly computed, must file a claim with the commissioner before July 1, 2000, in a form prescribed by the commissioner. These claims shall be treated as if they are a claim for refund under Minnesota Statutes, section 289A.50, subdivisions 4 and 7.

(m) The sales tax rebate is a refund subject to revenue recapture under Minnesota Statutes, chapter 270A. The commissioner of revenue shall remit the entire refund to the claimant agency, which shall, upon the request of the spouse who does not owe the debt, refund one-half of the joint sales tax rebate to the spouse who does not owe the debt.

(n) The amount necessary to make the sales tax rebates and interest provided in this section is appropriated from the general fund to the commissioner of revenue in fiscal years 2000 and 2001.

(o) If a sales tax rebate check is cashed by someone other than the payee or payees of the check, and the commissioner of revenue determines that the check has been forged or improperly endorsed, the commissioner may issue an order of assessment for the amount of the check against the person or persons cashing it. The assessment must be made within two years after the check is cashed, but if cashing the check constitutes theft under Minnesota Statutes, section 609.52, or forgery under Minnesota Statutes, section 609.631, the assessment can be made at any time. The assessment may be appealed administratively and judicially. The commissioner may take action to collect the assessment in the same manner as provided by Minnesota Statutes, chapter 289A, for any other order of the commissioner assessing tax.

(p) Notwithstanding Minnesota Statutes, sections 9.031, 16A.40, 16B.49, 16B.50, and any other law to the contrary, the commissioner of revenue may take whatever actions the commissioner deems necessary to pay the rebates required by this section, and may, in consultation with the commissioner of finance and the state treasurer, contract with a private vendor or vendors to process, print, and mail the rebate checks or warrants required under this section and receive and disburse state funds to pay those checks or warrants.

Sec. 3. [APPROPRIATIONS.]

\$1,000,000 is appropriated from the general fund to the commissioner of revenue to administer the sales tax rebate for fiscal year 1999. Any unencumbered balance remaining on June 30, 1999, does not cancel but is available for expenditure by the commissioner of revenue until June 30, 2001.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment.

ARTICLE 3

AGRICULTURAL TAX RELIEF

Section 1. [AGRICULTURAL ASSISTANCE IN 1999.]

Subdivision 1. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section.

(b) "Acre" means an acre of effective agricultural use land within the state of Minnesota as reported to the farm service agency on form 156EZ.

(c) "Commissioner" means the commissioner of revenue.

(d) "Effective agricultural use land" means the land suitable for growing an agricultural crop and excludes land enrolled in the conservation reserve program established by Minnesota Statutes, section 103F.515, or the water bank program established by Minnesota Statutes, section 103F.601.

(e) "Farm" or "farm operation" means an agricultural production operation with a unique farm number as reported on form 156EZ to the farm service agency.

(f) "Farm operator" means a person who is identified as the operator of a farm on form 156EZ filed with the farm service agency.

(g) "Farm service agency" means the United States Farm Service Agency.

(h) "Farmer" or "farmer at risk" means a person who produces an agricultural crop or livestock and is reported to the farm service agency as bearing a percentage of the risk for the farm operation.

(i) "Livestock" means cattle, hogs, poultry, and sheep.

(j) "Livestock production facility" means a farm that has produced at least \$10,000 in sales of unprocessed livestock or unprocessed dairy products as reported on schedule F or form 1065 or form 1120 or 1120S of the farmer's federal income tax return for either taxable years beginning in calendar year 1997 or 1998.

(k) "Person" includes individuals, fiduciaries, estates, trusts, partnerships, joint ventures, and corporations.

Subd. 2. [PAYMENT TO FARMERS.] Every farm operator may apply on a separate form for each farm that they operate to the commissioner by the later of three months following the day of enactment of this act or June 30, 1999, for payments as provided under this subdivision. The payment shall be made to each farmer at risk for a farm

operation and shall equal \$4, multiplied by the number of acres of the farm operation, multiplied by the percentage of the risk borne by that farmer for that farm operation. If total payments for a farm to all farmers at risk for that farm exceed \$5,600, the payment to each farmer at risk shall be prorated so that the total payments to all farmers at risk for that farm do not exceed \$5,600.

