

STATE OF MINNESOTA

Journal of the Senate

EIGHTY-SECOND LEGISLATURE

EIGHTY-FIFTH DAY

St. Paul, Minnesota, Monday, March 18, 2002

The Senate met at 10:00 a.m. and was called to order by the President.

CALL OF THE SENATE

Senator Olson imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Edward M. Foster.

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

The roll was called, and the following Senators answered to their names:

Anderson	Higgins	Larson	Ourada	Scheevel
Bachmann	Hottinger	Lesewski	Pappas	Scheid
Belanger	Johnson, Dave	Lessard	Pariseau	Schwab
Berg	Johnson, Dean	Limmer	Pogemiller	Solon, Y.P.
Berglin	Johnson, Debbie	Lourey	Price	Stevens
Betzold	Johnson, Doug	Marty	Ranum	Stumpf
Chaudhary	Kelley, S.P.	Metzen	Reiter	Terwilliger
Cohen	Kierlin	Moe, R.D.	Rest	Tomassoni
Day	Kinkel	Moua	Ring	Vickerman
Dille	Kiscaden	Murphy	Robertson	Wiener
Fischbach	Kleis	Neuville	Robling	Wiger
Foley	Knutson	Oliver	Sabo	
Fowler	Krentz	Olson	Sams	
Frederickson	Langseth	Orfield	Samuelson	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

March 14, 2002

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable Don Samuelson
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2002 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 2002	Date Filed 2002
2573		230	4:56 p.m. March 13	March 13
	2695	231	4:56 p.m. March 13	March 13
	58	232	4:57 p.m. March 13	March 13
	3190	233	4:57 p.m. March 13	March 13
	2783	234	3:03 p.m. March 14	March 14
	1189	235	3:07 p.m. March 14	March 14
	1620	236	3:07 p.m. March 14	March 14
	2987	237	3:05 p.m. March 14	March 14
	3202	238	3:05 p.m. March 14	March 14
	2629	239	3:09 p.m. March 14	March 14
	3309	240	3:02 p.m. March 14	March 14
	2637	241	3:06 p.m. March 14	March 14
	3344	242	3:10 p.m. March 14	March 14
	3296	243	3:10 p.m. March 14	March 14

Sincerely,
Mary Kiffmeyer
Secretary of State

March 15, 2002

The Honorable Don Samuelson
President of the Senate

Dear President Samuelson:

The purpose of this letter is to notify you of my intention to allow S.F. No. 1495 to become law without my signature.

Sincerely,
Jesse Ventura, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 766, 2515 and 2902.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 14, 2002

FIRST READING OF HOUSE BILLS

The following bills were read the first time.

H.F. No. 766: A bill for an act relating to solid waste; transferring authority for the household hazardous waste program; providing funding for SCORE block grants; requesting evaluation of a certain appointing authority; amending Minnesota Statutes 2000, sections 115A.552, subdivision 3; 115A.96, subdivisions 2, 3, 4, 5; Minnesota Statutes 2001 Supplement, section 115A.557, subdivision 2.

Senator Moe, R.D. moved that H.F. No. 766 be laid on the table. The motion prevailed.

H.F. No. 2515: A bill for an act relating to human services; modifying disposition of tobacco endowment fund; modifying rulemaking authority; restricting use of family planning grant funds; requiring certain information be provided before abortions are performed; providing for natural family planning grants; providing for guest registration of dentists and dental hygienists; modifying disposition of certain revenues; modifying certain provisions for medical assistance, MFIP, MinnesotaCare, and general assistance medical care; modifying certain reimbursement rate provisions; modifying certain managed care contract provisions; providing civil penalties; appropriating money; amending Minnesota Statutes 2000, sections 144.395, subdivision 1, as amended; 144.417, subdivision 1; 145.925, subdivision 9, by adding a subdivision; 150A.06, by adding a subdivision; 245.037; 246.18, subdivisions 5, 6; 246.57, subdivisions 1, 5, 6; 256B.431, by adding a subdivision; 256B.69, subdivision 5a, as amended; 256D.03, by adding a subdivision; 256D.05, subdivision 1; 256D.06, subdivision 2; 256J.48, subdivision 1; 256L.03, subdivisions 3, 5; 256L.05, subdivision 3c; Minnesota Statutes 2001 Supplement, sections 144.395, subdivision 2; 256B.056, subdivisions 1a, 4; 256B.057, subdivision 2; 256B.0635, subdivisions 1, 2; 256J.24, subdivision 10; 256J.425, subdivisions 3, 4, 5; 256J.52, subdivision 2; 256J.53, subdivision 1; 256L.17, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 145; repealing Minnesota Statutes 2001 Supplement, section 256B.056, subdivisions 1c, 3c.

Referred to the Committee on Finance.

H.F. No. 2902: A bill for an act relating to early childhood and family education; providing for children and family support, prevention, and self-sufficiency and lifelong learning programs; appropriating money and reducing earlier appropriations; amending Minnesota Statutes 2000, sections 124D.221, subdivision 2; 124D.52, subdivision 3; 124D.531, subdivision 4; Minnesota Statutes 2001 Supplement, section 124D.531, subdivision 1; Laws 2001, First Special Session chapter 3, article 1, section 17, subdivisions 3, as amended, 8, as amended, 9, as amended, 11, as amended; Laws 2001, First Special Session chapter 3, article 1, section 18, as amended; Laws 2001, First Special Session chapter 3, article 2, section 15, subdivision 3, as amended, 10; Laws 2001, First Special Session chapter 3, article 3, section 9, subdivisions 5, 7.

Senator Moe, R.D. moved that H.F. No. 2902 be laid on the table. The motion prevailed.

REPORTS OF COMMITTEES

Senator Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S.F. No. 2736. The motion prevailed.

Senator Pappas from the Committee on Education, to which was referred

S.F. No. 2736: A bill for an act relating to education; kindergarten through grade 12 education; providing for general education, education excellence, special education, facilities and technology, and nutrition and other programs; providing for rulemaking; amending Minnesota Statutes 2000, sections 13.41, subdivision 5; 122A.64; 123B.04, subdivision 5; 123B.49, subdivisions 3, 4; 123B.57, subdivision 4; 123B.61; 123B.62; 123B.63; 123B.83, subdivision 4; 123B.88, subdivision 2; 124D.03, subdivisions 2, 6; 124D.09, subdivisions 3, 4, 12, 20; 124D.10, subdivision 16; 124D.11, subdivisions 1, 2; 124D.118; 125A.03; 125A.27, subdivision 10; 125A.43; 125A.76, subdivision 7; 126C.01, by adding a subdivision; 126C.10, subdivision 26; 126C.21, subdivision 3; 126C.42, subdivision 1; 126C.63, subdivision 5; 127A.47, subdivisions 7, 8; 475.61, subdivision 1; Minnesota Statutes 2001 Supplement, sections 13.32, subdivision 3; 13.46, subdivision 2; 121A.41, subdivision 10; 124D.65, subdivision 5; 125A.09, subdivision 3; 126C.10, subdivision 4; 126C.15, subdivision 1; 126C.17, subdivisions 7, 7a; 126C.63, subdivision 8; 126C.69, subdivisions 2, 9; 127A.42, subdivision 2; Laws 1965, chapter 705, as amended; Laws 2001, First Special Session chapter 5, article 2, section 15; Laws 2001, First Special Session chapter 6, article 2, section 67; proposing coding for new law in Minnesota Statutes, chapters 124D; 125A; repealing Minnesota Statutes 2000, sections 123B.81, subdivision 6; 124D.65, subdivision 4; 126C.01, subdivisions 4, 11; 126C.14; 126C.40, subdivision 4; Laws

2001, First Special Session chapter 6, article 1, section 31; Laws 2001, First Special Session chapter 6, article 5, section 12.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

EARLY CHILDHOOD AND FAMILY EDUCATION

Section 1. Minnesota Statutes 2000, section 119A.37, subdivision 3, is amended to read:

Subd. 3. [FUNDING.] The commissioner may award grants to create or maintain parenting time centers.

In awarding grants to maintain a parenting time center, the commissioner may award a grant to a center that can demonstrate a ~~35~~ 25 percent local match, provided the center is diligently exploring and pursuing all available funding options in an effort to become self-sustaining, and those efforts are reported to the commissioner.

In awarding grants to create a parenting time center, the commissioner shall give priority to:

- (1) areas of the state where no other parenting time center or similar facility exists;
- (2) applicants who demonstrate that private funding for the center is available and will continue; and
- (3) facilities that are adapted for use to care for children, such as day care centers, religious institutions, community centers, schools, technical colleges, parenting resource centers, and child care referral services.

In awarding grants to create or maintain a parenting time center, the commissioner shall require the proposed center to meet standards developed by the commissioner to ensure the safety of the custodial parent and children.

Sec. 2. Minnesota Statutes 2000, section 119A.374, is amended by adding a subdivision to read:

Subd. 1a. [RULEMAKING.] The commissioner shall adopt rules necessary to implement sections 119A.374 to 119A.376.

Sec. 3. Minnesota Statutes 2000, section 119B.011, subdivision 7, is amended to read:

Subd. 7. [CHILD CARE SERVICES.] "Child care services" means the provision of child care ~~provided in family day care homes, group day care homes, nursery schools, day nurseries, child day care centers, head start, and extended day school age child care programs in or out of the child's home~~ as defined in subdivision 5.

Sec. 4. Minnesota Statutes 2000, section 119B.011, is amended by adding a subdivision to read:

Subd. 22. [SERVICE PERIOD.] "Service period" means the biweekly period used by the child care assistance program for billing and payment purposes.

Sec. 5. Minnesota Statutes 2000, section 119B.02, subdivision 1, is amended to read:

Subdivision 1. [CHILD CARE SERVICES.] The commissioner shall develop standards for county and human services boards to provide child care services to enable eligible families to participate in employment, training, or education programs. Within the limits of available appropriations, the commissioner shall distribute money to counties to reduce the costs of child care for eligible families. The commissioner shall adopt rules to govern the program in accordance with this section. The rules must establish a sliding schedule of fees for parents receiving child care services. The rules shall provide that funds received as a lump sum payment of child support

arrearages shall not be counted as income to a family in the month received but shall be prorated over the 12 months following receipt and added to the family income during those months. ~~In the rules adopted under this section, county and human services boards shall be authorized to establish policies for payment of child care spaces for absent children, when the payment is required by the child's regular provider. The rules shall not set a maximum number of days for which absence payments can be made, but instead shall direct the county agency to set limits and pay for absences according to the prevailing market practice in the county. County policies for payment of absences shall be subject to the approval of the commissioner.~~ The commissioner shall maximize the use of federal money under title I and title IV of Public Law Number 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, and other programs that provide federal or state reimbursement for child care services for low-income families who are in education, training, job search, or other activities allowed under those programs. Money appropriated under this section must be coordinated with the programs that provide federal reimbursement for child care services to accomplish this purpose. Federal reimbursement obtained must be allocated to the county that spent money for child care that is federally reimbursable under programs that provide federal reimbursement for child care services. The counties shall use the federal money to expand child care services. The commissioner may adopt rules under chapter 14 to implement and coordinate federal program requirements.

Sec. 6. Minnesota Statutes 2000, section 119B.061, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] A family in which a parent provides care for the family's infant child may receive a subsidy in lieu of assistance if the family is eligible for, or is receiving assistance under the basic sliding fee program. An eligible family must meet the eligibility factors under section 119B.09, except as provided in subdivision 4, the income criteria under section 119B.12, and the requirements of this section. Subject to federal match and maintenance of effort requirements for the child care and development fund, the commissioner shall establish a pool of up to seven percent of the annual appropriation for the basic sliding fee program to provide assistance under the at-home infant child care program. At the end of a fiscal year, the commissioner may carry forward any unspent funds under this section to the next fiscal year within the same biennium for assistance under the basic sliding fee program.

Sec. 7. Minnesota Statutes 2001 Supplement, section 119B.061, subdivision 4, is amended to read:

Subd. 4. [ASSISTANCE.] (a) A family is limited to a lifetime total of 12 months of assistance under subdivision 2. The maximum rate of assistance is equal to 90 percent of the rate established under section 119B.13 for care of infants in licensed family child care in the applicant's county of residence. ~~Assistance must be calculated to reflect the parent fee requirement under section 119B.12 for the family's actual income level and family size while the family is participating in the at-home infant child care program under this section~~ For purposes of this section, the annual income of the applicant family must be based on an annualization of the income received only during the period in which the family is participating in the at-home infant care program.

(b) A participating family must report income and other family changes as specified in the county's plan under section 119B.08, subdivision 3.

(c) Persons who are admitted to the at-home infant care program retain their position in any basic sliding fee program or on any waiting list attained at the time of admittance. If they are on the waiting list, they must advance as if they had not been admitted to the program. Persons leaving the at-home infant care program re-enter the basic sliding fee program at the position they would have occupied or the waiting list at the position to which they would have advanced. Persons who would have attained eligibility for the basic sliding fee program must be given assistance or advance to the top of the waiting list when they leave the at-home infant care program. Persons admitted to the at-home infant care program who are not on a basic sliding fee waiting list may apply to the basic sliding fee program, and if eligible, be placed on the waiting list.

(d) The time that a family receives assistance under this section must be deducted from the one-year exemption from work requirements under the MFIP program.

(e) Assistance under this section does not establish an employer-employee relationship between any member of the assisted family and the county or state.

Sec. 8. Minnesota Statutes 2000, section 119B.061, subdivision 5, is amended to read:

Subd. 5. [IMPLEMENTATION.] (a) The commissioner shall implement the at-home infant child care program under this section through counties that administer the basic sliding fee program under section 119B.03. The commissioner must develop and distribute consumer information on the at-home infant care program to assist parents of infants or expectant parents in making informed child care decisions.

~~(b) The commissioner shall evaluate this program and report the impact to the legislature by January 1, 2000. The evaluation must include data on the number of families participating in the program; the number of families continuing to pursue employment or education while participating in the program; the average income of families prior to, during, and after participation in the program; family size; and single parent and two-parent status.~~

Sec. 9. Minnesota Statutes 2000, section 119B.10, is amended by adding a subdivision to read:

Subd. 3. [PAYMENT DURING MEDICAL LEAVES OF ABSENCE.] Counties must grant child care assistance during a parent's medical leave of absence from education or employment if:

- (1) the parent is incapable of providing child care during the medical leave of absence;
- (2) the parent is expected to return to employment or an approved education or training program within 90 calendar days after leaving the job, education, or training program; and
- (3) the necessity of the medical leave and the inability to provide child care are documented by a physician or licensed psychologist.

The amount of child care authorized during the medical leave of absence must not exceed the equivalent of two months of full-time child care.

Sec. 10. Minnesota Statutes 2000, section 119B.10, is amended by adding a subdivision to read:

Subd. 4. [PAYMENT DURING CARE OF RELATIVE.] Counties must not suspend or terminate a family's child care assistance during a period in which a parent leaves the county to provide care for an elderly, sick, or dying relative if:

- (1) the child remains living in the county;
- (2) the condition of the relative and need for care is documented by a physician; and
- (3) the parent returns to the county within 30 calendar days.

Sec. 11. Minnesota Statutes 2000, section 119B.11, subdivision 2a, is amended to read:

Subd. 2a. [RECOVERY OF OVERPAYMENTS.] An amount of child care assistance paid to a recipient in excess of the payment due is recoverable by the county agency. If the family remains eligible for child care assistance, the overpayment must be recovered through recoupment as identified in Minnesota Rules, part 3400.0140, subpart 19, except that the recoupment amount must be calculated and collected on a service period, rather than monthly, basis. If the family no longer remains eligible for child care assistance, the county may choose to initiate efforts to recover overpayments from the family for overpayment less than \$50. If the overpayment is greater than or equal to \$50, the county shall seek voluntary repayment of the overpayment from the family. If the county is unable to recoup the overpayment through voluntary repayment, the county shall initiate civil court proceedings to recover the overpayment unless the county's costs to recover the overpayment will exceed the amount of the overpayment. A family with an outstanding debt under this subdivision is not eligible for child care assistance until: (1) the debt is paid in full; or (2) satisfactory arrangements are made with the county to retire the debt consistent with the requirements of this chapter and Minnesota Rules, chapter 3400, and the family is in compliance with the arrangements.

Sec. 12. Minnesota Statutes 2000, section 119B.12, subdivision 2, is amended to read:

Subd. 2. [PARENT FEE.] A family must be assessed a parent fee for each service period. A family's monthly parent fee must be a fixed percentage of its annual gross income. Parent fees must apply to families eligible for child care assistance under sections 119B.03 and 119B.05. Income must be as defined in section 119B.011, subdivision 15. The fixed percent is based on the relationship of the family's annual gross income to 100 percent of state median income. Beginning January 1, 1998, parent fees must begin at 75 percent of the poverty level. The minimum parent fees for families between 75 percent and 100 percent of poverty level must be \$5 \$2.50 per month service period. Parent fees must be established in rule and must provide for graduated movement to full payment.

Sec. 13. Minnesota Statutes 2001 Supplement, section 119B.13, subdivision 6, is amended to read:

Subd. 6. [PROVIDER PAYMENTS.] Counties or the state shall make vendor payments to the child care provider or pay the parent directly for eligible child care expenses. If payments for child care assistance are made to providers, the provider shall bill the county for services provided within ten days of the end of the ~~month of~~ service period. If bills are submitted in accordance with the provisions of this subdivision, a county or the state shall issue payment to the provider of child care under the child care fund within 30 days of receiving an invoice from the provider. Counties or the state may establish policies that make payments on a more frequent basis. A county's payment policies must be included in the county's child care plan under section 119B.08, subdivision 3. If payments are made by the state, in addition to being in compliance with this subdivision, the payments must be made in compliance with section 16A.124.

Sec. 14. Minnesota Statutes 2001 Supplement, section 124D.135, subdivision 8, is amended to read:

Subd. 8. [RESERVE ACCOUNT LIMIT.] (a) Under this section, the average balance, during the most recent three-year period in a district's early childhood family education reserve account on June 30 of each year, adjusted for any prior reductions under this subdivision, must not be greater than 25 percent of the district's early childhood family education annual revenue for the prior year. If a district's adjusted average early childhood family education reserve over the three-year period is in excess of 25 percent of the prior year annual revenue, the district's early childhood family education state aid and levy authority for the current school year must be reduced by the excess reserve amount. The aid reduction equals the product of the lesser of the excess reserve amount or the current year revenue under subdivision 1 times the ratio of the district's aid for the prior current year under subdivision 4 to the district's revenue for the prior current year under subdivision 1. The levy reduction equals the excess reserve amount minus the aid reduction. The commissioner must reallocate aid and levy reduced under this subdivision to other eligible early childhood family education programs in proportion to each district's revenue for the prior current year under subdivision 1. For purposes of this subdivision, if a district does not levy the entire amount permitted under subdivision 4, the revenue under subdivision 1 must be reduced in proportion to the actual amount levied.

(b) Notwithstanding paragraph (a), for fiscal year 2003, the excess reserve amount shall be computed using the balance in a district's early childhood family education reserve account on June 30, 2002. For fiscal year 2004, the excess reserve amount shall be computed using the adjusted average balance in a district's early childhood family education reserve account on June 30, 2002, and June 30, 2003.

Sec. 15. Minnesota Statutes 2001 Supplement, section 124D.16, subdivision 6, is amended to read:

Subd. 6. [RESERVE ACCOUNT LIMIT.] (a) Under this section, the average balance, during the most recent three-year period, in a district's school readiness reserve account on June 30 of each year, adjusted for any prior reductions under this subdivision, must not be greater than 25 percent of the district's school readiness annual revenue for the prior year. If a district's adjusted average school readiness reserve over the three-year period is in excess of 25 percent of the prior

year annual revenue, the district's current year school readiness state aid must be reduced by the lesser of the excess reserve amount or the current year aid. The commissioner must reallocate aid reduced under this subdivision to other eligible school readiness programs in proportion to each district's aid for the prior current year under subdivision 2.

(b) Notwithstanding paragraph (a), for fiscal year 2003, the excess reserve amount shall be computed using the balance in a district's school readiness reserve account on June 30, 2002. For fiscal year 2004, the excess reserve amount shall be computed using the adjusted average balance in a district's school readiness reserve account on June 30, 2002, and June 30, 2003.

Sec. 16. Minnesota Statutes 2001 Supplement, section 124D.20, subdivision 5, is amended to read:

Subd. 5. [TOTAL COMMUNITY EDUCATION LEVY.] To obtain total community education revenue, a district operating a youth after-school enrichment program under section 124D.19, subdivision 12, may levy the amount raised by a maximum tax rate of ~~.7431~~ 0.994 percent times the adjusted net tax capacity of the district. To obtain total community education revenue, a district not operating a youth after-school enrichment program may levy the amount raised by a maximum tax rate of ~~.4795~~ 0.830 percent times the adjusted net tax capacity of the district. If the amount of the total community education levy would exceed the total community education revenue, the total community education levy shall be determined according to subdivision 6.