Applications shall be based on information reported to the farm service agency for crop year 1998 by December 31, 1998. The applications shall include the social security number or federal employer identification number or a producer number assigned by the farm service agency for each farmer and the farm service agency farm number from form 156EZ. The commissioner shall prepare application forms for the payment and ensure that they are available throughout the state. The commissioner shall make the payment to each eligible farmer within 30 days of the application. In no case will applications be accepted after the later of six months following the day of enactment or September 30, 1999.

Subd. 3. [LIVESTOCK PRODUCERS.] A farmer who owns and operates a livestock production facility on 160 acres or less may elect the agricultural property tax refund under subdivisions 4 to 8 in lieu of the per acre payment under subdivision 2. To qualify, the farmer must apply for the refund as provided in subdivisions 4 to 8.

Subd. 4. [REFUND.] The refund equals the full amount of the property tax payment due and payable on May 15, 1999, on a livestock production facility that is class 1b agricultural homestead property or class 2a agricultural homestead property as defined in Minnesota Statutes, section 273.13, excluding that portion of the tax attributable to the house, garage, and surrounding acre of land. If a portion of the property was leased for the agricultural production year, the refund amount shall be prorated so that only the portion of the property which was not leased for the agricultural production year qualifies for the refund.

Subd. 5. [CERTIFICATION.] The commissioner shall develop a form by the later of 45 days following the day of enactment of this act or May 15, 1999, for use by the county auditors to ascertain qualification for the refund under subdivisions 4 to 8. The form shall require the property owner to certify (1) that the owner operates a livestock production facility on 160 acres or less, and (2) the percentage of that property, if any, that was leased to anyone for the agricultural production year. Any person qualifying under subdivision 3 shall contact the county auditor in the county where the livestock production facility is located and shall file the required form with the county auditor by the later of 75 days following the day of enactment or June 15, 1999.

Subd. 6. [VERIFICATION.] The county auditor shall determine the amount of the refund for all qualifying properties in the county for which the owner has applied under subdivision 5. By the later of 100 days following the day of enactment of this act or July 10, 1999, the county auditor shall notify all applicants of the amount of the refund.

Subd. 7. [CERTIFICATION AND PAYMENT.] By June 30, 1999, any person eligible for the refund under subdivisions 4 to 8 shall send the commissioner a copy of the certification that the taxpayer received from the county auditor. In no case will applications be accepted after the later of eight months following the day of enactment or November 30, 1999. The commissioner shall issue a refund to each qualifying taxpayer who applied by June 30, 1999.

Subd. 8. [PROPERTY TAX REFUND.] Taxpayers benefiting from the refund under subdivisions 4 to 8 must deduct the amount of the refund from the net property taxes payable when applying for a property tax refund under Minnesota Statutes 1998, section 290A.04, subdivision 2.

Subd. 9. [ALTERNATE QUALIFICATION.] (a) If an agricultural production operation does not meet the definition of a farm under subdivision 1 solely because the farm operator had not filed a form 156EZ with the farm service agency, or because there was an error in the farm service agency's records, the commissioner may allow the farm operator to apply for payment under subdivision 2 after providing such information as the commissioner may require to determine the number of acres that would be comparable to the effective agricultural use land listed on form 156EZ.

(b) If the number of acres of effective agricultural use land for crop year 1998 for a farm is greater than indicated in the farm service agency's records, the commissioner may allow a farm operator to apply for payment on the greater acreage after providing such information as the commissioner may require.

(c) If a person who produced an agricultural crop or livestock in 1998 and bore a portion of the risk for the farm operation does not meet the definition of a farmer under subdivision 1 solely because that information was not reported to the farm service agency, or because there was an error in the farm service agency's records, the commissioner may allow the farmer to be included on an application for payment under subdivision 2 after the farmer provides such information as the commissioner may require to determine the farmer was at risk for that farm.

Subd. 10. [LIMIT.] No person may receive a payment under subdivision 2 or a property tax refund under subdivisions 4 to 8 that exceeds \$5,600.

Subd. 11. [APPLICATION OF OTHER LAWS.] The payments under subdivisions 2 and 7 are a "Minnesota tax law" for purposes of Minnesota Statutes, section 270B.01, subdivision 8.

Subd. 12. [REMEDIES.] A farmer denied a refund may appeal that denial under Minnesota Statutes, section 289A.50, subdivision 7.

Subd. 13. [INTEREST.] Payments under subdivision 2 or subdivisions 4 to 8 shall bear interest at the rate specified in Minnesota Statutes, section 289A.55, subdivision 1, from the later of the payment dates specified under subdivision 2 or 7 or 60 days after a complete payment application was filed.

Subd. 14. [PENALTIES.] If the commissioner determines that claims for payments under subdivisions 2 and 7 are or were excessive and were filed with fraudulent intent, the claim must be disallowed in full. If the claim has been paid, the amount disallowed must be recovered by assessment and collection under Minnesota Statutes, chapter 289A. The assessment must be made within two years after a check is cashed, but if cashing a check constitutes theft under Minnesota Statutes, section 609.52, or forgery under Minnesota Statutes, section 609.631, the assessment may be made at any time. The assessment may be appealed administratively and judicially.

## Sec. 2. [APPROPRIATION.]

(a) The amount of the payments required under section 1, subdivisions 2 and 7, is appropriated from the general fund to the commissioner of revenue for fiscal year 2000.

(b) \$68,000 is appropriated to the commissioner of revenue for distribution to counties for the costs of administering section 1, subdivisions 4 to 8.

## Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment.

## ARTICLE 4

### INCOME TAX

Section 1. Minnesota Statutes 1998, section 290.06, subdivision 2c, is amended to read:

Subd. 2c. [SCHEDULES OF RATES FOR INDIVIDUALS, ESTATES, AND TRUSTS.] (a) The income taxes imposed by this chapter upon married individuals filing joint returns and surviving spouses as defined in section 2(a) of the Internal Revenue Code must be computed by applying to their taxable net income the following schedule of rates:

(1) On the first ~~\$19,910~~ \$34,500, ~~6~~ 5.5 percent;

(2) On all over ~~\$19,910~~ \$34,500, but not over ~~\$79,120~~ \$113,360, ~~8~~ 7.5 percent;

(3) On all over ~~\$79,120~~ \$113,360, ~~8.5~~ 8.0 percent.

Married individuals filing separate returns, estates, and trusts must compute their income tax by applying the above rates to their taxable income, except that the income brackets will be one-half of the above amounts.

(b) The income taxes imposed by this chapter upon unmarried individuals must be computed by applying to taxable net income the following schedule of rates:

(1) On the first ~~\$13,620~~ \$17,250, ~~6~~ 5.5 percent;

(2) On all over ~~\$13,620~~ \$17,250, but not over ~~\$44,750~~ \$56,680, ~~8~~ 7.5 percent;

(3) On all over ~~\$44,750~~ \$56,680, ~~8.5~~ 8.0 percent.

(c) The income taxes imposed by this chapter upon unmarried individuals qualifying as a head of household as defined in section 2(b) of the Internal Revenue Code must be computed by applying to taxable net income the following schedule of rates:

(1) On the first ~~\$16,770~~ \$25,870, ~~6~~ 5.5 percent;

(2) On all over ~~\$16,770~~ \$25,870, but not over ~~\$67,390~~ \$85,020, ~~8~~ 7.5 percent;

(3) On all over ~~\$67,390~~ \$85,020, ~~8.5~~ 8.0 percent.

(d) In lieu of a tax computed according to the rates set forth in this subdivision, the tax of any individual taxpayer whose taxable net income for the taxable year is less than an amount determined by the commissioner must be computed in accordance with tables prepared and issued by the commissioner of revenue based on income brackets of not more than \$100. The amount of tax for each bracket shall be computed at the rates set forth in this subdivision, provided that the commissioner may disregard a fractional part of a dollar unless it amounts to 50 cents or more, in which case it may be increased to \$1.

(e) An individual who is not a Minnesota resident for the entire year must compute the individual's Minnesota income tax as provided in this subdivision. After the application of the nonrefundable credits provided in this chapter, the tax liability must then be multiplied by a fraction in which:

(1) the numerator is the individual's Minnesota source federal adjusted gross income as defined in section 62 of the Internal Revenue Code disregarding income or loss flowing from a corporation having a valid election for the taxable year under section 1362 of the Internal Revenue Code but which is not an "S" corporation under section 290.9725 and increased by the additions required under section 290.01, subdivision 19a, clauses (1) and (9), after applying the allocation and assignability provisions of section 290.081, clause (a), or 290.17; and

(2) the denominator is the individual's federal adjusted gross income as defined in section 62 of the Internal Revenue Code of 1986, increased by the amounts specified in section 290.01, subdivision 19a, clauses (1), (5), (6), (7), and (9), and reduced by the amounts specified in section 290.01, subdivision 19b, clauses (1), (11), and (12).