Sec. 17. Minnesota Statutes 2000, section 124D.22, subdivision 3, is amended to read:

Subd. 3. [SCHOOL-AGE CARE LEVY.] To obtain school-age care revenue, a school district may levy an amount equal to the district's school-age care revenue as defined in subdivision 2 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 before 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 ~~\$3,280~~ \$2,433.

Sec. 18. Minnesota Statutes 2000, section 124D.52, subdivision 3, is amended to read:

Subd. 3. [ACCOUNTS; REVENUE; AID.] (a) Each district, group of districts, or private nonprofit organization providing adult basic education programs must establish and maintain accounts separate from all other district accounts for the receipt and disbursement of all funds related to these programs. All revenue received pursuant to this section must be utilized solely for the purposes of adult basic education programs. State aid must not equal more than 100 percent of the unreimbursed expenses of providing these programs, excluding in-kind costs.

(b) Notwithstanding section 123A.26 or any other law to the contrary, an adult basic education consortium providing an approved adult basic education program, may be its own fiscal agent and eligible to receive state aid payments directly from the commissioner.

Sec. 19. Laws 2001, First Special Session chapter 3, article 2, section 15, subdivision 9, is amended to read:

Subd. 9. [FAMILY VISITATION PARENTING TIME CENTERS.] (a) For family visitation parenting time centers according to Minnesota Statutes, section 119A.37:

\$200,000	2002
\$200,000	2003

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

(b) An additional \$96,000 in fiscal year 2002 and \$96,000 in fiscal year 2003 are appropriated from the special revenue fund under Minnesota Statutes, section 517.08, subdivision 1c, for family visitation parenting time centers. Any balance in the first year does not cancel but is available for the second year.

Sec. 20. Laws 2002, chapter 220, article 2, section 14, is amended to read:

Sec. 14. [TANF APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING.] ~~The sum indicated in this section is appropriated to the commissioner of children, families, and learning transferred from the federal Temporary Assistance for Needy Families block grant to the child care and development fund and appropriated to the department of children, families, and learning for the fiscal year designated. This amount is available for expenditure until June 30, 2003.~~

Subd. 2. [BASIC SLIDING FEE CHILD CARE.] For child care assistance according to Minnesota Statutes, section 119B.03:

\$3,000,000	2003
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Sec. 21. [RECOMMENDATION TO THE LEGISLATURE.]

The department of children, families, and learning shall develop a plan for integrating early childhood care and education statewide. The plan must include advice on funding, advocacy, regulation, data collection and utilization, consumer information, appropriate facilities, and policy recommendations that would facilitate integration.

Sec. 22. [REPEALER.]

Laws 2001, First Special Session chapter 3, article 1, section 16, is repealed.

ARTICLE 2

GENERAL EDUCATION

Section 1. Minnesota Statutes 2000, section 123B.02, subdivision 14, is amended to read:

Subd. 14. [EMPLOYEES; CONTRACTS FOR SERVICES.] (a) The board may employ and discharge necessary employees and may contract for other services.

(b) The board must use the uniform employment application form for kindergarten through grade 12 teachers developed by the commissioner when employing teachers or contracting for teachers' services; the board may ask applicants to submit additional information, consistent with applicable law.

[EFFECTIVE DATE.] This section is effective January 1, 2003.

Sec. 2. Minnesota Statutes 2000, section 123B.88, subdivision 2, is amended to read:

Subd. 2. [VOLUNTARY SURRENDER OF TRANSPORTATION PRIVILEGES.] The parent or guardian of a secondary student may voluntarily surrender the secondary student's to and from school transportation privileges granted under subdivision 1.

Sec. 3. Minnesota Statutes 2000, section 124D.09, subdivision 9, is amended to read:

Subd. 9. [ENROLLMENT PRIORITY.] A post-secondary institution shall give priority to its post-secondary students when enrolling 11th and 12th grade pupils in its courses. A post-secondary institution may provide information about its programs to a secondary school or to a pupil or parent, but it may not advertise or otherwise recruit or solicit the participation on financial grounds, secondary pupils to enroll in its programs. An institution must not enroll secondary pupils, for post-secondary enrollment options purposes, in remedial, developmental, or other courses that are not college level. A post-secondary enrollment options pupil may enroll in the institution's physical education courses only if the pupil is concurrently enrolled in another course at the institution through the post-secondary enrollment options program. Once a pupil has been enrolled in a post-secondary course under this section, the pupil shall not be displaced by another student.

Sec. 4. Minnesota Statutes 2000, 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 charter school must use the uniform employment application form for kindergarten through grade 12 teachers developed by the commissioner when employing teachers or contracting for teachers' services; the charter school may ask applicants to submit additional information, consistent with applicable law. The charter school's state aid may be reduced under section 127A.42 if the school employs a teacher who is not appropriately licensed or approved by the board of teaching. The school may employ necessary employees who are not required to hold teaching licenses to perform duties other than teaching and may contract for other services. The school may discharge teachers and nonlicensed employees. A person, without holding a valid administrator's license, may perform administrative, supervisory, or instructional leadership duties.

The board of directors also shall decide matters related to the operation of the school, including budgeting, curriculum and operating procedures.

[EFFECTIVE DATE.] This section is effective January 1, 2003.

Sec. 5. Minnesota Statutes 2000, section 124D.10, subdivision 16, is amended to read:

Subd. 16. [TRANSPORTATION.] (a) By ~~July~~ March 1 of each year, a charter school must notify the district in which the school is located and the department of children, families, and learning if it will provide transportation for pupils enrolled in the school for the fiscal year.

(b) If a charter school elects to provide transportation for pupils, the transportation must be provided by the charter school within the district in which the charter school is located. The state must pay transportation aid to the charter school according to section 124D.11, subdivision 2.

For pupils who reside outside the district in which the charter school is located, the charter school is not required to provide or pay for transportation between the pupil's residence and the border of the district in which the charter school is located. A parent may be reimbursed by the charter school for costs of transportation from the pupil's residence to the border of the district in which the charter school is located 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 cents per mile traveled, whichever is less. Reimbursement may not be paid for more than 250 miles per week.

At the time a pupil enrolls in a charter school, the charter school must provide the parent or guardian with information regarding the transportation.

(c) If a charter school does not elect to provide transportation, transportation for pupils enrolled at the school must be provided by the district in which the school is located, according to sections 123B.88, subdivision 6, and 124D.03, subdivision 8, for a pupil residing in the same district in which the charter school is located. Transportation may be provided by the district in which the school is located, according to sections 123B.88, subdivision 6, and 124D.03, subdivision 8, for a pupil residing in a different district. If the district provides the transportation, the scheduling of routes, manner and method of transportation, control and discipline of the pupils, and any other matter relating to the transportation of pupils under this paragraph shall be within the sole discretion, control, and management of the district school board.

Sec. 6. Minnesota Statutes 2000, section 124D.11, subdivision 1, is amended to read:

Subdivision 1. [GENERAL EDUCATION REVENUE.] (a) General education revenue must be paid to a charter school as though it were a district. The general education revenue for each adjusted marginal cost pupil unit is the state average general education revenue per pupil unit, plus the referendum equalization aid allowance in the pupil's district of residence, minus an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2, times .0485, calculated without basic skills revenue, and transportation sparsity revenue, and the transportation portion of the transition revenue adjustment, plus basic skills revenue as though the school were a school district.

(b) Notwithstanding paragraph (a), for charter schools in the first year of operation, general education revenue shall be computed using the number of adjusted pupil units in the current fiscal year.

Sec. 7. Minnesota Statutes 2000, section 124D.11, subdivision 2, is amended to read:

Subd. 2. [TRANSPORTATION REVENUE.] Transportation revenue must be paid to a charter school that provides transportation services according to section 124D.10, subdivision 16, according to this subdivision. Transportation aid shall equal transportation revenue.

In addition to the revenue under subdivision 1, a charter school providing transportation services must receive general education aid for each pupil unit equal to the sum of an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2, times .0485, plus the transportation sparsity allowance for the school district in which the charter school is located, ~~plus the transportation transition allowance for the district in which the charter school is located.~~

Sec. 8. Minnesota Statutes 2001 Supplement, section 124D.65, subdivision 5, is amended to read:

Subd. 5. [SCHOOL DISTRICT LEP REVENUE.] (a) ~~A school district's limited English proficiency programs revenue for fiscal year 2000 equals the state total limited English proficiency programs revenue, minus the amount determined under paragraph (b), times the ratio of the district's adjusted limited English proficiency programs base revenue to the state total adjusted limited English proficiency programs base revenue.~~

(b) ~~Notwithstanding paragraph (a), if the limited English proficiency programs base revenue for a district equals zero, the limited English proficiency programs revenue equals the sum of the following amounts, computed using current year data:~~

(1) ~~68 percent of the salary of one full-time equivalent teacher for each 40 pupils of limited English proficiency enrolled, or 68 percent of the salary of one-half of a full-time teacher in a district with 20 or fewer pupils of limited English proficiency enrolled; and~~

(2) ~~for supplies and equipment purchased or rented for use in the instruction of pupils of limited English proficiency an amount equal to 47 percent of the sum actually spent by the district but not to exceed an average of \$47 in any one school year for each pupil of limited English proficiency receiving instruction.~~

(c) ~~A district's limited English proficiency programs revenue for fiscal year 2001 and later equals the product of \$584 times the greater of 20 or the number of adjusted marginal cost pupils of limited English proficiency enrolled in the district during the current fiscal year.~~

(d) (b) ~~A pupil ceases to generate state limited English proficiency aid in the school year following the school year in which the pupil attains the state cut-off score on a commissioner-provided assessment that measures the pupil's emerging academic English.~~

Sec. 9. Minnesota Statutes 2000, section 124D.69, is amended by adding a subdivision to read:

Subd. 3. [UNCOMMON SCHOOLS SERVING STUDENTS WITH CHEMICAL DEPENDENCIES; ALLOCATION OF FUNDS.] In addition to the amounts designated in subdivision 1, a school district may allocate funds from its undesignated general fund to a private contracted alternative program, including a private contracted alternative program that is tuition free and provides a comprehensive secondary academic program for students who have been assessed chemically dependent and who have completed a licensed treatment program for chemical dependency.

Sec. 10. Minnesota Statutes 2001 Supplement, section 126C.10, subdivision 4, is amended to read:

Subd. 4. [BASIC SKILLS REVENUE.] (a) For fiscal year 2002, a school district's basic skills revenue equals the sum of:

- (1) compensatory revenue under subdivision 3; plus
- (2) limited English proficiency revenue according to section 124D.65, subdivision 5; plus
- (3) \$190 times the limited English proficiency pupil units according to section 126C.05, subdivision 17; plus
- (4) \$22.50 times the number of adjusted marginal cost pupil units in kindergarten to grade 8.
- (b) For fiscal year 2003 and later, a school district's basic skills revenue equals the sum of:
 - (1) compensatory revenue under subdivision 3; plus
 - (2) limited English proficiency revenue under section 124D.65, subdivision 5; plus
 - (3) \$190 times the limited English proficiency pupil units under section 126C.05, subdivision 17.

Sec. 11. Minnesota Statutes 2000, section 126C.10, subdivision 26, is amended to read:

Subd. 26. [DISTRICT EQUITY GAP.] A district's equity gap equals the greater of zero or the difference between the district's adjusted general revenue and the value of the school district at or immediately above the regional 90th 95th percentile of adjusted general revenue per adjusted marginal cost pupil unit.

[EFFECTIVE DATE.] This section is effective for revenue for fiscal year 2002.

Sec. 12. Minnesota Statutes 2001 Supplement, section 126C.15, subdivision 1, is amended to read:

Subdivision 1. [USE OF THE REVENUE.] ~~The basic skills revenue under section 126C.10, subdivision 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; and

(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.

Sec. 13. Minnesota Statutes 2001 Supplement, section 126C.17, subdivision 1, is amended to read:

Subdivision 1. [REFERENDUM ALLOWANCE.] (a) For fiscal year 2002, a district's referendum revenue allowance equals the sum of the allowance under section 126C.16, subdivision 2 3, plus any additional allowance per resident marginal cost pupil unit authorized under subdivision 9 for fiscal year 2002.

(b) For fiscal year 2003 and later, a district's initial referendum revenue allowance equals the sum of the allowance under section 126C.16, subdivision 2 3, plus any additional allowance per resident marginal cost pupil unit authorized under subdivision 9 before May 1, 2001, for fiscal year 2002 and later, plus the referendum conversion allowance approved under subdivision 13, minus \$415. For districts with more than one referendum authority, the reduction must be computed separately for each authority. The reduction must be applied first to the referendum conversion allowance and next to the authority with the earliest expiration date. A district's initial referendum revenue allowance may not be less than zero.

(c) For fiscal year 2003 and later, a district's referendum revenue allowance equals the initial referendum allowance plus any additional allowance per resident marginal cost pupil unit authorized under subdivision 9 after April 30, 2001, for fiscal year 2003 and later.

Sec. 14. Minnesota Statutes 2001 Supplement, section 126C.17, subdivision 6, as amended by Laws 2002, chapter 220, article 3, section 18, is amended to read:

Subd. 6. [REFERENDUM EQUALIZATION LEVY.] (a) For fiscal year 2003 and later, a district's referendum equalization levy equals the sum of the first tier referendum equalization levy and the second tier referendum equalization levy.

(b) A district's first tier referendum equalization levy equals the district's first tier referendum equalization revenue times the lesser of one or the ratio of the district's referendum market value per resident marginal cost pupil unit to \$476,000.

(c) A district's second tier referendum equalization levy equals the district's second tier referendum equalization revenue times the lesser of one or the ratio of the district's referendum market value per resident marginal cost pupil unit to \$270,000.

(d) Notwithstanding paragraph (c), a district's second tier referendum equalization levy must not be less than 15 percent of the district's second tier referendum equalization revenue.

[EFFECTIVE DATE.] This section is effective for revenue for fiscal year 2004.

Sec. 15. Minnesota Statutes 2001 Supplement, section 126C.17, subdivision 7, is amended to read:

Subd. 7. [REFERENDUM EQUALIZATION AID.] (a) A district's referendum equalization aid equals the difference between its referendum equalization revenue and levy.

(b) If a district's actual levy for first or second tier referendum equalization revenue is less than its maximum levy limit for that tier, aid shall be proportionately reduced.

(c) If a district's second tier referendum equalization levy under subdivision 6, paragraph (d), exceeds the district's levy under subdivision 6, paragraph (c), the district may apply to the commissioner by July 1 each year for additional second tier referendum equalization aid for the subsequent fiscal year. The commissioner must approve or reject the application by September 1. The additional aid must not exceed the lesser of 2.32 percent of the formula allowance times the district's resident marginal cost pupil units or the difference between the levy under subdivision 6, paragraph (d), and the levy under subdivision 6, paragraph (c). The second tier referendum equalization levy must be reduced by the amount of the additional aid.

[EFFECTIVE DATE.] This section is effective for revenue for fiscal year 2004.

Sec. 16. Minnesota Statutes 2001 Supplement, section 126C.17, subdivision 7a, is amended to read:

Subd. 7a. [REFERENDUM TAX BASE REPLACEMENT AID.] For each school district that had a referendum allowance for fiscal year 2002 exceeding \$415, for each separately authorized referendum levy, the commissioner of revenue, in consultation with the commissioner of children, families, and learning, shall certify the amount of the referendum levy in taxes payable year 2001 attributable to the portion of the referendum allowance exceeding \$415 levied against property classified as class 2 4c(1), or 4c(4), under section 273.13, excluding the portion of the tax paid by the portion of class 2a property consisting of the house, garage, and surrounding one acre of land. The resulting amount must be used to reduce the district's referendum levy amount otherwise determined, and must be paid to the district each year that the referendum authority remains in effect. The aid payable under this subdivision must be subtracted from the district's referendum equalization aid under subdivision 7. The referendum equalization aid after the subtraction must not be less than zero.

~~For the purposes of this subdivision, the referendum levy with the latest year of expiration is assumed to be at the highest level of equalization, and the referendum levy with the earliest year of expiration is assumed to be at the lowest level of equalization.~~

Sec. 17. Minnesota Statutes 2000, section 126C.21, subdivision 3, is amended to read:

Subd. 3. [COUNTY APPORTIONMENT DEDUCTION.] Each year the amount of money apportioned to a district for that year pursuant to section 127A.34, subdivision 2, ~~excluding any district where the general education levy is determined according to section 126C.13, subdivision 3,~~ must be deducted from the general education aid earned by that district for the same year or from aid earned from other state sources.

Sec. 18. Minnesota Statutes 2000, 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 ~~1.98~~ 2.67 percent times the adjusted net tax capacity of the district for the preceding year for taxes payable in ~~2000~~ 2002 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 ~~1.98~~ 2.67 percent times the adjusted net tax capacity of the district for the preceding year for taxes payable in ~~2000~~ 2002 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. 19. Minnesota Statutes 2001 Supplement, section 127A.42, subdivision 2, is amended to read:

Subd. 2. [VIOLATIONS OF LAW.] The commissioner may reduce or withhold the district's state aid for any school year whenever the board of the district authorizes or permits violations of law within the district by:

(1) employing a teacher who does not hold a valid teaching license or permit in a public school;

(2) noncompliance with a mandatory rule of general application promulgated by the commissioner in accordance with statute, unless special circumstances make enforcement inequitable, impose an extraordinary hardship on the district, or the rule is contrary to the district's best interests;

(3) the district's continued performance of a contract made for the rental of rooms or buildings for school purposes or for the rental of any facility owned or operated by or under the direction of any private organization, if the contract has been disapproved, the time for review of the determination of disapproval has expired, and no proceeding for review is pending;

(4) any practice which is a violation of sections 1 and 2 of article 13 of the Constitution of the state of Minnesota;

(5) failure to reasonably provide for a resident pupil's school attendance under Minnesota Statutes;

(6) noncompliance with state laws prohibiting discrimination because of race, color, creed, religion, national origin, sex, age, marital status, status with regard to public assistance or disability, as defined in section 363.03; or

(7) using funds contrary to the statutory purpose of the funds.

The reduction or withholding must be made in the amount and upon the procedure provided in this section.

Sec. 20. Minnesota Statutes 2000, 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 referendum equalization aid attributable to the pupil in the resident district.

(b) General education aid paid to a district serving a pupil in programs listed in this subdivision must be increased by an amount equal to the referendum equalization aid attributable to the pupil in the nonresident district.

(c) If the amount of the reduction to be made from the general education aid of the resident

district is greater than the amount of general education aid otherwise due the district, the excess reduction must be made from other state aids due the district.

(d) The district of residence must pay tuition to a district or an area learning center, operated according to paragraph (e), providing special instruction and services to a pupil with a disability, as defined in section 125A.02, or a pupil, as defined in section 125A.51, who is enrolled in a program listed in this subdivision. The tuition must be equal to (1) the actual cost of providing special instruction and services to the pupil, including a proportionate amount for debt service and for capital expenditure facilities and equipment, and debt service but not including any amount for transportation, minus (2) the amount of general education 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 the resident district 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 have the general education revenue paid to a fiscal agent school district. Except as provided in paragraph (d), the district of residence must pay tuition equal to at least 90 percent of the district average general education revenue 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 and transportation sparsity revenue, times the number of pupil units for pupils attending the area learning center, plus the amount of compensatory revenue generated by pupils attending the area learning center.

Sec. 21. Minnesota Statutes 2000, section 127A.47, subdivision 8, is amended to read:

Subd. 8. [CHARTER SCHOOLS.] (a) The general education aid for districts must be adjusted for each pupil attending a charter school under section 124D.10. The adjustments must be made according to this subdivision.

(b) General education aid paid to a district in which a charter school not providing transportation according to section 124D.10, subdivision 16, is located must be increased by an amount equal to the product of: (1) the sum of an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2, times .0485, plus the transportation sparsity allowance for the district, ~~plus the transportation transition allowance for the district;~~ times (2) the pupil units attributable to the pupil.

Sec. 22. Laws 1965, chapter 705, as amended by Laws 1975, chapter 261, section 4; Laws 1980, chapter 609, article 6, section 37; and Laws 1989, chapter 329, article 13, section 18, is amended to read:

Sec. 6. The school board of independent school district No. 625, St. Paul, for the purpose of providing moneys for the payment of its severance pay obligations under a plan approved by resolution of the district, in addition to all other powers possessed by the school district and in addition to and in excess of any existing limitation upon the amount it is otherwise authorized by law to levy as taxes, is authorized to levy taxes annually not exceeding in any one year an amount equal to a ~~gross tax capacity rate of .17 percent for taxes payable in 1990 or a net tax capacity rate of .21 .34 percent for taxes payable in 1991 2002~~ and thereafter upon all taxable property within the school district which taxes as levied shall be spread upon the tax rolls, and all corrections thereof shall be held by the school district, and allocated therefor to be disbursed and expended by the school district in payment of any public school severance pay obligations and for no other purpose. Disbursements and expenditures previously authorized on behalf of the school district for payment of severance pay obligations shall not be deemed to constitute any part of the cost of the operation and maintenance of the school district within the meaning of any statutory limitation of any school district expenditures.

The amount of such severance pay allowable or to become payable in respect of any such

employment or to any such employee shall not exceed the amount permitted by Minnesota Statutes, section 465.72.

Sec. 23. [UNIFORM EMPLOYMENT APPLICATION FORM FOR TEACHERS.]

The commissioner of children, families, and learning, in consultation with representatives of the Minnesota school boards association, the Minnesota association of school personnel, Education Minnesota, the Minnesota association of school administrators, the information policy analysis division of the Minnesota department of administration, and the state board of teaching, must design and transmit to all school districts and charter schools by November 15, 2002, a single, uniform teacher employment application form. The form must be designed so that it may be made available to applicants in an electronic format. School districts and charter schools must use this teacher employment application form beginning January 1, 2003, and later.

[EFFECTIVE DATE.] This section is effective the day following final enactment.

Sec. 24. [REALLOCATION.]

The commissioner of finance may reallocate an amount sufficient to cover any additional fiscal year 2003 expenditures associated with implementing sections 3 and 23 of this article from the appropriation for reimbursements for Web-based and independent study courses in Laws 2001, First Special Session chapter 6, article 4, section 27, subdivision 9.

Sec. 25. [REVISOR INSTRUCTION.]

In the next and subsequent editions of Minnesota Statutes, the revisor shall number section 22 as Minnesota Statutes, section 126C.42, subdivision 5.

Sec. 26. [REPEALER.]

(a) Minnesota Statutes 2000, sections 123B.81, subdivision 6; and 124D.65, subdivision 4; and Laws 2001, First Special Session chapter 6, article 5, section 12, are repealed.

(b) Minnesota Statutes 2000, section 126C.01, subdivision 4, is repealed effective July 1, 2002.

(c) Minnesota Statutes 2000, sections 126C.14; and 126C.40, subdivision 4, are repealed effective for revenue for fiscal year 2003.

ARTICLE 3

EDUCATION EXCELLENCE

Section 1. Minnesota Statutes 2000, section 122A.64, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] For purposes of this section, "people of color" means permanent United States residents who are African-American, American Indian or Alaskan native, Asian or Pacific Islander, or Hispanic, or other persons who have significant academic and practical experience in communities of color.

Sec. 2. Minnesota Statutes 2000, section 123B.04, subdivision 5, is amended to read:

Subd. 5. [COMMISSIONER'S ROLE.] The commissioner of children, families, and learning, in consultation with appropriate educational organizations, shall:

(1) upon request, provide technical support for districts and sites with agreements under this section; and

(2) conduct and compile research on the effectiveness of site decision making; and

(3) periodically report on and evaluate the effectiveness of site management agreements on a statewide basis.

Sec. 3. Minnesota Statutes 2000, section 123B.09, is amended by adding a subdivision to read:

Subd. 1b. [STUDENT ADVISORY MEMBERS.] (a) A school board may appoint one or more students to serve as advisory members to the school board. A board that elects to appoint student advisory members must establish the criteria and process for selecting the students and the student's responsibilities once they are selected. The term of a student appointed to the board begins July 1 in any school year and ends June 30 in the next school year. A student advisory member who is appointed to the board must attend school full time within the district. A student who is appointed to the board under this subdivision shall not receive any compensation but shall be reimbursed for any training-related expense the student incurs while serving as a student advisor.

(b) A student advisory member may attend school board meetings and study sessions, receive agenda materials, place items on the agenda and discuss any agenda item, but the student advisory member shall not vote.

(c) Student advisory members shall not participate in any closed board meeting.

[EFFECTIVE DATE.] This section is effective the day following final enactment.

Sec. 4. Minnesota Statutes 2000, section 124D.09, subdivision 3, is amended to read:

Subd. 3. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given to them.

(a) "Eligible institution" means a Minnesota public post-secondary institution, a private, nonprofit two-year trade and technical school granting associate degrees, an opportunities industrialization center or tribal college accredited by the North Central Association of Colleges and Schools, or a private, residential, two-year or four-year, liberal arts, degree-granting college or university located in Minnesota. "Course" means a course or program.

(b) "Course" means a course or program.

Sec. 5. Minnesota Statutes 2000, section 124D.09, subdivision 4, is amended to read:

Subd. 4. [ALTERNATIVE PUPIL.] "Alternative pupil" means an 11th or 12th grade student not enrolled in a public school district, and includes students attending nonpublic schools and students who are home schooled and have met the reporting requirements under section 120A.24, subdivision 1, clause (1). An alternative pupil is considered a pupil for purposes of this section only. An alternative pupil must register with the commissioner of children, families, and learning before participating in the post-secondary enrollment options program. The commissioner shall prescribe the form and manner of the registration, in consultation with the nonpublic education council under section 123B.445, and may request any necessary information from the alternative pupil.

Sec. 6. Minnesota Statutes 2000, section 124D.09, subdivision 12, is amended to read:

Subd. 12. [CREDITS.] A pupil may enroll in a course under this section for either secondary credit or post-secondary credit. ~~At the time a pupil enrolls in a course, the pupil shall designate whether the course is for secondary or post-secondary credit. A pupil taking several courses may designate some for secondary credit and some for post-secondary credit.~~ A pupil must not audit a course under this section.

A district shall grant academic credit to a pupil enrolled in a course for secondary credit if the pupil successfully completes the course. Seven quarter or four semester college credits equal at least one full year of high school credit. Fewer college credits may be prorated. A district must also grant academic credit to a pupil enrolled in a course for post-secondary credit if secondary credit is requested by a pupil. If no comparable course is offered by the district, the district must, as soon as possible, notify the commissioner, who shall determine the number of credits that shall be granted to a pupil who successfully completes a course. If a comparable course is offered by the district, the school board shall grant a comparable number of credits to the pupil. If there is a dispute between the district and the pupil regarding the number of credits granted for a particular course, the pupil may appeal the board's decision to the commissioner. The commissioner's decision regarding the number of credits shall be final.

The secondary credits granted to a pupil must be counted toward the graduation requirements and subject area requirements of the district. Evidence of successful completion of each course and secondary credits granted must be included in the pupil's secondary school record. A pupil shall provide the school with a copy of the pupil's grade in each course taken for secondary credit under this section. Upon the request of a pupil, the pupil's secondary school record must also include evidence of successful completion and credits granted for a course taken for post-secondary credit. In either case, the record must indicate that the credits were earned at a post-secondary institution.

If a pupil enrolls in a post-secondary institution after leaving secondary school, the post-secondary institution must award post-secondary credit for any course successfully completed for secondary credit at that institution. Other post-secondary institutions may award, after a pupil leaves secondary school, post-secondary credit for any courses successfully completed under this section. An institution may not charge a pupil for the award of credit.

Sec. 7. Minnesota Statutes 2000, section 124D.09, subdivision 20, is amended to read:

Subd. 20. [TEXTBOOKS; MATERIALS.] All textbooks and equipment provided to a pupil, and paid for under subdivision 13, are the property of the pupil's ~~school district of residence~~ post-secondary institution. Each pupil is required to return all textbooks and equipment to the ~~district post-secondary institution~~ after the course has ended.

Sec. 8. Minnesota Statutes 2000, section 124D.10, is amended by adding a subdivision to read:

Subd. 3a. [FORMATION OF SCHOOL BY SCHOOL BOARD.] (a) This subdivision is intended to provide a method for school districts to create schools that serve to implement the school board's strategic plan for public education in the district.

(b) In addition to subdivision 4, paragraph (a), a school board or one or more licensed teachers working in cooperation with the school board may initiate a proposal to operate a charter school. A charter school formed under this subdivision does not require commissioner approval before the school may operate.

(c) A charter school formed under this subdivision is subject to the provisions of this section and section 124D.11 unless specifically exempted.

(d) Notwithstanding the board of directors selection requirements in subdivision 4, paragraph (c), up to two members of the charter school board of directors must be selected by the sponsoring school board.

(e) A charter school formed under this subdivision must submit its budget to the sponsoring school board for review and comment by school district officials. The charter school must submit its learning program to the sponsoring school board for review and comment before implementation or making significant changes.

(f) The sponsoring school district must provide facilities for the charter school formed under this subdivision. The charter school must pay the school district for the operating costs of the facility. If the school district does not have space for the charter school, the school may apply to the commissioner for building lease aid under section 124D.11, subdivision 4.

(g) The teacher selection process must be established in the charter school's bylaws. Teachers may be selected:

(1) by acquiring teaching services from a teachers cooperative or similar professional practice organization;

(2) from existing teachers in the sponsoring school district who are covered by the contract with the district and as a result, retain their contract rights in the district; or

(3) from outside the district.

If teachers are selected according to clause (2) or (3), the personnel selection, evaluation, and termination are the responsibility of the charter school. If teachers are selected according to clause (1), the personnel selection, evaluation, and termination are the responsibility of the professional practice organization.

(h) The nonrenewal or termination of a charter school contract formed under this section must follow the requirements of subdivision 23. However, if a hearing is requested according to the requirements of subdivision 23, the sponsoring school board must provide notice to the public and allow for public input at the hearing before a vote on nonrenewal or termination by the school board.

Sec. 9. [124D.452] [CAREER AND TECHNICAL EDUCATION DISTRICT REPORTS.]

Each district or cooperative center must report data to the department for all career and technical education programs as required by the department.

Sec. 10. Laws 2001, First Special Session chapter 6, article 2, section 67, the effective date, is amended to read:

[EFFECTIVE DATE.] The requirement in paragraph (a) to include items to allow students to demonstrate computational skills without using a calculator in the mathematics basic skills test is effective February 1, 2002 2004. The requirement in paragraph (a) to include items to allow students to demonstrate computational skills without using a calculator in the Minnesota comprehensive assessments is effective February 1, 2004. Paragraph (b) is effective the day following final enactment.

Sec. 11. [PERFORMING ARTS CHARTER SCHOOL.]

(a) A city of the first class that is located in Ramsey county may sponsor a charter school with a curriculum that emphasizes the performing arts. The charter school must comply with all laws applicable to charter schools except, the city may apply directly to the commissioner for approval without prior application to the school board as provided in Minnesota Statutes, section 124D.10, subdivision 4, paragraph (a).

(b) The sponsor of the school shall provide for ongoing evaluation of the charter school. The evaluation shall include student academic performance and comparison of student performance with other performing arts schools. The sponsor shall annually report its results to the education committees of the legislature by February 15 of each new year. A final report must be made by February 15, 2006.

Sec. 12. [BUDGET RECOMMENDATION REPORT.]

By February 15, 2003, the department of children, families, and learning shall evaluate the effectiveness of current metro-wide desegregation/integration plans based on measurable indicators for reducing the socioeconomic and race-based isolation of children. The evaluation must include an analysis of the effectiveness of the use of integration revenue in integrating additional integration revenue to assist in creating integrated communities where at least one cause of school segregation is the result of socioeconomic and race-based residential isolation. The department's evaluation should include input from the following groups or members:

(1) board representatives from the west metro educational providers and the east metro educational providers;

(2) representatives from established immigrant and minority group organizations;

(3) bankers;

(4) realtors;

(5) builders;

(6) representatives from the Minnesota housing finance agency;

(7) representatives from the metropolitan council; and

(8) representatives from the faith community.

Sec. 13. [REVISOR INSTRUCTION.]

In the next edition of Minnesota Statutes, the revisor of statutes shall codify Laws 2001, First Special Session chapter 6, article 2, section 68, as Minnesota Statutes, section 120B.30, subdivision 4.

ARTICLE 4 SPECIAL PROGRAMS

Section 1. Minnesota Statutes 2001 Supplement, section 124D.59, subdivision 2, is amended to read:

Subd. 2. [PUPIL OF LIMITED ENGLISH PROFICIENCY.] "Pupil of limited English proficiency" means a pupil who meets the following requirements:

(1) the pupil in kindergarten through grade 12, as declared by a parent or guardian first learned a language other than English, comes from a home where the language usually spoken is other than English, or usually speaks a language other than English; and

(2) for a pupil in kindergarten through grade 2, the pupil is determined by developmentally appropriate measures, which might include observations, teacher judgment, parent recommendations, or developmentally appropriate assessment instruments, to lack the necessary English skills to participate fully in classes taught in English; or

(3) the pupil in grades 3 through 12 scores below the state cutoff score developed by a technical advisory committee on an assessment measuring emerging academic English provided by the commissioner, or a student in clause (1) enrolled in the district after administration of the assessment.

[EFFECTIVE DATE.] This section is effective for the 2003-2004 school year and later.

Sec. 2. [125A.021] [DEPARTMENT DUTY.]

The department of children, families, and learning shall enforce all federal and state laws, federal regulations, and state rules for special education.

Sec. 3. Minnesota Statutes 2000, section 125A.03, is amended to read:

125A.03 [SPECIAL INSTRUCTION FOR CHILDREN WITH A DISABILITY.]

(a) As defined in paragraph (b), every district or other entity providing public education must provide special instruction and a free appropriate public education through specialized instruction and related services, either within the district or in another district, for all children with a disability who are residents of the district and who are disabled as set forth in section 125A.02.

(b) Notwithstanding any age limits in laws to the contrary, special instruction and related services must be provided from birth until July 1 after the child with a disability becomes 21 years old but shall not extend beyond secondary school or its equivalent, except as provided in section 124D.68, subdivision 2. Local health, education, and social service agencies must refer children under age five who are known to need or suspected of needing special instruction and services to the school district. Districts with less than the minimum number of eligible children with a disability as determined by the commissioner must cooperate with other districts to maintain a full range of programs for education and services for children with a disability. This section does not alter the compulsory attendance requirements of section 120A.22.

Sec. 4. Minnesota Statutes 2001 Supplement, section 125A.09, subdivision 3, is amended to read:

Subd. 3. [INITIAL ACTION; PARENT CONSENT.] (a) The district must not proceed with the initial formal assessment of a child, the initial placement of a child in a special education program, or the initial provision of special education services for a child without the prior written consent of the child's parent or guardian. The refusal of a parent or guardian to consent to an initial evaluation or reevaluation may be overridden by the decision in a hearing held pursuant to subdivision 6 at the district's initiative.

(b) A parent, after consulting with health care, education, or other professional providers, may agree or disagree to provide the parent's child with sympathomimetic medications unless section 144.344 applies.

Sec. 5. Minnesota Statutes 2000, section 125A.27, subdivision 10, is amended to read:

Subd. 10. [INDIVIDUALIZED FAMILY SERVICE PLAN.] "Individualized family service plan" or "IFSP" means a written plan for providing services to a child age birth to three years and the child's family.

Sec. 6. Minnesota Statutes 2000, section 125A.43, is amended to read:

125A.43 [MEDIATION PROCEDURE.]

(a) The commissioner, or the commissioner's designee, of the state lead agency must use federal funds to provide mediation for the activities in paragraphs (b) and (c).

(b) A parent may resolve a dispute regarding issues in section 125A.42, paragraph (b), clause (5), through mediation. If the parent chooses mediation, all public agencies involved in the dispute must participate in the mediation process mediation must be voluntary on the part of all parties. The parent and the public agencies must complete the mediation process within 30 calendar days of the date the office of dispute resolution receives a parent's written request for mediation. The mediation process may not be used to delay a parent's right to a due process hearing. The resolution of the mediation is not binding on any party.

(c) Resolution of a dispute through mediation, or other form of alternative dispute resolution, is not limited to formal disputes arising from the objection of a parent or guardian and is not limited to the period following a request for a due process hearing.

(d) The commissioner shall provide training and resources to school districts to facilitate early identification of disputes and access to mediation.

(e) The local primary agency may request mediation on behalf of involved agencies when there are disputes between agencies regarding responsibilities to coordinate, provide, pay for, or facilitate payment for early intervention services.

Sec. 7. Minnesota Statutes 2001 Supplement, section 125A.515, is amended to read:

125A.515 [~~PLACEMENT OF CHILDREN WITHOUT DISABILITIES~~ STUDENTS; APPROVAL OF EDUCATION PROGRAM.]

Subdivision 1. [APPROVAL OF EDUCATION PROGRAMS.] The commissioner shall approve education programs in care and treatment facilities for placement of children without disabilities and youth in care and treatment facilities including detention centers, before being licensed by the department of human services under Minnesota Rules, parts 9545.0905 to 9545.1125 and 9545.1400 to 9545.1480, or the department of corrections under Minnesota Rules, chapters 2925, 2930, 2935, and 2950. For the purposes of this section, care and treatment facilities includes adult facilities that admit children and provide an education program specifically designed for children who are residents of the facility including chemical dependency and other substance abuse programs, shelter care facilities, hospitals, correctional facilities, mental health programs, and detention facilities. Education programs in these facilities shall conform to state and federal education laws including the Individuals with Disabilities Education Act (IDEA).

Subd. 2. [DEFINITION OF CARE AND TREATMENT PLACEMENT.] Students placed in the following public or private facilities are considered to be placed for care and treatment:

- (1) group foster home, department of corrections;
- (2) secure juvenile detention facilities, department of corrections;
- (3) juvenile residential facilities, department of corrections;
- (4) temporary holdover - eight day, department of corrections;
- (5) group homes, department of human services;
- (6) residential academies, department of human services;
- (7) transitional programs, department of human services;
- (8) shelter care, department of human services and department of corrections;
- (9) shelter for homeless, department of human services;
- (10) adult facilities that admit persons under the age of 22; and
- (11) residential treatment program.

Subd. 3. [RESPONSIBILITIES FOR PROVIDING EDUCATION.] (a) The district in which the facility is located must provide education services, including special education if eligible, to all students placed in a facility for care and treatment.

(b) For education programs operated by the department of corrections, the providing district shall be the department of corrections. For students remanded to the commissioner of corrections, the providing and resident district shall be the department of corrections.

(c) Placement for care and treatment does not automatically make a student eligible for special education. A student placed in a care and treatment facility is eligible for special education under state and federal law including the Individuals with Disabilities Education Act under United States Code, title 20, chapter 33.

Subd. 4. [EDUCATION SERVICES REQUIRED.] (a) Education services must be provided to a student beginning within three business days after the student enters the care and treatment facility. The first four days of the student's placement may be used to screen the student for educational, social, and safety issues.

(b) If the student does not meet the eligibility criteria for special education, regular education services must be provided in accordance with a personal education plan.

(c) A personal education plan shall include current educational data, individual education goals, and an educational transition plan for transition from the facility.

Subd. 5. [EDUCATION PROGRAMS FOR STUDENTS PLACED IN FACILITIES FOR CARE AND TREATMENT.] (a) When a student is placed in a care and treatment facility that has an on-site education program, the providing district must contact the resident district within one business day to determine if a student has been identified as having a disability, and to request at least the student's transcript, and for students with disabilities, the most recent individual education plan and evaluation report, and to determine if the student has been identified as a student with a disability. The resident district must send a facsimile copy to the providing district within two business days of receiving the request.

(b) If a student placed for care and treatment has been identified as having a disability and has an individual education plan in the resident district:

(1) the providing agency must conduct an individualized education plan meeting to reach an agreement about continuing or modifying special education services in accordance with the current individualized education plan goals and objectives and to determine if additional evaluations are necessary;

(2) at least the following people shall receive written notice or documented phone call to be followed with written notice to attend the individualized education plan meeting:

- (i) the person or agency placing the student;
 - (ii) the resident district;
 - (iii) the appropriate teachers and related services staff from the providing district;
 - (iv) appropriate staff from the care and treatment facility;
 - (v) the parents or legal guardians of the student; and
 - (vi) when appropriate, the student.
- (c) For a student who has not been identified as a student with a disability:

(1) a screening must be conducted by the providing districts as soon as possible to determine the student's educational, social, emotional, and behavioral needs; and must include a review of the student's educational records; and

(2) based on the documented results of the screening, a decision shall be made about the need for prereferral interventions, the need for an appropriate evaluation to determine special education eligibility and whether an evaluation can be completed before the student is transferred out of the care and treatment facility. When it is determined the evaluation cannot be completed due to the anticipated length of the student's placement, the student's need for an evaluation shall be documented and communicated to the next providing district and the resident district if different when the student exits the care and treatment facility.