Sec. 2. Minnesota Statutes 1998, section 290.06, subdivision 2d, is amended to read:

Subd. 2d. [INFLATION ADJUSTMENT OF BRACKETS.] (a) For taxable years beginning after December 31, ~~1991~~ 1999, the minimum and maximum dollar amounts for each rate bracket for which a tax is imposed in subdivision 2c shall be adjusted for inflation by the percentage determined under paragraph (b). For the purpose of making the adjustment as provided in this subdivision all of the rate brackets provided in subdivision 2c shall be the rate brackets as they existed for taxable years beginning after December 31, ~~1990~~ 1998, and before January 1, ~~1992~~

2000. The rate applicable to any rate bracket must not be changed. The dollar amounts setting forth the tax shall be adjusted to reflect the changes in the rate brackets. The rate brackets as adjusted must be rounded to the nearest \$10 amount. If the rate bracket ends in \$5, it must be rounded up to the nearest \$10 amount.

(b) The commissioner shall adjust the rate brackets and by the percentage determined pursuant to the provisions of section 1(f) of the Internal Revenue Code, except that in section 1(f)(3)(B) the word "~~1990~~ 1998" shall be substituted for the word "~~1987~~ 1992." For ~~1991~~ 2000, the commissioner shall then determine the percent change from the 12 months ending on August 31, ~~1990~~ 1998, to the 12 months ending on August 31, ~~1991~~ 1999, and in each subsequent year, from the 12 months ending on August 31, ~~1990~~ 1998, to the 12 months ending on August 31 of the year preceding the taxable year. The determination of the commissioner pursuant to this subdivision shall not be considered a "rule" and shall not be subject to the Administrative Procedure Act contained in chapter 14.

No later than December 15 of each year, the commissioner shall announce the specific percentage that will be used to adjust the tax rate brackets.

Sec. 3. Minnesota Statutes 1998, section 290.091, subdivision 1, is amended to read:

Subdivision 1. [IMPOSITION OF TAX.] In addition to all other taxes imposed by this chapter a tax is imposed on individuals, estates, and trusts equal to the excess (if any) of

(a) an amount equal to ~~seven~~ 6.5 percent of alternative minimum taxable income after subtracting the exemption amount, over

(b) the regular tax for the taxable year.

Sec. 4. Minnesota Statutes 1998, section 290.091, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For purposes of the tax imposed by this section, the following terms have the meanings given:

(a) "Alternative minimum taxable income" means the sum of the following for the taxable year:

(1) the taxpayer's federal alternative minimum taxable income as defined in section 55(b)(2) of the Internal Revenue Code;

(2) the taxpayer's itemized deductions allowed in computing federal alternative minimum taxable income, but excluding:

(i) the Minnesota charitable contribution deduction;

(ii) the medical expense deduction;

(iii) the casualty, theft, and disaster loss deduction; and

(iv) the impairment-related work expenses of a disabled person;

(3) for depletion allowances computed under section 613A(c) of the Internal Revenue Code, with respect to each property (as defined in section 614 of the Internal Revenue Code), to the extent not included in federal alternative minimum taxable income, the excess of the deduction for depletion allowable under section 611 of the Internal Revenue Code for the taxable year over the adjusted basis of the property at the end of the taxable year (determined without regard to the depletion deduction for the taxable year);

(4) to the extent not included in federal alternative minimum taxable income, the amount of the tax preference for intangible drilling cost under section 57(a)(2) of the Internal Revenue Code determined without regard to subparagraph (E);

(5) to the extent not included in federal alternative minimum taxable income, the amount of interest income as provided by section 290.01, subdivision 19a, clause (1);

(6) amounts added to federal taxable income as provided by section 290.01, subdivision 19a, clauses (5), (6), and (7);

less the sum of the amounts determined under the following clauses (1) to (4):

(1) interest income as defined in section 290.01, subdivision 19b, clause (1);

(2) an overpayment of state income tax as provided by section 290.01, subdivision 19b, clause (2), to the extent included in federal alternative minimum taxable income;

(3) the amount of investment interest paid or accrued within the taxable year on indebtedness to the extent that the amount does not exceed net investment income, as defined in section 163(d)(4) of the Internal Revenue Code. Interest does not include amounts deducted in computing federal adjusted gross income; and

(4) amounts subtracted from federal taxable income as provided by section 290.01, subdivision 19b, clauses (11) and (12).