Subd. 6. [EXIT REPORT SUMMARIZING EDUCATIONAL PROGRESS.] If a student has been placed in a care and treatment facility for 15 or more business days, the providing district must prepare an exit report summarizing the regular education, special education, evaluation, progress on education goals, and service information and must send the report to the resident district and the next providing district if different, the parent or legal guardian, and any appropriate social service agency. For students with disabilities, this report must include the student's IEP.

Subd. 7. [MINIMUM EDUCATIONAL SERVICES REQUIRED.] At a minimum, the providing district is responsible for:

(1) the education necessary, including summer school services, for a student who is not performing at grade level as indicated in the personal education plan or IEP; and

(2) a school day, of the same length as the school day of the providing district, unless the unique needs of the student, as documented through the IEP or personal education plan in consultation with treatment providers, requires an alteration in the length of the school day.

Subd. 8. [PLACEMENT, SERVICES, AND DUE PROCESS.] When a student's treatment and educational needs allow, education shall be provided in a regular educational setting. The determination of the amount and site of integrated services must be a joint decision between the student's parents or legal guardians and the treatment and education staff. When applicable, educational placement decisions must be made by the IEP team of the providing district. Educational services shall be provided in conformance with the least restrictive environment principle of the Individuals with Disabilities Education Act. The providing district and care and treatment facility shall cooperatively develop discipline and behavior management procedures to be used in emergency situations that comply with the Minnesota Pupil Fair Dismissal Act and other relevant state and federal laws and regulations.

Subd. 9. [REIMBURSEMENT FOR EDUCATION SERVICES.] (a) Education services provided to students who have been placed for care and treatment are reimbursable in accordance with special education and general education statutes.

- (b) Indirect or consultative services provided in conjunction with regular education prereferral

interventions and assessment provided to regular education students suspected of being disabled and who have demonstrated learning or behavioral problems in a screening are reimbursable with special education categorical aids.

(c) Regular education, including screening, provided to students with or without disabilities is not reimbursable with special education categorical aids.

Subd. 10. [STUDENTS UNABLE TO ATTEND SCHOOL BUT NOT PLACED IN CARE AND TREATMENT FACILITIES.] Students who are absent from, or predicted to be absent from, school for 15 consecutive or intermittent days, at home or in facilities not licensed by the departments of corrections or human services are not students placed for care and treatment. These students include students with and without disabilities who are home due to accident or illness, in a hospital or other medical facility, or in a day treatment center. These students are entitled to education services through their district of residence.

Sec. 8. Minnesota Statutes 2000, section 125A.65, subdivision 1, is amended to read:

Subdivision 1. [RESPONSIBILITY ALLOCATED.] Responsibility for special instruction and services for a ~~visually disabled blind/visually impaired or hearing impaired deaf/hard of hearing~~ child attending the Minnesota state academy for the deaf or the Minnesota state academy for the blind must be determined in subdivisions 2 to 10.

Sec. 9. Minnesota Statutes 2000, section 125A.65, subdivision 3, is amended to read:

Subd. 3. [EDUCATIONAL PROGRAM; TUITION.] When it is determined pursuant to section 125A.69, subdivision 1 or 2, that the child is entitled to attend either school, the board of the Minnesota state academies must provide the appropriate educational program for the child. The board of the Minnesota state academies must make a tuition charge to the child's district of residence for the cost of providing the program. The amount of tuition charged must not exceed the basic revenue of the district general education revenue formula allowance times the pupil unit weighting factor pursuant to section 126C.05 for that child, for the amount of time the child is in the program. For purposes of this subdivision, "basic revenue" has the meaning given it in section 126C.10, subdivision 2. The district of the child's residence must pay the tuition and may claim general education aid for the child. Tuition received by the board of the Minnesota state academies, except for tuition received under subdivision 4, must be deposited in the state treasury as provided in subdivision 8.

Sec. 10. Minnesota Statutes 2000, section 125A.65, subdivision 8, is amended to read:

Subd. 8. [STUDENT COUNT; TUITION.] (a) ~~On May 1 of each year, 1996, and each year thereafter, the board of the Minnesota state academies shall count the actual number of Minnesota resident kindergarten and elementary students and the actual number of Minnesota resident secondary~~ special education eligible students enrolled and receiving education services at the Minnesota state academy for the deaf and the Minnesota state academy for the blind. The board of the Minnesota state academies shall deposit in the state treasury an amount equal to all tuition received less: the amount calculated in paragraph (b).

~~(1) the total number of students on May 1 less 175, times the ratio of the number of kindergarten and elementary students to the total number of students on May 1, times the general education formula allowance; plus~~

~~(2) the total number of students on May 1 less 175, times the ratio of the number of secondary students on May 1 to the total number of students on May 1, times 1.3, times the general education formula allowance.~~

(b) The Minnesota state academies shall credit to their general operation account an amount equal to the tuition received which represents tuition earned for the total number of students over 175 based on:

(1) the total number of enrolled students on May 1 less 175; times

(2) the ratio of the number of students in that grade category to the total number of students on May 1; times

(3) the general education revenue formula allowance; times

(4) the pupil unit weighting factor pursuant to section 126C.05.

Sec. 11. Minnesota Statutes 2000, section 125A.65, subdivision 9, is amended to read:

Subd. 9. [CALCULATION.] The sum provided by the calculation in subdivision 8, ~~clauses (1) and (2)~~, must be deposited in the state treasury and credited to the general operation account of the ~~academy for the deaf and the academy for the blind~~ Minnesota state academy for the deaf and the Minnesota state academy for the blind.

Sec. 12. Minnesota Statutes 2000, section 125A.76, subdivision 5, is amended to read:

Subd. 5. [SCHOOL DISTRICT SPECIAL EDUCATION AID.] (a) A school district's special education aid for fiscal year 2000 and later equals the state total special education aid, minus the amount determined under 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 commissioner of children, families, and learning 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 aid by the amount necessary to compensate for the increased service requirements. The additional 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 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 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.

(d) A charter school under section 124D.10 shall generate state special education aid based on current year expenditures for its first four years of operation and only in its fifth year shall paragraphs (a), (b), and (c) apply.

Sec. 13. Minnesota Statutes 2000, section 125A.76, subdivision 7, is amended to read:

Subd. 7. [REVENUE ALLOCATION FROM COOPERATIVE CENTERS AND INTERMEDIATES.] For the purposes of this section, a special education cooperative, a service cooperative, an education district, or an intermediate district must allocate its approved expenditures for special education programs among participating school districts.

Sec. 14. [TEST OF EMERGING ACADEMIC ENGLISH; LEP PUPILS.]

(a) Notwithstanding Minnesota Statutes 2001 Supplement, section 124D.59, subdivision 2, clause (3), the commissioner of children, families, and learning shall delay, until the 2003-2004 school year, the use of the Test of Emerging Academic English (TEAE) as an assessment measure to identify pupils of limited English proficiency. During this time, the commissioner shall study the TEAE to determine its effectiveness as an assessment measure to identify limited English proficient pupils. The commissioner must establish a technical advisory committee for the duration of the study. The commissioner must include national, state, and local experts in the field of teachers of English to speakers of other languages (TESOL) on the advisory committee. In addition to test effectiveness, the advisory committee must study the use of the TEAE as it relates to success on the Minnesota comprehensive assessments and the basic skills test as multiple indicators to determine the appropriate state cutoff score at each grade level for English language

learners. The advisory committee shall also make recommendations regarding when using multiple indicators is appropriate to determine eligibility for limited English proficiency programs. The commissioner shall report its findings to the education committees of the legislature by February 15, 2005.

(b) During the study, the department of children, families, and learning must continue to annually administer the TEAE on a statewide basis.

[EFFECTIVE DATE.] This section is effective the day following final enactment.

Sec. 15. [REPEALER.]

Minnesota Rules, part 3525.2325, relating to care and treatment facilities licensed by the departments of human services or corrections is repealed on the effective date of section 7, but remains in effect for care and treatment not licensed by the departments of human services or corrections.

ARTICLE 5

FACILITIES AND TECHNOLOGY

Section 1. Minnesota Statutes 2000, 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 adjusted marginal cost pupil units in the district for the school year to which the levy is attributable, to \$3,956 \$2,935.

Sec. 2. Minnesota Statutes 2000, 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: (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; (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 lesser of the amount of the district's total operating capital revenue or the sum of the district's levy in the general and community service funds excluding the adjustments under this section for the year preceding the year the initial debt service levies are certified. The district's general education fund 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 issued under this section as required by section 475.61, (2) the amount of the tax levies for debt service certified for each year for payment of the principal and interest on bonds issued under section 123B.62, and ~~(2)~~ (3) any excess amount in the debt redemption fund used to retire bonds, certificates, or notes issued under this section or section 123B.62 after April 1, 1997, other than amounts used to pay capitalized interest. If the district's general fund levy is less than the amount of the reduction, the balance shall be deducted first from the district's community service fund levy, and next from the district's general fund or community service fund levies for the following year. 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. 3. Minnesota Statutes 2000, section 123B.62, is amended to read:

123B.62 [BONDS FOR CERTAIN CAPITAL FACILITIES.]

(a) In addition to other bonding authority, with approval of the commissioner, a district may issue general obligation bonds for certain capital projects under this section. The bonds must be used only to make capital improvements including:

(1) under section 126C.10, subdivision 14, total operating capital revenue uses specified in clauses (4), (6), (7), (8), (9), and (10);

(2) the cost of energy modifications;

(3) improving handicap accessibility to school buildings; and

(4) bringing school buildings into compliance with life and safety codes and fire codes.

(b) Before a district issues bonds under this subdivision, it must publish notice of the intended projects, the amount of the bond issue, and the total amount of district indebtedness.

(c) A bond issue tentatively authorized by the board under this subdivision becomes finally authorized unless a petition signed by more than 15 percent of the registered voters of the district is filed with the school board within 30 days of the board's adoption of a resolution stating the board's intention to issue bonds. The percentage is to be determined with reference to the number of registered voters in the district on the last day before the petition is filed with the board. The petition must call for a referendum on the question of whether to issue the bonds for the projects under this section. The approval of 50 percent plus one of those voting on the question is required to pass a referendum authorized by this section.

(d) The bonds must be paid off within ten years of issuance. The bonds must be issued in compliance with chapter 475, except as otherwise provided in this section. A tax levy must be made for the payment of principal and interest on the bonds in accordance with section 475.61. The sum of the tax levies under this section and section 123B.61 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 limit specified in section 123B.61. 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 bonds, and (2) any excess amount in the debt redemption fund used to retire bonds issued after April 1, 1997, other than amounts used to pay capitalized interest as provided in section 123B.61. A district using an excess amount in the debt redemption fund to retire the bonds 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 bonds.

(e) Notwithstanding paragraph (d), bonds issued by a district within the first five years following voter approval of a combination according to section 123A.37, subdivision 2, must be paid off within 20 years of issuance. All the other provisions and limitation of paragraph (d) apply.

Sec. 4. Minnesota Statutes 2000, section 123B.63, is amended to read:

123B.63 [~~BUILDING CONSTRUCTION DOWN PAYMENT CAPITAL PROJECT REFERENDUM~~ PROGRAM.]

Subdivision 1. [~~CREATION OF A DOWN PAYMENT CAPITAL PROJECT REFERENDUM ACCOUNT.~~] A district may create a down payment capital project referendum account as a separate account in its general fund and its building construction fund. All proceeds

from the ~~down payment~~ capital project levy must be deposited in the capital ~~expenditure fund and transferred to this account~~ project referendum account in its general fund. The portion of the proceeds to be used for building construction must be transferred to the capital project referendum account in its building construction fund. Interest income attributable to the ~~down payment~~ capital project referendum account must be credited to the that account.

Subd. 2. [USES OF THE ACCOUNT.] Money in the ~~down payment~~ capital project referendum account must be used as a ~~down payment~~ for the future costs of acquisition and betterment for a project that has been reviewed under section 123B.71 and has been approved according to subdivision 3.

Subd. 3. [~~FACILITIES DOWN PAYMENT CAPITAL PROJECT LEVY REFERENDUM.~~] A district may levy the local tax rate approved by a majority of the electors voting on the question to provide funds for a ~~down payment~~ for an approved project. The election must take place no more than five years before the estimated date of commencement of the project. The referendum must be held on a date set by the board. A referendum for a project not receiving a positive review and comment by the commissioner under section 123B.71 must be approved by at least 60 percent of the voters at the election. The referendum may be called by the school board and may be held:

(1) separately, before an election for the issuance of obligations for the project under chapter 475; or

(2) in conjunction with an election for the issuance of obligations for the project under chapter 475; or

(3) notwithstanding section 475.59, as a conjunctive question authorizing both the ~~down payment~~ capital project levy and the issuance of obligations for the project under chapter 475. Any obligations authorized for a project may be issued within five years of the date of the election.

The ballot must provide a general description of the proposed project, state the estimated total cost of the project, state whether the project has received a positive or negative review and comment from the commissioner, state the maximum amount of the ~~down payment~~ capital project levy as a percentage of net tax capacity, state the amount that will be raised by that local tax rate in the first year it is to be levied, and state the maximum number of years that the levy authorization will apply.

The ballot must contain a textual portion with the information required in this section and a question stating substantially the following:

"Shall the ~~down payment~~ capital project levy proposed by the board of School District No. be approved?"

If approved, the amount provided by the approved local tax rate applied to the net tax capacity for the year preceding the year the levy is certified may be certified for the number of years approved.

In the event a conjunctive question proposes to authorize both the ~~down payment~~ capital project levy and the issuance of obligations for the project, appropriate language authorizing the issuance of obligations must also be included in the question.

The district must notify the commissioner of the results of the referendum.

Subd. 4. [~~EXCESS BUILDING CONSTRUCTION FUND LEVY PROCEEDS.~~] Any funds remaining in the ~~down payment~~ capital project referendum account that are not applied to the payment of the costs of the approved project before its final completion must be transferred to the district's debt redemption fund.

Sec. 5. Minnesota Statutes 2000, section 126C.05, is amended by adding a subdivision to read:

Subd. 19. [INTERACTIVE WEB-BASED PROGRAMS.] (a) Average daily membership for an eligible pupil in an approved interactive Web-based, course-equivalent program offered by a

school district or a charter school, and accessed by pupils outside of the regular school day or from a location other than a public school building, under the direction of a teacher with a Minnesota license, must be calculated according to this subdivision. For purposes of this subdivision, an eligible pupil is a public school pupil concurrently enrolled for a minimum of five hours per week in an instructional program at a public school building in the district or charter school or a public school building in another district or charter school and participating in the program by agreement with the district or charter school of enrollment. Average daily membership for a pupil shall equal the number of hours of completed coursework needed for grade progression, credit, or alignment with state graduation standards divided by the number of hours required for a full-time student in the district or charter school. The course of study must be approved by the commissioner of children, families, and learning for:

- (1) grade progression, credit, or alignment with the state graduation standards;
- (2) teacher licensure; and
- (3) compliance with chapter 125A.

Pupils enrolled in the program must not be counted as more than 1.0 pupil in average daily membership. A school district or charter school is not required to provide a pupil enrolled in the program with access to a computer or to the Internet.

(b) Notwithstanding paragraph (a), pupils enrolled in a Web-based public alternative program approved by the commissioner before June 1, 2001, are not required to be concurrently enrolled in the district.

Sec. 6. Minnesota Statutes 2000, 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~~ 2003 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 of finance determines that the levy reduction will not result in a ~~statewide property tax~~ payment from the general fund in the state treasury according to section 16A.641 as would be required under ~~Minnesota Statutes 1992,~~ section ~~124.46~~ 126C.72, subdivision 3. A district's levy that is adjusted under this section must not be reduced below ~~22.3~~ 30.1 percent of the district's adjusted net tax capacity.

Sec. 7. Minnesota Statutes 2001 Supplement, 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) (i) in any district receiving a debt service loan for a debt service levy payable in 2002 and thereafter, or granted a capital loan after January 1, ~~2001~~ 2002, a levy in total dollar amount computed at a rate of ~~30~~ 40 percent of adjusted net tax capacity for taxes payable in 2002 and thereafter;
 - (b) (ii) in any district receiving a debt service loan for a debt service levy payable in ~~1991 and thereafter~~ 2001 or earlier, or granted a capital loan ~~after January 1, 1990~~ before January 2, 2002, a levy in a total dollar amount computed at a rate of ~~24~~ 32 percent of adjusted net tax capacity for taxes payable in ~~1991~~ 2002 and thereafter;
 - (c) 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 21.92 percent on the adjusted net tax capacity for taxes payable in ~~1991 and thereafter~~; or
- (2) a levy 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) 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), the liability of the district for the amount of the difference between the amount it levied under clause (2) and the amount it would have levied under clause (1), and for interest on the amount of that difference, must not be satisfied and discharged pursuant to Minnesota Statutes 1988, or an earlier edition of Minnesota Statutes if applicable, section 124.43, subdivision 4.

Sec. 8. Minnesota Statutes 2001 Supplement, section 126C.69, subdivision 2, is amended to read:

Subd. 2. [CAPITAL LOANS ELIGIBILITY.] Beginning July 1, 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 ~~30~~ 40 percent of adjusted net tax capacity. The estimate must assume a 20-year maturity schedule for new debt.

Sec. 9. Minnesota Statutes 2001 Supplement, 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 ~~450~~ 607 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 ~~450~~ 607 percent of its adjusted net tax capacity as most recently determined, whichever is less;

(4) less any amount by which the amount voted exceeds the total cost of the facilities for which the loan is granted.

(b) The loan may be approved in an amount computed as provided in paragraph (a), clauses (1) to (3), subject to later reduction according to paragraph (a), clause (4).

Sec. 10. Minnesota Statutes 2000, section 475.61, subdivision 1, is amended to read:

Subdivision 1. [DEBT SERVICE RESOLUTION.] The governing body of any municipality issuing general obligations shall, prior to delivery of the obligations, levy by resolution a direct general ad valorem tax upon all taxable property in the municipality to be spread upon the tax rolls for each year of the term of the obligations. The tax levies for all years for municipalities other than school districts shall be specified and such that if collected in full they, together with estimated collections of special assessments and other revenues pledged for the payment of said obligations, will produce at least five percent in excess of the amount needed to meet when due the principal and interest payments on the obligations. The tax levies for school districts shall be specified and such that if collected in full they, together with estimated collection of other revenues pledged for the payment of the obligations, will produce ~~between five and six~~ percent in excess of the amount needed to meet when due the principal and interest payments on the obligations, rounded up to the nearest dollar; except that, with the permission of the commissioner of children, families, and learning, a school board may specify a tax levy in a higher amount if necessary either to meet an anticipated tax delinquency or for cash flow needs to meet the required payments from the debt redemption fund. Such resolution shall irrevocably appropriate the taxes

so levied and any special assessments or other revenues so pledged to the municipality's debt service fund or a special debt service fund or account created for the payment of one or more issues of obligations. The governing body may, in its discretion, at any time after the obligations have been authorized, adopt a resolution levying only a portion of such taxes, to be filed, assessed, extended, collected, and remitted as hereinafter provided, and the amount or amounts therein levied shall be credited against the tax required to be levied prior to delivery of the obligations.

Sec. 11. Laws 2001, First Special Session chapter 6, article 4, section 27, subdivision 9, is amended to read:

Subd. 9. [REIMBURSEMENT FOR WEB-BASED AND INDEPENDENT STUDY COURSES.] For grants to school districts and charter schools for additional pupils taking on-line courses according to section 25:

\$100,000	2002
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This appropriation is available until June 30, 2003.

Sec. 12. Laws 2002, chapter 220, article 3, section 10, is amended to read:

Sec. 10. Laws 2001, First Special Session chapter 6, article 2, section 77, subdivision 7, is amended to read:

Subd. 7. [BEST PRACTICES SEMINARS.] For best practices graduation rule seminars and other professional development capacity building activities that assure proficiency in teaching and implementation of graduation rule standards:

\$5,260,000	2002
\$2,180,000	2003

\$1,000,000 in fiscal year 2002 is for arts via the Internet collaborative project between the Walker Art Center and the Minneapolis Institute of Arts; \$500,000 each year is for best practices grants to intermediate school districts Nos. 287, 916, and 917 to train teachers of special needs students under Laws 1998, chapter 398, article 5, section 42; and \$250,000 each year is for a grant to A Chance to Grow/New Visions for the Minnesota Learning Resource Center.

The commissioner shall consider a curriculum development grant, consistent with the graduation rule, to develop curricula in the area of natural sciences including botany, horticulture, and zoology. The grant shall also be used to provide instructional materials on the Internet. The commissioner shall consider best practices grants to districts for developing gifted and talented services that are integrated with the state's graduation standards. The commissioner shall consider a grant to independent school district No. 621, Mounds View, for a pilot project to establish a parallel block schedule strategy in grades 1 through 3.

The commissioner shall consider a grant of up to \$100,000 for developing an electronic curriculum that focuses on limited English proficiency services, reading basics, and gifted and talented instruction to be used in all-day kindergarten classes.

[EFFECTIVE DATE.] This section is effective the day following final enactment.

ARTICLE 6

NUTRITION AND OTHER PROGRAMS

Section 1. Minnesota Statutes 2000, section 13.32, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in this section:

(a) "Assaultive or threatening conduct" means:

(1) willful conduct by a student that materially and substantially disrupts the rights of other students to an education; or

(2) willful conduct by a student that endangers the student, other students, or surrounding persons, or property of the school.

(b) "Educational data" means data on individuals maintained by a public educational agency or institution or by a person acting for the agency or institution which relates to a student.

Records of instructional personnel which are in the sole possession of the maker thereof and are not accessible or revealed to any other individual except a substitute teacher, and are destroyed at the end of the school year, shall not be deemed to be government data.

Records of a law enforcement unit of a public educational agency or institution which are maintained apart from education data and are maintained solely for law enforcement purposes, and are not disclosed to individuals other than law enforcement officials of the jurisdiction are not educational data; provided, that education records maintained by the educational agency or institution are not disclosed to the personnel of the law enforcement unit. The University of Minnesota police department is a law enforcement agency for purposes of section 13.82 and other sections of Minnesota Statutes dealing with law enforcement records. Records of organizations providing security services to a public educational agency or institution must be administered consistent with section 13.861.

Records relating to a student who is employed by a public educational agency or institution which are made and maintained in the normal course of business, relate exclusively to the individual in that individual's capacity as an employee, and are not available for use for any other purpose are classified pursuant to section 13.43.

~~(b)~~ (c) "Gang activity" means the school has documented that the student exhibits at least three of the following gang identification criteria that have been developed by the criminal gang oversight council under section 299A.64, subdivision 2:

- (1) admits gang membership or association;
- (2) is observed to associate on a regular basis with known gang members;
- (3) has tattoos indicating gang membership;
- (4) wears gang symbols to identify with a specific gang;
- (5) appears in a photograph with known gang members or appears in a photograph using gang related handsigns;
- (6) is named in a gang document, target list, or in gang related graffiti;
- (7) is identified as a gang member by a reliable source where the reliability of the source is described;
- (8) is arrested or detained in the company of identified gang members or their associates;
- (9) corresponds with known gang members or creates or receives correspondence about gang activities; or
- (10) writes gang graffiti on walls, books, or paper.

~~(d) "Juvenile justice system" includes criminal justice agencies and the judiciary when involved in juvenile justice activities.~~ means:

- (1) a judge of the juvenile court;
- (2) members of court services staff as described in section 13.84, subdivision 1;
- (3) a county attorney;
- (4) law enforcement officers; and

(5) individuals designated by the court to perform studies or other duties.

(e) "Principal" means the principal or other person having general administrative control and supervision of a school.

(e) (f) "Student" means an individual currently or formerly enrolled or registered, applicants for enrollment or registration at a public educational agency or institution, or individuals who receive shared time educational services from a public agency or institution.

(d) (g) "Substitute teacher" means an individual who performs on a temporary basis the duties of the individual who made the record, but does not include an individual who permanently succeeds to the position of the maker of the record.

Sec. 2. Minnesota Statutes 2001 Supplement, section 13.32, subdivision 3, is amended to read:

Subd. 3. [PRIVATE DATA; WHEN DISCLOSURE IS PERMITTED.] Except as provided in subdivision 5, educational data is private data on individuals and shall not be disclosed except as follows:

- (a) Pursuant to section 13.05;
- (b) Pursuant to a valid court order;
- (c) Pursuant to a statute specifically authorizing access to the private data;
- (d) To disclose information in health and safety emergencies pursuant to the provisions of United States Code, title 20, section 1232g(b)(1)(I) and Code of Federal Regulations, title 34, section 99.36;
- (e) Pursuant to the provisions of United States Code, title 20, sections 1232g(b)(1), (b)(4)(A), (b)(4)(B), (b)(1)(B), (b)(3) and Code of Federal Regulations, title 34, sections 99.31, 99.32, 99.33, 99.34, and 99.35;
- (f) To appropriate health authorities to the extent necessary to administer immunization programs and for bona fide epidemiologic investigations which the commissioner of health determines are necessary to prevent disease or disability to individuals in the public educational agency or institution in which the investigation is being conducted;
- (g) When disclosure is required for institutions that participate in a program under title IV of the Higher Education Act, United States Code, title 20, chapter 1092;
- (h) To the appropriate school district officials to the extent necessary under subdivision 6, annually to indicate the extent and content of remedial instruction, including the results of assessment testing and academic performance at a post-secondary institution during the previous academic year by a student who graduated from a Minnesota school district within two years before receiving the remedial instruction;
- (i) To appropriate authorities as provided in United States Code, title 20, section 1232g(b)(1)(E)(ii), if the data concern the juvenile justice system and the ability of the system to effectively serve, prior to adjudication, the student whose records are released; provided that the authorities to whom the data are released submit a written request for the data that certifies that the data will not be disclosed to any other person except as authorized by law without the written consent of the parent of the student and the request and a record of the release are maintained in the student's file;
- (j) To volunteers who are determined to have a legitimate educational interest in the data and who are conducting activities and events sponsored by or endorsed by the educational agency or institution for students or former students;
- (k) To provide student recruiting information, from educational data held by colleges and universities, as required by and subject to Code of Federal Regulations, title 32, section 216;

(l) To the juvenile justice system if information about the behavior of a student who poses a risk of harm is reasonably necessary to protect the health or safety of the student or other individuals;

(m) With respect to social security numbers of students in the adult basic education system, to Minnesota state colleges and universities and the department of economic security for the purpose and in the manner described in section 124D.52, subdivision 7; or

(n) To the commissioner of children, families, and learning for purposes of an assessment or investigation of a report of alleged maltreatment of a student as mandated by section 626.556. Upon request by the commissioner of children, families, and learning, data that are relevant to a report of maltreatment and are from charter school and school district investigations of alleged maltreatment of a student must be disclosed to the commissioner, including, but not limited to, the following:

- (1) information regarding the student alleged to have been maltreated;
- (2) information regarding student and employee witnesses;
- (3) information regarding the alleged perpetrator; and

(4) what corrective or protective action was taken, if any, by the school facility in response to a report of maltreatment by an employee or agent of the school or school district; or

(o) For the purpose of verifying information about eligibility for free and reduced-price school meals or other meal benefits, as required by United States Code, title 42, sections 1758 and 1766, and Code of Federal Regulations, title 7, sections 210, 220, 226, and 245, and federal waivers granted by the United States Department of Agriculture. The commissioners of human services, health, economic security, and housing finance may disclose data on individuals to the commissioner of children, families, and learning in order to report confirmed eligibility status for meal benefits. Data released by the commissioners of human services, health, economic security, and housing finance shall be limited to the confirmation of the eligibility of individuals for meal benefits based on household income information reported to their departments, or based on the participation of households in programs that require household income to be within guidelines that do not exceed the income guidelines for meal benefits as specified in United States Code, title 42, sections 1758 and 1766, and Code of Federal Regulations, title 7, sections 226 and 245, and announced annually by the United States Department of Agriculture. Data released to the commissioner of children, families, and learning shall not report the income of households.

Sec. 3. Minnesota Statutes 2000, section 13.32, subdivision 7, is amended to read:

~~Subd. 7. [USES OF DATA.] School officials who receive data on juveniles, as authorized under sections section 260B.171 and 260C.171, may use and share that data within the school district or educational entity as necessary to protect persons and property or to address the educational and other needs of students as provided in section 121A.75. A school district, its agents, and employees who use and share this data in good faith are immune from civil or criminal liability that might otherwise result from their actions.~~

Sec. 4. Minnesota Statutes 2000, section 13.32, subdivision 8, is amended to read:

~~Subd. 8. [ACCESS BY JUVENILE JUSTICE SYSTEM.] (a) Upon request, the following education data shall be disclosed under This subdivision governs the release of educational data to the juvenile justice system for purposes of subdivision 3, clause (i), to the juvenile justice system. A request under this subdivision from a member of the juvenile justice system must be directed to the superintendent of the student's school district or the chief administrative officer of the student's school, who must transmit the request to the principal of the student's school. The principal is responsible for responding to the request and performing the duties of the school under this subdivision.~~

(b) A school official or a member of the juvenile justice system may provide for the electronic transmittal of a request or a response to a request for data under this subdivision, provided that the

certification of a request for data includes the digital signature of the requesting member of the juvenile justice system and adequate procedures are in place to prevent unauthorized access to the data.

(c) The release of the data listed in this paragraph to the juvenile justice system will effectively serve, prior to adjudication, the needs of the student whose records are released. Upon receipt of a written request, a school shall provide this data to a member of the juvenile justice system, to the extent the school maintains the data:

- (1) a student's full name, home address, telephone number, and date of birth;
- (2) a student's school schedule, and attendance record, and photographs, if any; and
- (3) language, other than English, used at home by the student;
- (4) directory information not included in this list, as defined in Code of Federal Regulations, title 34, section 99.3, notwithstanding parental objection to disclosure; and
- (5) the student's parents' names, home addresses, and telephone numbers.

(d) A member of the juvenile justice system may request information from a school regarding the existence of data listed in this paragraph, provided that the request indicates the data that are the subject of the inquiry and contains an explanation of why access to information regarding the data is necessary to effectively serve the student. If an explanation is received, the school shall indicate whether it maintains data in its records that document the following activity or behavior by the student:

- (1) receipt of medication by the student at school as provided in section 121A.22;
- (2) participation in an individual education program under Code of Federal Regulations, title 34, sections 300.500 to 300.529, if the student has been accused of committing a crime;

~~(b) In addition, the following data on behavior by a student who is on probation may be disclosed under subdivision 3, clause (i) or (1), to the juvenile justice system:~~

- ~~(1) (3) use of a controlled substance, alcohol, or tobacco;~~
- ~~(2) (4) assaultive or threatening conduct that could result in dismissal from school under section 121A.45, subdivision 2, clause (b) or (c) as defined in subdivision 1;~~
- ~~(3) (5) possession or use of weapons or look-alike weapons;~~
- ~~(4) (6) participation in gang activity as defined by the criminal gang oversight council under section 299A.64, in subdivision 2, paragraph (b) 1;~~
- ~~(7) participation in bias-motivated acts;~~
- ~~(5) (8) theft; or~~
- ~~(6) (9) vandalism or other damage to property.~~

~~Any request for access to data under this paragraph must contain an explanation of why access to the data is necessary to serve the student or to protect students or staff.~~

(e) This subdivision does not require a school to create data. A school is not required to provide the data if the data are protected by a court order. A school must respond to a request for data within ten days.

~~(e) (f) A superintendent of a school district or chief administrative officer of a school who school that discloses information about a student to the juvenile justice system under this paragraph subdivision shall, to the extent permitted by federal law, notify the student's parent or guardian of the disclosure.~~

(d) (g) Nothing in this subdivision shall limit the disclosure of educational data pursuant to court order.

(h) A school district, its agents, and employees who provide data under this subdivision are not liable for compensatory or exemplary damages or an award of attorney fees in an action under section 13.08 or other law, or for a penalty under section 13.09.

(i) Section 13.03, subdivision 4, applies to data that are shared under this subdivision with a government entity. If the data are shared with a member of the juvenile justice system who is not a government entity, the person must treat the data consistent with the requirements of this chapter that would apply to a government entity.

(j) A member of the juvenile justice system who falsely certifies a request for data under this section is subject to the penalties provided in section 13.09.

Sec. 5. Minnesota Statutes 2000, section 13.32, is amended by adding a subdivision to read:

Subd. 9. [FORMS.] To make a data request under subdivision 8, paragraph (d), a member of the juvenile justice system must use the following form:

REQUEST

FOR INFORMATION

Family

Educational Rights and Privacy Act/
Minnesota Government Data Practices Act

DATE/TIME OF REQUEST

TO:.....

(Superintendent of school district
or chief administrative officer of school)

FROM:.....

(Requester's name/agency)

STUDENT:

BASIS FOR REQUEST

... Juvenile delinquency investigation/prosecution

... Child protection assessment/investigation

... Investigation/filing of CHIPS or delinquency
petition

REASON FOR REQUEST (requester must describe why information regarding existence of the data marked below is necessary to effectively serve the student).....

.....
.....
.....

RESPONSE TO REQUEST

The school must indicate whether it has data on the student that document any activity or behavior marked by the requester.

INFORMATION REQUESTED (mark all that apply)

RESPONSE

Indicate whether you have data
that document the student's:

(yes or no)

... receipt of medication at school according
to Minnesota Statutes, section 121A.22

....

- ... participation in an individualized education program under Code of Federal Regulations, title 34, section 300.500 et seq., if it is alleged that the student has committed a crime
- ... use of a controlled substance, alcohol, or tobacco
- ... assaultive or threatening conduct as defined in Minnesota Statutes, section 13.32, subdivision 1
- ... possession or use of weapons or look-alike weapons
- ... participation in gang activities as defined in Minnesota Statutes, section 13.32, subdivision 1
- ... participation in bias-motivated acts
- ... theft
- ... vandalism and damage to property

CERTIFICATION: The undersigned certifies that the undersigned is a member of the juvenile justice system as defined by Minnesota Statutes, section 13.32, subdivision 1. The requested data are needed by the juvenile justice system so it may effectively serve, prior to adjudication, the student whose records are released. The undersigned will not disclose the information received to any other party, except as provided under state law, without prior written consent as required by Code of Federal Regulations, title 34, section 99.38(b). The undersigned further certifies that the undersigned understands that by signing this request, the undersigned is subject to the penalties in Minnesota Statutes, section 13.09.

.....
Signature/Title

Sec. 6. Minnesota Statutes 2001 Supplement, 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, the department of children, families, and learning, and the department of economic security for the purpose of monitoring the eligibility of the data subject for unemployment benefits, for any employment or training program administered, supervised, or certified by that agency, for the purpose of administering any rehabilitation program or child care assistance program, whether alone or in conjunction with the welfare system, or to monitor and evaluate the 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 Minnesota family investment program participant may be disclosed to law enforcement officers who provide the name of the participant and notify the agency that:

(i) the participant:

(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) the current address of a recipient of Minnesota family investment program, general assistance, general assistance medical care, or food stamps may be disclosed to law enforcement officers who, in writing, provide the name of the recipient and notify the agency that the recipient is a person required to register under section 243.166, but is not residing at the address at which the recipient is registered under section 243.166;

(20) certain information regarding child support obligors who are in arrears may be made public according to section 518.575;

(21) 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;

(22) data in the work reporting system may be disclosed under section 256.998, subdivision 7;

(23) 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 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;

(24) 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;

(25) 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;

(26) 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;

(27) to monitor and evaluate the 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;

(28) to evaluate child support program performance and to identify and prevent fraud in the child support program by exchanging data between the department of human services, department of revenue under section 270B.14, subdivision 1, paragraphs (a) and (b), without regard to the limitation of use in paragraph (c), department of health, department of economic security, and other state agencies as is reasonably necessary to perform these functions; or

(29) counties operating child care assistance programs under chapter 119B may disseminate data on program participants, applicants, and providers to the commissioner of children, families, and learning.

(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).

For the purposes of this subdivision, a request will be deemed to be made in writing if made through a computer interface system.

Sec. 7. Minnesota Statutes 2000, section 120A.41, is amended to read:

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

A school board's annual school calendar must include at least ~~three additional days of student instruction or staff development training related to implementing section 120B.031, subdivision 1, paragraph (f), 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.

Sec. 8. Minnesota Statutes 2000, section 121A.03, subdivision 2, is amended to read:

Subd. 2. [SEXUAL, RELIGIOUS, AND RACIAL HARASSMENT AND VIOLENCE POLICY.] (a) A school board must adopt a written sexual, religious, and racial harassment and sexual, religious, and racial violence policy that conforms with sections 363.01 to 363.15. The policy shall apply to pupils, teachers, administrators, and other school personnel, include reporting procedures, and set forth disciplinary actions that will be taken for violation of the policy. Disciplinary actions must conform with collective bargaining agreements and sections 121A.41 to 121A.56. The policy must be conspicuously posted throughout each school building, given to each district employee and independent contractor at the time of entering into the person's employment contract, and included in each school's student handbook on school policies. Each school must develop a process for discussing the school's sexual, religious, and racial harassment and violence policy with students and school employees.

(b) To the extent applicable, school officials must use the requirements under paragraph (a) to develop and implement a policy on student-on-student sexual abuse under subdivision 2a.

[EFFECTIVE DATE.] This section is effective the day following final enactment.

Sec. 9. Minnesota Statutes 2000, section 121A.03, is amended by adding a subdivision to read:

Subd. 2a. [STUDENT-ON-STUDENT SEXUAL ABUSE POLICY.] (a) Consistent with the applicable requirements under subdivision 2, and section 626.556, a school board must adopt a

written policy prohibiting student-on-student sexual abuse, including at least, student-on-student sexual abuse, consistent with the definition of "sexual abuse" under section 626.556, subdivision 2, paragraph (a).

(b) The policy must require a teacher, administrator, or other school personnel who knows or has reason to believe that student-on-student sexual abuse is occurring or has occurred to report the information to the local welfare agency, agency responsible for assessing or investigating the report, police department, or the county sheriff immediately after learning the information.

(c) The policy must encourage a student who knows or has reason to believe that student-on-student sexual abuse is occurring or has occurred to report the information to a teacher, school administrator, or other school personnel immediately after learning the information.

(d) For the purposes of this subdivision, "immediately" means as soon as possible but in no event longer than 24 hours.

[EFFECTIVE DATE.] This section is effective the day following final enactment.

Sec. 10. Minnesota Statutes 2000, section 121A.03, subdivision 3, is amended to read:

Subd. 3. [SUBMISSION TO COMMISSIONER.] Each school board must submit to the commissioner a copy of the sexual, religious, and racial harassment and sexual, religious, and racial violence policy under subdivision 2 and the student-on-student sexual abuse policy under subdivision 2a the board has adopted.

[EFFECTIVE DATE.] This section is effective the day following final enactment.

Sec. 11. Minnesota Statutes 2000, section 121A.75, is amended to read:

121A.75 [~~RECEIPT OF DISPOSITION ORDER RECORDS; SHARING.~~]

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section "principal" means a principal or other person having general administrative control and supervision of a school.

(b) For purposes of this section, "school" means a charter school or a school as defined in section 120A.22, subdivision 4, except a home school.

Subd. 2. [DISPOSITION ORDERS.] (a) On receipt of a disposition order under section 260B.171, subdivision 3, the superintendent of the student's school district or chief administrative officer of the student's school must immediately transmit the order to the principal of the school where the student is in attendance. The principal must place the disposition order in the student's permanent education record. The principal must also immediately notify any counselor directly supervising or reporting on the behavior or progress of the student. In addition, the principal must immediately notify any teacher or administrator who directly supervises or reports on the behavior or progress of the student whom the principal believes needs the data to work with the student in an appropriate manner, to avoid being needlessly vulnerable, or to protect other persons from needless vulnerability. The principal may also notify other district employees, substitutes, and volunteers who are in direct contact with the student, if they determine these individuals need the data to work with the student in an appropriate manner, to avoid being needlessly vulnerable, or to protect other persons from needless vulnerability. When provided in the disposition order, the notice given under this paragraph by the principal must identify the student, outline the offense, and describe any conditions of probation about which the school must provide information.

~~(b)~~ (e) Information received under this subdivision is private data on individuals as defined in section 13.32 and is received for the limited purpose of serving the educational needs of the student and protecting students or staff. The data may not be further disseminated by the teacher, counselor, staff member, administrator, substitute, or volunteer, except as necessary to serve the student, to protect students or staff, or as otherwise required by law, and only to the following persons:

(1) the student; or

- (2) the student's parent or guardian;
- (3) law enforcement officers; or
- (4) the student's probation officer.

(d) (c) If a student is removed from school as part of the disposition order, the superintendent of the student's school district or chief administrative officer of the student's school must maintain the copy of the order in a secure file and shall notify the principal when the student is returned to school. If the student is returned to a different school district or school, the student's probation officer must send a copy of the disposition order to the superintendent of the new school district or the chief administrative officer of the new school.

(e) (d) The disposition order must be included if the student's permanent education record is released to another school district or educational entity to which the student is transferring under section 120A.22, subdivision 7.

(f) (e) Notwithstanding section 138.17, a disposition order received under section 260B.171, subdivision 3, paragraph (a), must be destroyed when the student graduates from school or at the end of the school year in which the student reaches age 23, whichever is earlier. A disposition order received under section 260B.171, subdivision 3, paragraph (b), must be destroyed when the student is discharged from probation.