In the case of an estate or trust, alternative minimum taxable income must be computed as provided in section 59(c) of the Internal Revenue Code.

(b) "Investment interest" means investment interest as defined in section 163(d)(3) of the Internal Revenue Code.

(c) "Tentative minimum tax" equals ~~seven~~ 6.5 percent of alternative minimum taxable income after subtracting the exemption amount determined under subdivision 3.

(d) "Regular tax" means the tax that would be imposed under this chapter (without regard to this section and section 290.032), reduced by the sum of the nonrefundable credits allowed under this chapter.

(e) "Net minimum tax" means the minimum tax imposed by this section.

(f) "Minnesota charitable contribution deduction" means a charitable contribution deduction under section 170 of the Internal Revenue Code to or for the use of an entity described in section 290.21, subdivision 3, clauses (a) to (e). When the federal deduction for charitable contributions is limited under section 170(b) of the Internal Revenue Code, the allowable contributions in the year of contribution are deemed to be first contributions to entities described in section 290.21, subdivision 3, clauses (a) to (e).

Sec. 5. Minnesota Statutes 1998, section 290.091, subdivision 6, is amended to read:

Subd. 6. [CREDIT FOR PRIOR YEARS' LIABILITY.] (a) A credit is allowed against the tax imposed by this chapter on individuals, trusts, and estates equal to the minimum tax credit for the taxable year. The minimum tax credit equals the adjusted net minimum tax for taxable years beginning after December 31, 1988, reduced by the minimum tax credits allowed in a prior taxable year. The credit may not exceed the excess (if any) for the taxable year of

(1) the regular tax, over

(2) the greater of (i) the tentative alternative minimum tax, or (ii) zero.

(b) The adjusted net minimum tax for a taxable year equals the lesser of the net minimum tax or the excess (if any) of

(1) the tentative minimum tax, over

- (2) ~~seven~~ 6.5 percent of the sum of
- (i) adjusted gross income as defined in section 62 of the Internal Revenue Code,
  - (ii) interest income as defined in section 290.01, subdivision 19a, clause (1),
  - (iii) the amount added to federal taxable income as provided by section 290.01, subdivision 19a, clauses (5), (6), and (7),
  - (iv) interest on specified private activity bonds, as defined in section 57(a)(5) of the Internal Revenue Code, to the extent not included under clause (ii),
  - (v) depletion as defined in section 57(a)(1), determined without regard to the last sentence of paragraph (1), of the Internal Revenue Code, less
  - (vi) the deductions allowed in computing alternative minimum taxable income provided in subdivision 2, paragraph (a), clause (2) of the first series of clauses and clauses (1), (2), (3), and (4) of the second series of clauses, and
  - (vii) the exemption amount determined under subdivision 3.

In the case of an individual who is not a Minnesota resident for the entire year, adjusted net minimum tax must be multiplied by the fraction defined in section 290.06, subdivision 2c, paragraph (e). In the case of a trust or estate, adjusted net minimum tax must be multiplied by the fraction defined under subdivision 4, paragraph (b).

Sec. 6. [EFFECTIVE DATE.]

This article is effective for tax years beginning after December 31, 1998."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

Pugh offered an amendment to the Pugh amendment to H. F. No. 878, the second engrossment, as amended.

Abrams requested a division of the Pugh amendment to the Pugh amendment to H. F. No. 878, the second engrossment, as amended.

The first portion of the Pugh amendment to the Pugh amendment to H. F. No. 878, the second engrossment, as amended, reads as follows:

Page 12, lines 6, 17 and 25 of the Pugh amendment, reinstate the stricken "8.5" and delete "8.0"

A roll call was requested and properly seconded.

The question was taken on the first portion of the Pugh amendment to the Pugh amendment and the roll was called.

Pursuant to rule 2.05, the Speaker excused Pawlenty from voting on the first portion of the Pugh amendment to the Pugh amendment to H. F. No. 878, the second engrossment, as amended.

There were 29 yeas and 101 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Gray	Johnson	Mariani	Orfield	Solberg
Bakk	Greenfield	Kahn	Marko	Pugh	Tomassoni
Clark, K.	Hausman	Leighton	McCollum	Rukavina	Trimble
Dawkins	Hilty	Lieder	Mullery	Skoe	Wejcmán
Entenza	Jaros	Mahoney	Murphy	Skoglund	

Those who voted in the negative were:

Abeler	Dempsey	Hasskamp	Leppik	Paulsen	Sykora
Abrams	Dorman	Holberg	Lindner	Paymar	Tingelstad
Anderson, B.	Dorn	Holsten	Luther	Peterson	Tuma
Biernat	Erhardt	Howes	Mares	Rest	Tunheim
Bishop	Erickson	Huntley	McElroy	Reuter	Van Dellen
Boudreau	Finseth	Jennings	McGuire	Rhodes	Vandever
Bradley	Folliard	Juhnke	Milbert	Rifenberg	Wagenius
Broecker	Fuller	Kalis	Molnau	Rostberg	Wenzel
Buesgens	Gerlach	Kelliher	Mulder	Schumacher	Westerberg
Carlson	Gleason	Kielkucki	Ness	Seagren	Westfall
Carruthers	Goodno	Knoblach	Nornes	Seifert, J.	Westrom
Cassell	Greiling	Krinkie	Olson	Seifert, M.	Wilkin
Chaudhary	Gunther	Kubly	Opatz	Smith	Winter
Clark, J.	Haake	Kuisle	Osskopp	Stanek	Wolf
Daggett	Haas	Larsen, P.	Osthoff	Stang	Workman
Davids	Hackbarth	Larson, D.	Otremba	Storm	Spk. Sviggum
Dehler	Harder	Lenczewski	Ozment	Swenson	

The motion did not prevail and the first portion of the Pugh amendment to the Pugh amendment was not adopted.

The second portion of the Pugh amendment to the Pugh amendment to H. F. No. 878, the second engrossment, as amended, reads as follows:

Page 12 of the Pugh amendment, lines 5, 16 and 24, delete "7.5" and insert "7"

A roll call was requested and properly seconded.

The question was taken on the second portion of the Pugh amendment to the Pugh amendment and the roll was called.

Pursuant to rule 2.05, the Speaker excused Pawlenty from voting on the second portion of the Pugh amendment to the Pugh amendment to H. F. No. 878, the second engrossment, as amended.

There were 129 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abeler	Dorman	Holberg	Lindner	Ozment	Swenson
Abrams	Dorn	Holsten	Luther	Paulsen	Sykora
Anderson, B.	Entenza	Howes	Mahoney	Paymar	Tingelstad
Anderson, I.	Erhardt	Huntley	Mares	Peterson	Tomassoni
Bakk	Erickson	Jaros	Mariani	Pugh	Trimble
Biernat	Finseth	Jennings	Marko	Rest	Tuma
Bishop	Folliard	Johnson	McCollum	Reuter	Tunheim
Boudreau	Fuller	Juhnke	McElroy	Rhodes	Van Dellen
Bradley	Gerlach	Kahn	McGuire	Rifenberg	Vandever
Broecker	Gleason	Kalis	Milbert	Rostberg	Wagenius
Buesgens	Goodno	Kelliher	Molnau	Rukavina	Wejzman
Carlson	Gray	Kielkucki	Mulder	Schumacher	Wenzel
Carruthers	Greenfield	Knoblach	Mullery	Seagren	Westerberg
Cassell	Greiling	Krinkie	Murphy	Seifert, J.	Westfall
Chaudhary	Gunther	Kubly	Ness	Seifert, M.	Westrom
Clark, J.	Haake	Kuisle	Nornes	Skoe	Wilkin
Clark, K.	Haas	Larsen, P.	Olson	Skoglund	Winter
Daggett	Hackbarth	Larson, D.	Opatz	Smith	Wolf
Davids	Harder	Leighton	Orfield	Solberg	Workman
Dawkins	Hasskamp	Lenczewski	Osskopp	Stanek	
Dehler	Hausman	Leppik	Osthoff	Stang	
Dempsey	Hilty	Lieder	Otremba	Storm	

Those who voted in the negative were:

Spk. Sviggum

The motion prevailed and the second portion of the Pugh amendment to the Pugh amendment was adopted.