Subd. 3. [PEACE OFFICER RECORDS OF CHILDREN.] (a) On receipt of the notice from a law enforcement agency required by section 260B.171, subdivision 5, the superintendent of the student's school district or chief administrative officer of the student's school must immediately transmit the notice to the principal of the school where the student is in attendance. The principal must place the notice in the student's permanent education record. The principal must immediately notify any teacher, counselor, or administrator directly supervising the student who the principal believes needs the data to work with the student in an appropriate manner, to avoid being needlessly vulnerable, or to protect other persons from needless vulnerability. The principal may also notify other district employees, substitutes, or volunteers who are in direct contact with the student if the principal determines these individuals need the data to work with the juvenile in an appropriate manner, to avoid being needlessly vulnerable, or to protect other persons from needless vulnerability. When provided in the peace officer notice, the notice from the principal must identify the student and describe the alleged offense.

(b) Data received under this subdivision are private data on individuals pursuant to section 13.32 and are received for the limited purpose of serving the educational needs of the student and protecting students or staff. The data must not be further disseminated by the teacher, counselor, staff member, administrator, substitute, or volunteer, except to communicate with the student or the student's parent or guardian as necessary to serve the student, protect students or staff, or as otherwise required by law.

(c) The notice must be included if the student's permanent education record is released to another school district or educational entity to which the student is transferring pursuant to section 120A.22, subdivision 7.

(d) If the county attorney determines not to proceed with a petition alleging any of the offenses listed in section 260B.171, subdivision 3, paragraph (a), clauses (1) to (3), or directs the student into a diversion or mediation program, the county attorney must notify the superintendent or the chief administrative officer of the school where the student is in attendance. The notice must contain the name of the student and a summary of the resolution of the case. The superintendent or chief administrative officer must send the notice to the principal of the school where the student attends. The principal must put the notice in the student's permanent record and make reasonable efforts to notify any teacher, counselor, staff member, administrator, substitute, or volunteer who received data from the peace officer notice.

(e) If the juvenile court makes a decision on a petition that alleges any of the offenses listed in section 260B.171, subdivision 3, paragraph (a), clauses (1) to (3), and the decision affects a

student and is not a disposition order, the court must notify the superintendent of the school district or chief administrative officer of the school where the student is in attendance of the decision. The superintendent or chief administrative officer must send the notice to the principal of the school where the student attends. The principal must put the notice in the student's permanent record and make reasonable efforts to notify any teacher, counselor, staff member, administrator, substitute, or volunteer who received data from the peace officer notice.

(f) Notwithstanding section 138.17, data from a notice received from a law enforcement agency must be destroyed when the student graduates from the school or at the end of the academic year when the student reaches age 23, whichever date is earlier.

Sec. 12. Minnesota Statutes 2000, section 123B.49, subdivision 3, is amended to read:

Subd. 3. [COCURRICULAR ACTIVITIES.] Cocurricular activities means school sponsored and directed activities designed to provide opportunities for pupils to participate, on an individual or group basis, in school and public events for the improvement of skills. Cocurricular activities are ~~not~~ offered for school credit, ~~cannot~~ or can be counted toward graduation and have one or more of the following characteristics:

~~(a)~~ (1) they are conducted at regular and uniform times during school hours, or at times established by school authorities;

~~(b) Although not offered for credit,~~ (2) they are directed or supervised by instructional staff in a learning environment similar to that found in courses offered for credit and can be offered for credit or counted toward a graduation requirement;

~~(c)~~ (3) they are partially funded by public moneys for general instructional purposes under direction and control of the board.

Sec. 13. Minnesota Statutes 2000, 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 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), and all resident pupils receiving instruction in a charter school, as defined in section 124D.10, that does not provide a comparable extracurricular activity to be eligible to fully participate in extracurricular activities on the same basis as public school students enrolled in the district's schools.

(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 Manual for Activity Fund Accounting." Extracurricular activities not under board control must have an annual financial audit and must also be audited annually for compliance with this section.

(d) If the board takes charge of and controls extracurricular activities, any or all costs of these activities may be provided from school revenues and all revenues and expenditures for these activities shall be recorded in the same manner as other revenues and expenditures of the district.

(e) If the board takes charge of and controls extracurricular activities, the teachers or pupils in the district must not participate in such activity, nor shall the school name or any allied name be used in connection therewith, except by consent and direction of the board.

Sec. 14. Minnesota Statutes 2000, section 123B.51, subdivision 5, is amended to read:

Subd. 5. [~~SCHOOLHOUSE SCHOOL CLOSING.~~] The board may close a ~~schoolhouse~~ school only after a public hearing on the question of the necessity and practicability of the proposed closing. Published notice of the hearing shall be given for two weeks in the official newspaper of the district. The time and place of the meeting, the description and location of the ~~schoolhouse~~ school, and a statement of the reasons for the closing, and the right of the public to give testimony, must be specified in the notice. Parties requesting to give testimony for and against the proposal shall must be heard by the board before it makes a final decision to close or not to close the ~~schoolhouse~~ school. A public hearing must be held at least 30 days after the date of the notice.

Sec. 15. Minnesota Statutes 2000, section 123B.83, subdivision 4, is amended to read:

Subd. 4. [~~SPECIAL OPERATING PLAN.~~] (a) If the net negative unreserved general fund balance, calculated in accordance with the uniform financial accounting and reporting standards for Minnesota school districts, as of June 30 each year, is more than a negative 2-1/2 percent of the year's expenditure amount, the district must, prior to January 31 of the next fiscal year, submit a special operating plan to reduce the district's deficit expenditures to the commissioner for approval. The commissioner may also require the district to provide evidence that the district meets and will continue to meet all high school graduation requirements.

Notwithstanding any other law to the contrary, a district submitting a special operating plan to the commissioner under this clause which is disapproved by the commissioner must not receive any aid pursuant to chapters 120B, 122A, 123A, 123B, 124D, 125A, 126C, and 127A until a special operating plan of the district is so approved.

(b) A district must receive aids pending the approval of its special operating plan under paragraph (a). A district which complies with its approved operating plan must receive aids as long as the district continues to comply with the approved operating plan.

Sec. 16. [123B.9151] [~~DIESEL SCHOOL BUSES; IDLING PROHIBITED.~~]

No person shall cause or permit the operation of the engine of a diesel school bus while the vehicle is stopped for a foreseeable period of time in excess of five minutes. This section shall not apply in the case of a bus stalled in traffic or in inclement weather conditions where engine power is required to serve an associated power need other than movement for passenger or driver safety and substitute alternate power means cannot be made available.

Sec. 17. [123B.9152] [~~DIESEL SCHOOL BUSES; AIR INTAKE SYSTEMS.~~]

Diesel school buses must be parked and loaded at a sufficient distance from school air intake systems to avoid diesel fumes from being drawn into school air intake systems unless, in the judgment of the school board, alternative locations block traffic or impair student safety.

Sec. 18. Minnesota Statutes 2001 Supplement, section 124D.10, subdivision 8, is amended to read:

Subd. 8. [~~STATE AND LOCAL REQUIREMENTS.~~] (a) A charter school shall meet all applicable state and local health and safety requirements.

(b) A school sponsored by a school board may be located in any district, unless the school board of the district of the proposed location disapproves by written resolution.

(c) A charter school must be nonsectarian in its programs, admission policies, employment practices, and all other operations. A sponsor may not authorize a charter school or program that is affiliated with a nonpublic sectarian school or a religious institution.

(d) Charter schools must not be used as a method of providing education or generating revenue for students who are being home-schooled.

(e) The primary focus of a charter school must be to provide a comprehensive program of instruction for at least one grade or age group from five through 18 years of age. Instruction may be provided to people younger than five years and older than 18 years of age.

(f) A charter school may not charge tuition.

(g) A charter school is subject to and must comply with chapter 363 and section 121A.04.

(h) A charter school is subject to and must comply with the Pupil Fair Dismissal Act, sections 121A.40 to 121A.56, and the Minnesota Public School Fee Law, sections 123B.34 to 123B.39.

(i) A charter school is subject to the same financial audits, audit procedures, and audit requirements as a district. Audits must be conducted in compliance with generally accepted governmental auditing standards, the Federal Single Audit Act, if applicable, and section 6.65. A charter school is subject to and must comply with sections 15.054; 118A.01; 118A.02; 118A.03; 118A.04; 118A.05; 118A.06; 123B.52, subdivision 5; 471.38; 471.391; 471.392; 471.425; 471.87; 471.88, subdivisions 1, 2, 3, 4, 5, 6, 12, 13, and 15; 471.881; and 471.89. The audit must comply with the requirements of sections 123B.75 to 123B.83, except to the extent deviations are necessary because of the program at the school. Deviations must be approved by the commissioner. The department of children, families, and learning, state auditor, or legislative auditor may conduct financial, program, or compliance audits. A charter school determined to be in statutory operating debt under sections 123B.81 to 123B.83 must submit a plan under section 123B.81, subdivision 4.

(j) A charter school is a district for the purposes of tort liability under chapter 466.

(k) A charter school must comply with sections 13.32, 121A.75, and 260B.171, subdivisions 3 and 5.

Sec. 19. Minnesota Statutes 2000, section 124D.118, is amended to read:

124D.118 [SCHOOL MILK PROGRAM.]

Subdivision 1. [~~LEGISLATIVE FINDINGS ESTABLISHMENT.~~] ~~The legislature finds that for best health and well-being, school children in the state should receive at least one serving of milk each day. The school milk program established in this section is to provide districts public and nonpublic schools in the state with added resources so that all kindergarten students in public and nonpublic schools may have access to wholesome milk on a daily basis.~~

Subd. 2. [~~ESTABLISHMENT; SCHOOL PARTICIPATION.~~] ~~Each district in the state is encouraged to participate in the state-supported school milk program for kindergartners. Participating districts schools must provide offer one serving of milk on each per school day to each kindergarten student attending a public or nonpublic school in the district. No student is required to accept the milk that is provided by the district. The program must be promoted and operated under the direction of the commissioner or the commissioner's designee.~~

Subd. 3. [PROGRAM GUIDELINES; DUTIES OF THE COMMISSIONER.] (a) The commissioner shall:

- (1) ~~encourage all districts to participate in the school milk program for kindergartners;~~
- (2) ~~prepare program guidelines, not subject to chapter 14 until July 1, 1998, which will effectively and efficiently distribute appropriated and donated money to participating districts; and~~
- (3) ~~seek donations and matching funds from appropriate private and public sources schools.~~

(b) Program guidelines may shall provide for disbursement to ~~districts~~ schools through a ~~mechanism of prepayments or by reimbursement~~ for approved program expenses.

Subd. 4. [REIMBURSEMENT.] In accordance with program guidelines, the commissioner shall ~~prepay or reimburse participating districts~~ schools for the state share of the ~~district's~~ school's cost for providing milk to kindergarten students.

Sec. 20. Minnesota Statutes 2000, section 126C.01, is amended by adding a subdivision to read:

Subd. 5a. [NET UNRESERVED GENERAL FUND BALANCE.] "Net unreserved general fund balance" means the unreserved or undesignated balance and encumbrances in the general fund.

Sec. 21. Minnesota Statutes 2000, section 260B.171, subdivision 3, is amended to read:

Subd. 3. [DISPOSITION ORDER; COPY TO SCHOOL.] (a) If a juvenile is enrolled in school, the juvenile's probation officer shall transmit a copy of the court's disposition order to the superintendent of the juvenile's school district or the chief administrative officer of the juvenile's school if the juvenile has been adjudicated delinquent for committing an act on the school's property or an act:

(1) that would be a violation of section 609.185 (first-degree murder); 609.19 (second-degree murder); 609.195 (third-degree murder); 609.20 (first-degree manslaughter); 609.205 (second-degree manslaughter); 609.21 (criminal vehicular homicide and injury); 609.221 (first-degree assault); 609.222 (second-degree assault); 609.223 (third-degree assault); 609.2231 (fourth-degree assault); 609.224 (fifth-degree assault); 609.2242 (domestic assault); 609.24 (simple robbery); 609.245 (aggravated robbery); 609.25 (kidnapping); 609.255 (false imprisonment); 609.342 (first-degree criminal sexual conduct); 609.343 (second-degree criminal sexual conduct); 609.344 (third-degree criminal sexual conduct); 609.345 (fourth-degree criminal sexual conduct); 609.3451 (fifth-degree criminal sexual conduct); 609.498 (tampering with a witness); 609.561 (first-degree arson); 609.582, subdivision 1 or 2 (burglary); 609.713 (terroristic threats); or 609.749 (harassment and stalking), if committed by an adult;

(2) that would be a violation of section 152.021 (first-degree controlled substance crime); 152.022 (second-degree controlled substance crime); 152.023 (third-degree controlled substance crime); 152.024 (fourth-degree controlled substance crime); 152.025 (fifth-degree controlled substance crime); 152.0261 (importing a controlled substance); or 152.027 (other controlled substance offenses), if committed by an adult; or

(3) that involved the possession or use of a dangerous weapon as defined in section 609.02, subdivision 6.

When a disposition order is transmitted under this subdivision, the probation officer shall notify the juvenile's parent or legal guardian that the disposition order has been shared with the juvenile's school.

(b) In addition, the juvenile's probation officer may transmit a copy of the court's disposition order to the superintendent of the juvenile's school district or the chief administrative officer of the juvenile's school if the juvenile has been adjudicated delinquent for offenses not listed in paragraph (a) and placed on probation. The probation officer shall notify the superintendent or chief administrative officer when the juvenile is discharged from probation.

(c) The disposition order must be accompanied by a notice to the school that the school may obtain additional information from the juvenile's probation officer with the consent of the juvenile or the juvenile's parents, as applicable. The disposition order must be maintained, shared, or released only as provided in section ~~121A.07~~ 121A.75.

(d) The juvenile's probation officer shall maintain a record of disposition orders released under this subdivision and the basis for the release.

(e) No later than September 1, 2002, the criminal and juvenile justice information policy group,

in consultation with representatives of probation officers and educators, shall prepare standard forms for use by juvenile probation officers in forwarding information to schools under this subdivision and in maintaining a record of the information that is released. The group shall provide a copy of any forms or procedures developed under this paragraph to the legislature by January 15, 2003.

(f) As used in this subdivision, "school" means a charter school or a school as defined in section 120A.22, subdivision 4, except a home school.

Sec. 22. Minnesota Statutes 2000, section 260B.171, subdivision 5, is amended to read:

Subd. 5. [PEACE OFFICER RECORDS OF CHILDREN.] (a) Except for records relating to an offense where proceedings are public under section 260B.163, subdivision 1, peace officers' records of children who are or may be delinquent or who may be engaged in criminal acts shall be kept separate from records of persons 18 years of age or older and are private data but shall be disseminated: (1) by order of the juvenile court, (2) as required by section 121A.28, (3) as authorized under section 13.82, subdivision 2, (4) to the child or the child's parent or guardian unless disclosure of a record would interfere with an ongoing investigation, (5) to the Minnesota crime victims reparations board as required by section 611A.56, subdivision 2, clause (f), for the purpose of processing claims for crime victims reparations, or (6) as otherwise provided in this subdivision. Except as provided in paragraph (c), no photographs of a child taken into custody may be taken without the consent of the juvenile court unless the child is alleged to have violated section 169A.20. Peace officers' records containing data about children who are victims of crimes or witnesses to crimes must be administered consistent with section 13.82, subdivisions 2, 3, 4, and 10. Any person violating any of the provisions of this subdivision shall be guilty of a misdemeanor.

In the case of computerized records maintained about juveniles by peace officers, the requirement of this subdivision that records about juveniles must be kept separate from adult records does not mean that a law enforcement agency must keep its records concerning juveniles on a separate computer system. Law enforcement agencies may keep juvenile records on the same computer as adult records and may use a common index to access both juvenile and adult records so long as the agency has in place procedures that keep juvenile records in a separate place in computer storage and that comply with the special data retention and other requirements associated with protecting data on juveniles.

(b) Nothing in this subdivision prohibits the exchange of information by law enforcement agencies if the exchanged information is pertinent and necessary for law enforcement purposes.

(c) A photograph may be taken of a child taken into custody pursuant to section 260B.175, subdivision 1, clause (b), provided that the photograph must be destroyed when the child reaches the age of 19 years. The commissioner of corrections may photograph juveniles whose legal custody is transferred to the commissioner. Photographs of juveniles authorized by this paragraph may be used only for institution management purposes, case supervision by parole agents, and to assist law enforcement agencies to apprehend juvenile offenders. The commissioner shall maintain photographs of juveniles in the same manner as juvenile court records and names under this section.

(d) Traffic investigation reports are open to inspection by a person who has sustained physical harm or economic loss as a result of the traffic accident. Identifying information on juveniles who are parties to traffic accidents may be disclosed as authorized under section 13.82, subdivision 4, and accident reports required under section 169.09 may be released under section 169.09, subdivision 13, unless the information would identify a juvenile who was taken into custody or who is suspected of committing an offense that would be a crime if committed by an adult, or would associate a juvenile with the offense, and the offense is not an adult court traffic offense under section 260B.225.

(e) The head of a law enforcement agency or a person specifically given the duty by the head of the law enforcement agency shall notify the principal superintendent or chief administrative officer of a juvenile's school of an incident occurring within the agency's jurisdiction if:

(1) the agency has probable cause to believe that the juvenile has committed an offense that would be a crime if committed as an adult, that the victim of the offense is a student or staff member of the school, and that notice to the school is reasonably necessary for the protection of the victim; or

(2) the agency has probable cause to believe that the juvenile has committed an offense described in subdivision 3, paragraph (a), clauses (1) to (3), that would be a crime if committed by an adult, regardless of whether the victim is a student or staff member of the school.

A law enforcement agency is not required to notify the school under this paragraph if the agency determines that notice would jeopardize an ongoing investigation. ~~Notwithstanding section 138.17, data from a notice received from a law enforcement agency under this paragraph must be destroyed when the juvenile graduates from the school or at the end of the academic year when the juvenile reaches age 23, whichever date is earlier.~~ For purposes of this paragraph, "school" means a public or private elementary, middle, or secondary, or charter school.

(f) In any county in which the county attorney operates or authorizes the operation of a juvenile prepetition or pretrial diversion program, a law enforcement agency or county attorney's office may provide the juvenile diversion program with data concerning a juvenile who is a participant in or is being considered for participation in the program.

(g) Upon request of a local social services agency, peace officer records of children who are or may be delinquent or who may be engaged in criminal acts may be disseminated to the agency to promote the best interests of the subject of the data.

(h) Upon written request, the prosecuting authority shall release investigative data collected by a law enforcement agency to the victim of a criminal act or alleged criminal act or to the victim's legal representative, except as otherwise provided by this paragraph. Data shall not be released if:

(1) the release to the individual subject of the data would be prohibited under section 13.821; or

(2) the prosecuting authority reasonably believes:

(i) that the release of that data will interfere with the investigation; or

(ii) that the request is prompted by a desire on the part of the requester to engage in unlawful activities.

Sec. 23. Minnesota Statutes 2000, section 260B.171, is amended by adding a subdivision to read:

Subd. 9. [TRAINING RESPONSIBILITIES.] The office of the court administrator is responsible for training all judges and court services personnel in their responsibilities under subdivision 3 and section 13.32. The department of public safety is responsible for training all law enforcement personnel in their responsibilities under subdivision 5 and section 13.32.

Sec. 24. [TASK FORCE ON VIOLENCE AND HARASSMENT AGAINST MINNESOTA YOUTH.]

Subdivision 1. [ESTABLISHMENT.] A task force to examine and make recommendations to the governor and the legislature about eliminating violence, discrimination, intimidation, and harassment against Minnesota youth is established.

Subd. 2. [TASK FORCE MEMBERSHIP; OPERATION.] (a) The governor, in consultation with the commissioners of the department of children, families, and learning and the department of health, the speaker of the house, the majority leader in the senate, and the affected interest group or organization, shall appoint 28 task force members who shall represent the following interests and organizations:

(1) students;

(2) parents;

- (3) kindergarten through grade 12 regular education teachers;
- (4) kindergarten through grade 12 special education teachers;
- (5) community-based organizations serving youth;
- (6) kindergarten through grade 12 school psychologists;
- (7) kindergarten through grade 12 school counselors;
- (8) kindergarten through grade 12 social workers;
- (9) kindergarten through grade 12 school nurses;
- (10) kindergarten through grade 12 school administrators;
- (11) community-based mental health organizations representing both consumers and providers;
- (12) Minnesota minority education partnership;
- (13) Minnesota immigrant community;
- (14) early childhood and family educators;
- (15) public health professionals;
- (16) childhood behavioral researchers;
- (17) childhood health researchers;
- (18) medical professionals;
- (19) the Minnesota department of children, families, and learning;
- (20) the Minnesota department of health;
- (21) the Minnesota school boards association;
- (22) the coalition for children with disabilities;
- (23) community-focused foundations;
- (24) local faith-based entities;
- (25) a member of the majority party and a member of the minority party in the Minnesota house of representatives; and
- (26) a member of the majority party and a member of the minority party in the Minnesota senate.