Dawkins moved to amend the Pugh amendment, as amended, to H. F. No. 878, the second engrossment, as amended, as follows:

Page 7, after line 4 of the Pugh amendment, insert:

"Sec. 3. [PAYMENT TO STATE.]

(a) A taxpayer receiving a rebate under section 2 may endorse and return the rebate check to the state and designate that the returned rebate must be deposited in one or more of the following accounts for use only for the purposes designated in this section:

(1) an account for the basic sliding fee child care program for child care assistance to families administered by the commissioner of children, families, and learning under Minnesota Statutes, section 119B.03;

(2) an account to lower kindergarten through grade 6 classroom size and reduce instructor-to-student ratios to an average level of 1 to 17 to be administered by the commissioner of children, families, and learning;

(3) the affordable rental investment fund to be used by the housing finance agency for family rental housing assistance under Minnesota Statutes, section 462A.21, subdivision 8b;

(4) the contaminated site cleanup and development account to be used by the commissioner of trade and economic development for contamination cleanup development grants under Minnesota Statutes, sections 116J.551 to 116J.556;

(5) an account to increase funding of the State Board of the Arts for grants under chapter 129D; and

(6) the general fund for use as appropriated by law.

(b) Each rebate check shall have printed on the back of the check that it may be endorsed to the state of Minnesota and used for the designated option under paragraph (a). If more than one use of the rebate is designated, the rebate must be divided evenly between the designated options. If a check is endorsed and mailed to the state and no option is designated, the check must be deposited in the general fund.

(c) The rebate check shall be accompanied by a notice prepared by the commissioner of revenue that explains the taxpayer's option to endorse the check to the state, and explains the uses of the funds that the taxpayer may designate. In preparing the notice, the commissioner of revenue shall consult with the commissioners or agencies that administer the funds or accounts. The notice shall also explain that a taxpayer may cash the rebate check and mail a contribution of any amount to the state and that the contribution must be used for the option or options under paragraph (a) as designated by the taxpayer. The notice shall contain in bold print the address to which the endorsed check or a state contribution may be mailed.

(d) Funds endorsed and mailed to the state and contributions mailed to the state under this section shall be deposited by the commissioner of finance in the fund or account designated, and are appropriated to the agency or commissioner designated by the taxpayer or contributor for use as provided in this section. Funds appropriated under this paragraph are available until expended.

(e) Funds appropriated under this section are in addition to any funds appropriated for the purposes given in this section and may not be used for any other purposes including the reduction of any other appropriations. Funds appropriated to a commissioner or agency under this section are not included in the department's or agency's budget base."

Page 7, line 5, delete "3" and insert "4"

Page 7, line 11, delete "4" and insert "5"

Page 7, line 12, delete "3" and insert "4"

The motion prevailed and the amendment to the amendment, as amended, was adopted.

The question recurred on the Pugh amendment, as amended, and the roll was called.

Pursuant to rule 2.05, the Speaker excused Pawlenty from voting on the Pugh amendment, as amended, to H. F. No. 878, the second engrossment, as amended.

There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Bakk	Bradley	Carruthers	Clark, K.	Dempsey
Abrams	Biernat	Broecker	Cassell	Daggett	Dorman
Anderson, B.	Bishop	Buesgens	Chaudhary	Dauids	Dorn
Anderson, I.	Boudreau	Carlson	Clark, J.	Dehler	Entenza

Erhardt	Hilty	Larson, D.	Murphy	Rostberg	Tuma
Erickson	Holberg	Leighton	Ness	Rukavina	Tunheim
Finseth	Holsten	Lenczewski	Nornes	Schumacher	Van Dellen
Folliard	Howes	Leppik	Olson	Seagren	Vandever
Fuller	Huntley	Lieder	Opatz	Seifert, J.	Wagenius
Gerlach	Jaros	Lindner	Orfield	Seifert, M.	Wejcman
Gleason	Jennings	Luther	Osskopp	Skoe	Wenzel
Goodno	Johnson	Mahoney	Osthoff	Skoglund	Westerberg
Gray	Juhnke	Mares	Otremba	Smith	Westfall
Greenfield	Kahn	Mariani	Ozment	Solberg	Westrom
Greiling	Kalis	Marko	Paulsen	Stanek	Wilkin
Gunther	Kelliher	McCollum	Paymar	Stang	Winter
Haake	Kielkucki	McElroy	Peterson	Storm	Wolf
Haas	Knoblach	McGuire	Pugh	Swenson	Workman
Hackbarth	Krinkie	Milbert	Rest	Sykora	Spk. Sviggum
Harder	Kubly	Molnau	Reuter	Tingelstad	
Hasskamp	Kuisle	Mulder	Rhodes	Tomassoni	
Hausman	Larsen, P.	Mullery	Rifenberg	Trimble	

The motion prevailed and the amendment, as amended, was adopted.

H. F. No. 878, A bill for an act relating to public administration; making deficiency appropriations for state government operations; imposing certain conditions and directions; providing a sales tax rebate; providing agricultural property tax relief; changing income tax rates and brackets; appropriating money; amending Minnesota Statutes 1998, sections 290.06, subdivisions 2c and 2d; and 290.091, subdivisions 1, 2, and 6.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called.

Pursuant to rule 2.05, the Speaker excused Pawlenty from voting on the final passage of H. F. No. 878, as amended.

Dawkins moved that those not voting be excused from voting. The motion did not prevail.

There were 129 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abeler	Broecker	Davids	Folliard	Haake	Howes
Abrams	Buesgens	Dehler	Fuller	Haas	Huntley
Anderson, B.	Carlson	Dempsey	Gerlach	Hackbarth	Jaros
Anderson, I.	Carruthers	Dorman	Gleason	Harder	Jennings
Bakk	Cassell	Dorn	Goodno	Hasskamp	Johnson
Biernat	Chaudhary	Entenza	Gray	Hausman	Juhnke
Bishop	Clark, J.	Erhardt	Greenfield	Hilty	Kahn
Boudreau	Clark, K.	Erickson	Greiling	Holberg	Kalis
Bradley	Daggett	Finseth	Gunther	Holsten	Kelliher

Kielkucki	Mahoney	Nornes	Reuter	Stanek	Wejman
Knoblach	Mares	Olson	Rhodes	Stang	Wenzel
Krinkie	Mariani	Opatz	Rifenberg	Storm	Westerberg
Kubly	Marko	Orfield	Rostberg	Swenson	Westfall
Kuisle	McCollum	Osskopp	Rukavina	Sykora	Westrom
Larsen, P.	McElroy	Osthoff	Schumacher	Tingelstad	Wilkin
Larson, D.	McGuire	Otremba	Seagren	Tomassoni	Winter
Leighton	Milbert	Ozment	Seifert, J.	Trimble	Wolf
Lenczewski	Molnau	Paulsen	Seifert, M.	Tuma	Workman
Leppik	Mulder	Paymar	Skoe	Tunheim	Spk. Sviggum
Lieder	Mullery	Peterson	Skoglund	Van Dellen	
Lindner	Murphy	Pugh	Smith	Vandever	
Luther	Ness	Rest	Solberg	Wagenius	

Those who voted in the negative were:

Dawkins

The bill was passed, as amended, and its title agreed to.

### MOTIONS AND RESOLUTIONS

Van Dellen moved that the name of Fuller be shown as chief author and his name be shown as third author on H. F. No. 1055. The motion prevailed.

Carruthers moved that the name of Luther be added as an author on H. F. No. 2377. The motion prevailed.

Carruthers moved that the name of Luther be added as an author on H. F. No. 2381. The motion prevailed.

Westfall moved that H. F. No. 1558, now on the General Register, be re-referred to the Committee on Rules and Legislative Administration. The motion prevailed.

Mulder moved that H. F. No. 1608, now on the Calendar for the Day, be returned to the General Register. The motion prevailed.

Abrams moved that H. F. No. 1984 be recalled from the Committee on Governmental Operations and Veterans Affairs Policy and be re-referred to the Committee on Taxes. The motion prevailed.

### ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 346:

Smith, Broecker and Leighton.

### ADJOURNMENT

Molnau moved that when the House adjourns today it adjourn until 12:00 noon, Wednesday, April 14, 1999. The motion prevailed.

Molnau moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:00 noon, Wednesday, April 14, 1999.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