(b) The commissioner of the department of children, families, and learning must convene the task force by August 1, 2002. Task force members shall select a member to chair task force meetings. Task force members shall meet periodically at times indicated by the chair. Task force members shall not receive compensation. The staff of state agencies, including the department of health and the department of children, families, and learning, shall assist task force members at their request.

Subd. 3. [DUTIES; REPORT; EXPIRATION.] (a) Task force members, in preparing the report under paragraph (b), shall:

- (1) obtain statewide information about youth's experience with and the long-term effects of violence, intimidation, discrimination, and harassment against youth in kindergarten through grade 12 schools;

(2) review public policy analyses on this issue; and

(3) examine local, state, national, and international programs and policies that successfully address this issue.

(b) Task force members shall prepare a report to present to the governor and the legislature by February 15, 2004, that:

(1) documents the depth and breadth of this issue;

(2) describes the impact of this issue; and

(3) recommends changes in public policies, procedures, and practices at the state and local levels to address this issue.

(c) The task force expires on February 16, 2004.

[EFFECTIVE DATE.] This section is effective the day following final enactment and is contingent upon receipt of sufficient nonstate money to fund the operating costs of the task force.

Sec. 25. [FUND TRANSFER; BUTTERFIELD.]

Notwithstanding Minnesota Statutes, section 123B.79 or 123B.80, on June 30, 2002, independent school district No. 836, Butterfield, may permanently transfer up to \$117,000 from its reserved for operating capital account in its general fund to the undesignated fund balance.

[EFFECTIVE DATE.] This section is effective the day following final enactment.

Sec. 26. [FUND TRANSFER; TRUMAN.]

Notwithstanding Minnesota Statutes, section 123B.79 or 123B.80, on June 30, 2002, independent school district No. 458, Truman, may permanently transfer up to \$500,000 from its reserved for operating capital account in its general fund to the undesignated fund balance.

[EFFECTIVE DATE.] This section is effective the day following final enactment.

Sec. 27. [FUND TRANSFER.]

Notwithstanding Minnesota Statutes, section 123B.79 or 123B.80, for fiscal year 2003 only, a school district, with the approval of the school board, may permanently transfer any available amount from its reserve for operating capital account in its general fund to its undesignated fund balance. A school district that utilizes the operating capital account in combination with the debt service equalization program, under Minnesota Statutes, section 123B.53, to support a building program may not utilize this fund transfer authority.

[EFFECTIVE DATE.] This section is effective the day following final enactment.

Sec. 28. [OPEN ENROLLMENT; ELY.]

Notwithstanding the deadlines for application and notice for open enrollment under Minnesota Statutes, section 124D.03, subdivisions 3 and 5, pupils may apply for open enrollment to the boundary waters wilderness program in independent school district No. 696, Ely, any time prior to the 2002-2003 and 2003-2004 school years as established by the school district. An applicant, the applicant's parent or guardian, the district of residence, and the district of attendance must observe, in a prompt and efficient manner, the application and notice procedures in Minnesota Statutes, section 124D.03, subdivisions 3 and 5, except that the application and notice deadlines do not apply.

[EFFECTIVE DATE.] This section is effective the day following final enactment.

Sec. 29. [REPEALER.]

(a) Minnesota Statutes 2000, section 126C.01, subdivision 11, is repealed.

(b) Minnesota Rules, parts 3500.0600; 3505.4300; 3520.0400; 3520.1400; 3520.3300; 3530.1500; 3530.2700; 3530.4400; 3530.4500; 3530.4700; 3545.2100; 3545.2200; 3545.2400; 3545.2500; 3545.2600; 3545.3008; 3545.3010; 3545.3018; 3545.3020; 3550.0100; 9565.5500; 9565.5510; and 9565.5520, are repealed.

ARTICLE 7

TECHNICAL AMENDMENTS

Section 1. Minnesota Statutes 2000, section 123B.92, subdivision 3, is amended to read:

Subd. 3. [ALTERNATIVE ATTENDANCE PROGRAMS.] A district that enrolls nonresident pupils in programs under sections 124D.03, 124D.06, ~~124D.07~~, 124D.08, 123A.05 to 123A.08, and 124D.68, must provide authorized transportation to the pupil within the attendance area for the school that the pupil attends. The resident district need not provide or pay for transportation between the pupil's residence and the district's border.

Sec. 2. Minnesota Statutes 2000, section 124D.03, subdivision 12, is amended to read:

Subd. 12. [TERMINATION OF ENROLLMENT.] A district may terminate the enrollment of a nonresident student enrolled under this section or section ~~124D.07~~ or 124D.08 at the end of a school year if the student meets the definition of a habitual truant under section 260C.007, subdivision 19, the student has been provided appropriate services under chapter 260A, and the student's case has been referred to juvenile court. A district may also terminate the enrollment of a nonresident student over the age of 16 enrolled under this section if the student is absent without lawful excuse for one or more periods on 15 school days and has not lawfully withdrawn from school under section 120A.22, subdivision 8.

Sec. 3. Minnesota Statutes 2000, section 124D.10, subdivision 13, is amended to read:

Subd. 13. [LENGTH OF SCHOOL YEAR.] A charter school must provide instruction each year for at least the number of days required by section ~~120A.22, subdivision 5~~ 120A.41. It may provide instruction throughout the year according to sections 124D.12 to 124D.127 or 124D.128.

Sec. 4. Minnesota Statutes 2001 Supplement, section 124D.10, subdivision 23a, is amended to read:

Subd. 23a. [RELATED PARTY LEASE COSTS.] (a) A charter school is prohibited from entering a lease of real property with a related party as defined in this subdivision, unless the lessor is a nonprofit corporation under chapter 317A or a cooperative under chapter 308A, and the lease cost is reasonable under section 124D.11, subdivision 4, clause (1).

(b) For purposes of this subdivision:

(1) A "related party" is an affiliate or close relative of the other party in question, an affiliate of a close relative, or a close relative of an affiliate.

(2) "Affiliate" means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, another person.

(3) "Close relative" means an individual whose relationship by blood, marriage, or adoption to another individual is no more remote than first cousin.

(4) "Person" means an individual or entity of any kind.

(5) "Control" includes the terms "controlling," "controlled by," and "under common control with" and means the possession, direct or indirect, of the power to direct or cause the direction of the management, operations, or policies of a person, whether through the ownership of voting securities, by contract, or otherwise.

(c) A lease of real property to be used for a charter school, not excluded in paragraph (b), must contain the following statement: "This lease is subject to Minnesota Statutes, section 124D.10, subdivision 23a."

(d) If a charter school enters into as lessee a lease with a related party and the charter school subsequently closes, the commissioner has the right to recover from the lessor any lease payments in excess of those that are reasonable under section ~~124.11~~ 124D.11, subdivision 4, clause (1).

Sec. 5. Minnesota Statutes 2000, section 124D.86, subdivision 6, is amended to read:

Subd. 6. [ALTERNATIVE ATTENDANCE PROGRAMS.] (a) The integration aid under subdivision 5 must be adjusted for each pupil residing in a district eligible for integration revenue under subdivision 3, clause (1), (2), or (3), and attending a nonresident district under sections 123A.05 to 123A.08, 124D.03, 124D.06, ~~124D.07~~, and 124D.08, that is not eligible for integration revenue under subdivision 3, clause (1), (2), or (3), and has implemented a plan under Minnesota Rules, parts 3535.0100 to 3535.0180, if the enrollment of the pupil in the nonresident district contributes to desegregation or integration purposes. The adjustments must be made according to this subdivision.

(b) Aid paid to a district serving nonresidents must be increased by an amount equal to the revenue per pupil unit of the resident district under subdivision 3, clause (1), (2), or (3), minus the revenue attributable to the pupil in the nonresident district under subdivision 3, clause (4), for the time the pupil is enrolled in the nonresident district.

Sec. 6. Minnesota Statutes 2000, section 125A.12, is amended to read:

125A.12 [ATTENDANCE IN ANOTHER DISTRICT.]

No resident of a district who is eligible for special instruction and services pursuant to this section may be denied provision of this instruction and service because of attending a public school in another district pursuant to section 123B.88, subdivision 5, if the attendance is not subject to section 124D.06, ~~124D.07~~, or 124D.08. If the pupil attends a public school located in a contiguous district and the district of attendance does not provide special instruction and services, the district of residence must provide necessary transportation for the pupil between the boundary of the district of residence and the educational facility where special instruction and services are provided within the district of residence. The district of residence may provide necessary transportation for the pupil between its boundary and the school attended in the contiguous district, but must not pay the cost of transportation provided outside the boundary of the district of residence.

Sec. 7. Minnesota Statutes 2001 Supplement, section 127A.45, subdivision 12, is amended to read:

Subd. 12. [PAYMENT PERCENTAGE FOR CERTAIN AIDS.] (a) One hundred percent of the aid for the current fiscal year must be paid for the following aids: reimbursement for enrollment options transportation, according to sections 124D.03, subdivision 8, 124D.09, subdivision 22, and 124D.10; school lunch aid, according to section 124D.111; hearing impaired support services aid, according to section 124D.57; and ~~Indian post-secondary preparation grants according to section 124D.85.~~

(b) One hundred percent of the aid for the current fiscal year, based on enrollment in the previous year, must be paid for the first grade preparedness program according to section 124D.081.

Sec. 8. Minnesota Statutes 2000, 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 referendum equalization aid attributable to the pupil in the resident district.

(b) General education aid paid to a district serving a pupil in programs listed in this subdivision

must be increased by an amount equal to the referendum equalization aid attributable to the pupil in the nonresident district.

(c) If the amount of the reduction to be made from the general education aid of the resident district is greater than the amount of general education aid otherwise due the district, the excess reduction must be made from other state aids due the district.

(d) The district of residence must pay tuition to a district or an area learning center, operated according to paragraph (e), providing special instruction and services to a pupil with a disability, as defined in section 125A.02, or a pupil, as defined in section 125A.51, who is enrolled in a program listed in this subdivision. The tuition must be equal to (1) the actual cost of providing special instruction and services to the pupil, including a proportionate amount for debt service and for capital expenditure facilities and equipment, and debt service but not including any amount for transportation, minus (2) the amount of general education 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. 9. Minnesota Statutes 2000, section 260B.171, subdivision 3, is amended to read:

Subd. 3. [DISPOSITION ORDER; COPY TO SCHOOL.] (a) If a juvenile is enrolled in school, the juvenile's probation officer shall transmit a copy of the court's disposition order to the superintendent of the juvenile's school district or the chief administrative officer of the juvenile's school if the juvenile has been adjudicated delinquent for committing an act on the school's property or an act:

(1) that would be a violation of section 609.185 (first-degree murder); 609.19 (second-degree murder); 609.195 (third-degree murder); 609.20 (first-degree manslaughter); 609.205 (second-degree manslaughter); 609.21 (criminal vehicular homicide and injury); 609.221 (first-degree assault); 609.222 (second-degree assault); 609.223 (third-degree assault); 609.2231 (fourth-degree assault); 609.224 (fifth-degree assault); 609.2242 (domestic assault); 609.24 (simple robbery); 609.245 (aggravated robbery); 609.25 (kidnapping); 609.255 (false imprisonment); 609.342 (first-degree criminal sexual conduct); 609.343 (second-degree criminal sexual conduct); 609.344 (third-degree criminal sexual conduct); 609.345 (fourth-degree criminal sexual conduct); 609.3451 (fifth-degree criminal sexual conduct); 609.498 (tampering with a witness); 609.561 (first-degree arson); 609.582, subdivision 1 or 2 (burglary); 609.713 (terroristic threats); or 609.749 (harassment and stalking), if committed by an adult;

(2) that would be a violation of section 152.021 (first-degree controlled substance crime); 152.022 (second-degree controlled substance crime); 152.023 (third-degree controlled substance crime); 152.024 (fourth-degree controlled substance crime); 152.025 (fifth-degree controlled substance crime); 152.0261 (importing a controlled substance); or 152.027 (other controlled substance offenses), if committed by an adult; or

(3) that involved the possession or use of a dangerous weapon as defined in section 609.02, subdivision 6.

When a disposition order is transmitted under this subdivision, the probation officer shall notify the juvenile's parent or legal guardian that the disposition order has been shared with the juvenile's school.

(b) In addition, the juvenile's probation officer may transmit a copy of the court's disposition order to the superintendent of the juvenile's school district or the chief administrative officer of the juvenile's school if the juvenile has been adjudicated delinquent for offenses not listed in

paragraph (a) and placed on probation. The probation officer shall notify the superintendent or chief administrative officer when the juvenile is discharged from probation.

(c) The disposition order must be accompanied by a notice to the school that the school may obtain additional information from the juvenile's probation officer with the consent of the juvenile or the juvenile's parents, as applicable. The disposition order must be maintained, shared, or released only as provided in section ~~121A.07~~ 121A.75.

(d) The juvenile's probation officer shall maintain a record of disposition orders released under this subdivision and the basis for the release.

(e) The criminal and juvenile justice information policy group, in consultation with representatives of probation officers and educators, shall prepare standard forms for use by juvenile probation officers in forwarding information to schools under this subdivision and in maintaining a record of the information that is released.

(f) As used in this subdivision, "school" means a school as defined in section 120A.22, subdivision 4, except a home school.

Sec. 10. [REPEALER.]

(a) Minnesota Statutes 2000, sections 126C.55, subdivision 5, and 127A.41, subdivision 6, are repealed.

(b) Laws 2001, First Special Session chapter 3, article 4, section 1, is repealed."

Delete the title and insert:

"A bill for an act relating to education; providing for early childhood through grade 12 education; providing for general education, education excellence, special programs, facilities and technology, and nutrition and other programs; technical amendments; providing for rulemaking; amending Minnesota Statutes 2000, sections 13.32, subdivisions 1, 7, 8, by adding a subdivision; 119A.37, subdivision 3; 119A.374, by adding a subdivision; 119B.011, subdivision 7, by adding a subdivision; 119B.02, subdivision 1; 119B.061, subdivisions 1, 5; 119B.10, by adding subdivisions; 119B.11, subdivision 2a; 119B.12, subdivision 2; 120A.41; 121A.03, subdivisions 2, 3, by adding a subdivision; 121A.75; 122A.64, subdivision 1; 123B.02, subdivision 14; 123B.04, subdivision 5; 123B.09, by adding a subdivision; 123B.49, subdivisions 3, 4; 123B.51, subdivision 5; 123B.57, subdivision 4; 123B.61; 123B.62; 123B.63; 123B.83, subdivision 4; 123B.88, subdivision 2; 123B.92, subdivision 3; 124D.03, subdivision 12; 124D.09, subdivisions 3, 4, 9, 12, 20; 124D.10, subdivisions 11, 13, 16, by adding a subdivision; 124D.11, subdivisions 1, 2; 124D.118; 124D.22, subdivision 3; 124D.52, subdivision 3; 124D.69, by adding a subdivision; 124D.86, subdivision 6; 125A.03; 125A.12; 125A.27, subdivision 10; 125A.43; 125A.65, subdivisions 1, 3, 8, 9; 125A.76, subdivisions 5, 7; 126C.01, by adding a subdivision; 126C.05, by adding a subdivision; 126C.10, subdivision 26; 126C.21, subdivision 3; 126C.42, subdivision 1; 126C.63, subdivision 5; 127A.47, subdivisions 7, 8; 260B.171, subdivisions 3, 5, by adding a subdivision; 475.61, subdivision 1; Minnesota Statutes 2001 Supplement, sections 13.32, subdivision 3; 13.46, subdivision 2; 119B.061, subdivision 4; 119B.13, subdivision 6; 124D.10, subdivisions 8, 23a; 124D.135, subdivision 8; 124D.16, subdivision 6; 124D.20, subdivision 5; 124D.59, subdivision 2; 124D.65, subdivision 5; 125A.09, subdivision 3; 125A.515; 126C.10, subdivision 4; 126C.15, subdivision 1; 126C.17, subdivisions 1, 6, as amended, 7, 7a; 126C.63, subdivision 8; 126C.69, subdivisions 2, 9; 127A.42, subdivision 2; 127A.45, subdivision 12; Laws 1965, chapter 705, as amended; Laws 2001, First Special Session chapter 3, article 2, section 15, subdivision 9; Laws 2001, First Special Session chapter 6, article 2, section 67; Laws 2001, First Special Session chapter 6, article 4, section 27, subdivision 9; Laws 2002, chapter 220, article 2, section 14; Laws 2002, chapter 220, article 3, section 10; proposing coding for new law in Minnesota Statutes, chapters 123B; 124D; 125A; repealing Minnesota Statutes 2000, sections 123B.81, subdivision 6; 124D.65, subdivision 4; 126C.01, subdivisions 4, 11; 126C.14; 126C.40, subdivision 4; 126C.55, subdivision 5; 127A.41, subdivision 6; Laws 2001, First Special Session chapter 3, article 1, section 16; Laws 2001, First Special Session chapter 3, article 2, section 15; Laws 2001, First Special Session chapter 3, article 4, section 1; Laws 2001, First Special Session

chapter 6, article 5, section 12; Minnesota Rules, parts 3500.0600; 3505.4300; 3520.0400; 3520.1400; 3520.3300; 3525.2325; 3530.1500; 3530.2700; 3530.4400; 3530.4500; 3530.4700; 3545.2100; 3545.2200; 3545.2400; 3545.2500; 3545.2600; 3545.3008; 3545.3010; 3545.3018; 3545.3020; 3550.0100; 9565.5500; 9565.5510; 9565.5520."

And when so amended the bill do pass.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

Senator Johnson, Doug from the Committee on Finance, to which was re-referred

S.F. No. 2392: A bill for an act relating to public safety; modifying emergency 911 telephone system provisions to establish emergency 911 telecommunications system; amending Minnesota Statutes 2000, sections 403.01; 403.02, subdivisions 3, 6, 7, by adding subdivisions; 403.05; 403.06; 403.07; 403.08; 403.09; 403.10, subdivision 1; 403.11, subdivisions 3, 4, by adding subdivisions; 403.113, subdivision 1; Minnesota Statutes 2001 Supplement, section 403.11, subdivision 1; repealing Minnesota Statutes 2000, sections 403.04; 403.11, subdivision 2; 403.113, subdivision 5; 403.12, subdivision 1; 403.13; 403.14; Minnesota Rules, parts 1215.0400; 1215.0600; 1215.0700; 1215.1200, subpart 3; 1215.1500.

Reports the same back with the recommendation that the bill be amended as follows:

Page 7, delete lines 21 to 23

Page 10, delete lines 20 to 23

Page 10, line 24, delete "13" and insert "12"

Page 10, line 26, delete "annually" and insert "four times per year"

Page 13, lines 9 to 11, delete new language

Page 13, line 34, delete "effective date and other"

Page 14, line 2, delete everything after "services" and insert "provided after July 1, 2001"

Page 14, delete lines 3 and 4

Page 14, line 5, delete everything before the period

Page 14, line 19, before "CERTIFICATION" insert "TIMELY"

Page 14, line 21, delete "of" and insert "after"

Page 14, line 22, delete "A public utility" and insert "Any wireless or wireline telecommunications service provider"

Page 14, lines 27 and 28, delete "the public utility" and insert "any wireless or wireline telecommunications service provider"

Page 14, after line 29, insert:

"Sec. 16. Minnesota Statutes 2000, section 403.11, is amended by adding a subdivision to read:

Subd. 3b. [CERTIFICATION.] All wireless and wireline telecommunications service providers shall submit a self-certification form signed by an officer of the company to the department with invoices for payment of an initial or changed service described in the service provider's 911 contract. The self-certification shall affirm that the 911 service contracted for is being provided and the costs invoiced for the service are true and correct. All certifications are subject to verification and audit.

Sec. 17. Minnesota Statutes 2000, section 403.11, is amended by adding a subdivision to read:

Subd. 3c. [AUDIT.] If the commissioner of administration determines that an audit is necessary to document the certification described in subdivision 3b, the wireless or wireline telecommunications service provider must contract with an independent certified public accountant to conduct the audit. The audit must be conducted according to generally accepted accounting principles. The wireless or wireline telecommunications service provider is responsible for any costs associated with the audit."

Page 15, line 3, after "section" insert "403.11 or"

Page 16, lines 6 and 7, delete "403.11, subdivision 2;"

Page 16, line 8, after the period, insert "Section 403.11, subdivision 2, is repealed effective January 1, 2003."

Page 16, line 12, delete "This act is" and insert "Sections 1 to 13 and 15 to 21 are" and after the period, insert "Section 14 is effective January 1, 2003."

Renumber the sections in sequence

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Senator Johnson, Doug from the Committee on Finance, to which was re-referred

S.F. No. 3132: A bill for an act relating to land use management; authorizing the northern counties land use coordinating board to initiate a pilot project to promote cooperative efforts among county, state, federal, and local units of government, and with Canadian officials regarding land use management issues.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 8, after "project" insert ", which must be completed by June 30, 2004"

Page 2, after line 8, insert:

"(f) Any costs to the office of strategic and long-range planning related to its duties under this act must be reimbursed by the northern counties land use coordinating board or its participating counties as provided in an agreement between the office and the board. The agreement is not subject to the limits on contracts and hiring in Laws 2002, chapter 220, article 10, sections 36 to 38. Reimbursements must be deposited in the state treasury and credited to the special revenue fund and are appropriated to the office to carry out the agreement."

Amend the title as follows:

Page 1, line 7, before the period, insert "; appropriating money"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Johnson, Doug from the Committee on Finance, to which was re-referred

S.F. No. 2707: A bill for an act relating to real estate; filling in an inadvertent omission for a temporary increase in the surcharge for filing and recording certain documents to fund the real estate task force; extending the effective date for the surcharges; amending Minnesota Statutes 2001 Supplement, sections 508.82, subdivision 1; 508A.82, subdivision 1; Laws 2001, First Special Session chapter 10, article 2, section 98.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2001 Supplement, section 357.18, subdivision 3, is amended to read:

Subd. 3. [SURCHARGE.] In addition to the fees imposed in subdivision 1, a \$5 surcharge shall be collected: on each fee charged under subdivision 1, clauses (1) and (6), and for each abstract certificate under subdivision 1, clause (4). The amount of the surcharge is \$5 until June 30, 2004, and \$4.50 on and after July 1, 2004. Fifty cents of each surcharge shall be retained by the county to cover its administrative costs, ~~50 cents shall be appropriated to the legislative coordinating commission for the task force on electronic real estate recording created by Laws 2000, chapter 391, and.~~ Until June 30, 2004, \$4.50 shall be paid to the state treasury and credited to the general fund. On and after July 1, 2004, \$4 shall be paid to the state treasury and credited to the general fund.

Sec. 2. Minnesota Statutes 2001 Supplement, section 508.82, subdivision 1, is amended to read:

Subdivision 1. [STANDARD DOCUMENTS.] The fees to be paid to the registrar shall be as follows:

(1) of the fees provided herein, five percent of the fees collected under clauses (3), (5), (11), (13), (14), (16), and (17), for filing or memorializing shall be paid to the state treasurer and credited to the general fund; plus a ~~\$4.50~~ surcharge shall be charged and collected in addition to the total fees charged for each transaction under clauses (2), (3), (5), (11), (13), (14), (16), and (17), ~~with;~~ the amount of the surcharge is \$5 until June 30, 2004, and \$4.50 on and after July 1, 2004; ~~50 cents of this surcharge to must be retained by the county to cover its administrative costs and;~~ until June 30, 2004, \$4.50 of the surcharge must be paid to the state treasury and credited to the general fund; on and after July 1, 2004, \$4 to must be paid to the state treasury and credited to the general fund;

(2) for registering a first certificate of title, including issuing a copy of it, \$30;

(3) for registering each instrument transferring the fee simple title for which a new certificate of title is issued and for the registration of the new certificate of title, including a copy of it, \$30;

(4) for issuance of a CECT pursuant to section 508.351, \$15;

(5) for the entry of each memorial on a certificate, \$15;

(6) for issuing each residue certificate, \$20;

(7) for exchange certificates, \$10 for each certificate canceled and \$10 for each new certificate issued;

(8) for each certificate showing condition of the register, \$10;

(9) for any certified copy of any instrument or writing on file in the registrar's office, the same fees allowed by law to county recorders for like services;

(10) for a noncertified copy of any certificate of title, other than the copies issued under clauses (2) and (3), any instrument or writing on file in the office of the registrar of titles, or any specified page or part of it, an amount as determined by the county board for each page or fraction of a page specified. If computer or microfilm printers are used to reproduce the instrument or writing, a like amount per image;

(11) for filing two copies of any plat in the office of the registrar, \$30;

(12) for any other service under this chapter, such fee as the court shall determine;

(13) for filing an amendment to a declaration in accordance with chapter 515, \$10 for each certificate upon which the document is registered and \$30 for an amended floor plan filed in accordance with chapter 515;

(14) for filing an amendment to a common interest community declaration and plat or

amendment complying with section 515B.2-110, subsection (c), \$10 for each certificate upon which the document is registered and \$30 for the filing of the condominium or common interest community plat or amendment;

(15) for a copy of a condominium floor plan filed in accordance with chapter 515, or a copy of a common interest community plat complying with section 515B.2-110, subsection (c), the fee shall be \$1 for each page of the floor plan or common interest community plat with a minimum fee of \$10;

(16) for the filing of a certified copy of a plat of the survey pursuant to section 508.23 or 508.671, \$10;

(17) for filing a registered land survey in triplicate in accordance with section 508.47, subdivision 4, \$30; and

(18) for furnishing a certified copy of a registered land survey in accordance with section 508.47, subdivision 4, \$10.

Sec. 3. Minnesota Statutes 2001 Supplement, section 508A.82, subdivision 1, is amended to read:

Subdivision 1. [STANDARD DOCUMENTS.] The fees to be paid to the registrar shall be as follows:

(1) of the fees provided herein, five percent of the fees collected under clauses (3), (5), (11), (13), (14), and (17), for filing or memorializing shall be paid to the state treasurer and credited to the general fund; plus a ~~\$4.50~~ surcharge shall be charged and collected in addition to the total fees charged for each transaction under clauses (2), (3), (5), (11), (13), (14), and (17); ~~with; until June 30, 2004, the amount of the surcharge is \$5; on and after July 1, 2004, the surcharge is \$4.50; 50 cents of this surcharge to must be retained by the county to cover its administrative costs and; until June 30, 2004, \$4.50 of the surcharge must be paid to the state treasury and credited to the general fund; on and after July 1, 2004, \$4 to must be paid to the state treasury and credited to the general fund;~~

(2) for registering a first CPT, including issuing a copy of it, \$30;

(3) for registering each instrument transferring the fee simple title for which a new CPT is issued and for the registration of the new CPT, including a copy of it, \$30;

(4) for issuance of a CECT pursuant to section 508A.351, \$15;

(5) for the entry of each memorial on a CPT, \$15;

(6) for issuing each residue CPT, \$20;

(7) for exchange CPTs or combined certificates of title, \$10 for each CPT and certificate of title canceled and \$10 for each new CPT or combined certificate of title issued;

(8) for each CPT showing condition of the register, \$10;

(9) for any certified copy of any instrument or writing on file in the registrar's office, the same fees allowed by law to county recorders for like services;

(10) for a noncertified copy of any CPT, other than the copies issued under clauses (2) and (3), any instrument or writing on file in the office of the registrar of titles, or any specified page or part of it, an amount as determined by the county board for each page or fraction of a page specified. If computer or microfilm printers are used to reproduce the instrument or writing, a like amount per image;

(11) for filing two copies of any plat in the office of the registrar, \$30;

(12) for any other service under sections 508A.01 to 508A.85, the fee the court shall determine;

(13) for filing an amendment to a declaration in accordance with chapter 515, \$10 for each certificate upon which the document is registered and \$30 for an amended floor plan filed in accordance with chapter 515;

(14) for filing an amendment to a common interest community declaration and plat or amendment complying with section 515B.2-110, subsection (c), and issuing a CECT if required, \$10 for each certificate upon which the document is registered and \$30 for the filing of the condominium or common interest community plat or amendment;

(15) for a copy of a condominium floor plan filed in accordance with chapter 515, or a copy of a common interest community plat complying with section 515B.2-110, subsection (c), the fee shall be \$1 for each page of the floor plan, or common interest community plat with a minimum fee of \$10;

(16) in counties in which the compensation of the examiner of titles is paid in the same manner as the compensation of other county employees, for each parcel of land contained in the application for a CPT, as the number of parcels is determined by the examiner, a fee which is reasonable and which reflects the actual cost to the county, established by the board of county commissioners of the county in which the land is located;

(17) for filing a registered land survey in triplicate in accordance with section 508A.47, subdivision 4, \$30; and

(18) for furnishing a certified copy of a registered land survey in accordance with section 508A.47, subdivision 4, \$10.

Sec. 4. Laws 2001, First Special Session chapter 10, article 2, section 77, the effective date, is amended to read:

~~[EFFECTIVE DATE.] This section is effective only between August 1, 2001, and June 30, 2003.~~

Sec. 5. Laws 2001, First Special Session chapter 10, article 2, section 98, is amended to read:

Sec. 98. [WORK PLAN APPROPRIATIONS.]

(a) \$650,000 is appropriated from the ~~surecharge collected under Minnesota Statutes, section 357.18, subdivision 3, general fund~~ to the legislative coordinating commission, to be made available to the real estate task force established in accordance with Laws 2000, chapter 391, for the expenses of the task force in carrying out the work plan as described in the January 15, 2001, task force report to the legislature. This appropriation is available until June 30, ~~2003~~ 2004, and is to be administered at the direction of the chair of the task force, subject to the prior approval of the task force.

(b) \$500,000 is appropriated from the ~~surecharge collected under Minnesota Statutes, section 357.18, subdivision 3, general fund~~ to the legislative coordinating commission, to be made available to the task force for the development and implementation of pilot electronic real estate projects in diverse counties as described in the January 15, 2001, task force report to the legislature. This appropriation is available until June 30, ~~2003~~ 2004.

Sec. 6. Laws 2001, First Special Session chapter 10, article 2, section 99, is amended to read:

Sec. 99. [LEGISLATIVE COORDINATING COMMISSION; DUTIES; APPROPRIATION.]

(a) The real estate task force established under Laws 2000, chapter 391, may contract with the legislative coordinating commission for the provision of administrative services to, the preparation of requests for proposal, or the disbursement of funds for the payment of vendors, salaries, and other expenses of the task force.

(b) \$50,000 is appropriated from the ~~surecharge collected under Minnesota Statutes, section 357.18, subdivision 3, general fund~~ to the legislative coordinating commission for the purpose of paragraph (a).

Sec. 7. [EFFECTIVE DATE.]

This act is effective the day following final enactment and the new surcharge in sections 2 and 3 applies to documents last acknowledged ten or more days after that date or filed 45 days or more after that date.

Amend the title as follows:

Page 1, line 6, after the semicolon, insert "appropriating money;"

Page 1, line 7, after "sections" insert "357.18, subdivision 3;"

Page 1, line 9, delete "98" and insert "77; Laws 2001, First Special Session chapter 10, article 2, section 98; Laws 2001, First Special Session chapter 10, article 2, section 99"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Johnson, Doug from the Committee on Finance, to which was re-referred

S.F. No. 2827: A bill for an act relating to higher education; providing for registration of agents of student athletes; defining terms; providing penalties and remedies; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 81A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 8, lines 14, 15, 18, and 20, delete "\$....." and insert "\$1,000"

Page 13, line 18, delete "\$....." and insert "\$9,000"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Johnson, Doug from the Committee on Finance, to which was re-referred

S.F. No. 2793: A bill for an act relating to health services; requiring the commissioner of human services to develop a plan to certify out-of-state facilities that care for children with severe emotional disturbance.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Johnson, Doug from the Committee on Finance, to which was re-referred

S.F. No. 3114: A bill for an act relating to child support; permitting the issuance of a limited license under certain circumstances to a person whose driver's license is suspended for nonpayment of support; clarifying requirements relating to payment agreements; amending Minnesota Statutes 2000, sections 171.186, subdivisions 1, 3, by adding a subdivision; 171.20, subdivision 4; 171.30, subdivision 1; 518.551, subdivisions 12, 13, 14, 15; 518.553.

Reports the same back with the recommendation that the bill be amended as follows:

Page 15, after line 34, insert:

"Sec. 11. [APPROPRIATION.]

\$100,000 is appropriated from the trunk highway fund to the commissioner of public safety in fiscal year 2003 for costs related to the issuance of limited licenses under Minnesota Statutes, section 171.186, subdivision 4."

Amend the title as follows:

Page 1, line 6, after the semicolon, insert "appropriating money;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Johnson, Doug from the Committee on Finance, to which was re-referred

S.F. No. 3155: A bill for an act relating to health occupations; establishing guest licenses for dentists and dental hygienists; establishing guest registration for dental assistants; amending Minnesota Statutes 2000, section 150A.06, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, after line 17, insert:

"(c) A dentist, dental hygienist, or dental assistant practicing under a guest license or registration under this subdivision shall have the same obligations as a dentist, dental hygienist, or dental assistant who is licensed in Minnesota and shall be subject to the laws and rules of Minnesota and the regulatory authority of the board. If the board suspends or revokes the guest license or registration of, or otherwise disciplines, a dentist, dental hygienist, or dental assistant practicing under this subdivision, the board shall promptly report the disciplinary action to the dentist's, dental hygienist's, or dental assistant's regulatory board in the border state."

Page 2, after line 19, insert:

"Sec. 2. [APPROPRIATION.]

\$3,000 is appropriated in fiscal year 2003 from the state government special revenue fund to the board of dentistry."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "appropriating money;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Johnson, Doug from the Committee on Finance, to which was re-referred

S.F. No. 2569: A bill for an act relating to veterans homes; clarifying items to be considered means of support; amending Minnesota Statutes 2000, section 198.03, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 18, strike "Refunds or"

Page 1, line 19, after "federal" insert "taxes"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 2392, 3132, 2707, 2827, 2793, 3114, 3155 and 2569 were read the second time.

MOTIONS AND RESOLUTIONS

Senator Kinkel moved that the name of Senator Murphy be added as a co-author to S.F. No. 3426. The motion prevailed.

SPECIAL ORDERS

Pursuant to Rule 26, Senator Moe, R.D., Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

S.F. Nos. 2697, 2821, 3200 and 3140.

SPECIAL ORDER

S.F. No. 2697: A bill for an act relating to real property; establishing disclosure requirements for sellers of residential real estate; proposing coding for new law in Minnesota Statutes, chapter 513.

Senator Wiener moved to amend S.F. No. 2697 as follows:

Page 5, line 21, delete "or" and insert a period

Page 5, delete lines 22 and 23

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

Senator Marty moved to amend S.F. No. 2697 as follows:

Page 5, line 10, delete "An action"

Page 5, delete lines 11 to 13

CALL OF THE SENATE

Senator Lessard imposed a call of the Senate for the balance of the proceedings on S.F. No. 2697. The Sergeant at Arms was instructed to bring in the absent members.

The question recurred on the adoption of the Marty amendment. The motion did not prevail. So the amendment was not adopted.

S.F. No. 2697 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 4, as follows:

Those who voted in the affirmative were:

Anderson	Johnson, Dave	Limmer	Pogemiller	Schwab
Bachmann	Johnson, Dean	Lourey	Price	Solon, Y.P.
Belanger	Johnson, Doug	Metzen	Ranum	Stevens
Berg	Kelley, S.P.	Moe, R.D.	Reiter	Stumpf
Berglin	Kierlin	Moua	Rest	Terwilliger
Chaudhary	Kinkel	Murphy	Ring	Tomassoni
Cohen	Kiscaden	Neuville	Robertson	Vickerman
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Fowler	Krentz	Orfield	Sams	
Frederickson	Langseth	Ourada	Samuelson	
Higgins	Larson	Pappas	Scheevel	
Hottinger	Lessard	Pariseau	Scheid	

Those who voted in the negative were:

Betzold	Foley	Johnson, Debbie	Lesewski
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So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 2821: A bill for an act relating to commerce; regulating conduct of real estate industry licensees; modifying disclosures; regulating investigations by the commissioner of commerce; amending Minnesota Statutes 2000, sections 82.19, subdivision 9; 82.23, subdivision 1; 82.27, by adding subdivisions; Minnesota Statutes 2001 Supplement, section 82.197, subdivisions 1, 4, 6.

Senator Scheid moved to amend S.F. No. 2821 as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 82.19, subdivision 9, is amended to read:

Subd. 9. [EXCLUSIVE AGENCY AGREEMENTS.] (a) Except as provided in paragraph (b) (c), a licensee shall not negotiate the sale, exchange, lease, or listing of any real property directly with the owner or lessor knowing that the owner or lessor has executed a written contract granting exclusive listing contract or exclusive contract for nonagency services representation or assistance in connection with the property with to another real estate broker, buyer, or lessee, nor shall a licensee negotiate the purchase, lease, or exchange of real property knowing that the buyer or lessee has executed a written contract granting exclusive buyer representation contract or exclusive contract for nonagency services representation or assistance for the purchase, lease, or exchange of the real property with another real estate broker.

(b) Licensees shall not induce any party to a contract of sale, purchase, lease, or option, or to an exclusive listing agreement or buyer's agreement, or facilitator services agreement, to breach the contract, option, or agreement.

(c) A licensee may discuss the terms upon which a listing or buyer representation contract or a contract for ~~nonagency~~ facilitator services may be entered into after expiration of any existing exclusive contract when the inquiry or discussion is initiated by the owner, lessor, buyer, or lessee. The licensee must inquire of the owner, lessor, buyer, or lessee whether such an exclusive contract exists.

Sec. 2. Minnesota Statutes 2001 Supplement, section 82.197, subdivision 1, is amended to read:

Subdivision 1. [AGENCY DISCLOSURE.] A real estate broker or salesperson shall provide to a consumer in the sale and purchase of a residential real property transaction at the first substantive contact with the consumer an agency disclosure form in substantially the form set forth in subdivision 4. The agency disclosure form shall be intended to provide a description of available options for agency and ~~nonagency~~ facilitator relationships, and a description of the role of a licensee under each option. The agency disclosure form shall provide a signature line for acknowledgment of receipt by the consumer.

Sec. 3. Minnesota Statutes 2001 Supplement, section 82.197, subdivision 4, is amended to read:

Subd. 4. [AGENCY DISCLOSURE FORM.] The agency disclosure form shall be in substantially the form set forth below:

AGENCY RELATIONSHIPS IN REAL ESTATE TRANSACTIONS

Minnesota law requires that early in any relationship, real estate brokers or salespersons discuss with consumers what type of agency representation or relationship they desire.(1) The available options are listed below. This is **not** a contract. **This is an agency disclosure form only. If you desire representation, you must enter into a written contract according to state law** (a listing contract or a buyer representation contract). Until such time as you choose to enter into a written contract for representation, you will be treated as a customer and will not receive any representation from the broker or salesperson. The broker or salesperson will be acting as a Facilitator (see paragraph V below), unless the broker or salesperson is representing another party as described below.

Within the limitations described above, dual agents owe to both Seller and Buyer the fiduciary duties described below.(2) Dual agents must disclose to Buyers material facts as defined in Minnesota Statutes, section 82.197, subdivision 6, of which the broker is aware that could adversely and significantly affect the Buyer’s use or enjoyment of the property.

V.

Facilitator: A broker or salesperson who performs services for a Buyer, a Seller, or both but does not represent either in a fiduciary capacity as a Buyer’s Broker, Seller’s Broker, or Dual Agent. **THE FACILITATOR BROKER OR SALESPERSON DOES NOT OWE ANY PARTY ANY OF THE FIDUCIARY DUTIES LISTED BELOW, EXCEPT CONFIDENTIALITY, UNLESS THOSE DUTIES ARE INCLUDED IN THE A WRITTEN FACILITATOR SERVICES AGREEMENT.** The facilitator broker or salesperson owes the duty of confidentiality to the party but owes no other duty to the party except those duties required by law or contained in a written facilitator services agreement, if any. In the event a facilitator broker or salesperson, working with a Buyer, shows a property listed by the facilitator broker or salesperson, then the facilitator broker or salesperson must act as a Seller’s Broker (see paragraph I above). In the event a facilitator broker or salesperson, working with a Seller, accepts a showing of the property by a Buyer being represented by the facilitator broker or salesperson, then the facilitator broker or salesperson must act as a Buyer’s Broker (see paragraph III above).

(1) This disclosure is required by law in any transaction involving property occupied or intended to be occupied by one to four families as their residence.

(2) The fiduciary duties mentioned above are listed below and have the following meanings:

Loyalty-broker/salesperson will act only in client(s)’ best interest.

Obedience-broker/salesperson will carry out all client(s)’ lawful instructions.

Disclosure-broker/salesperson will disclose to client(s) all material facts of which broker/salesperson has knowledge which might reasonably affect the client’s rights and interests.

Confidentiality-broker/salesperson will keep client(s)’ confidences unless required by law to disclose specific information (such as disclosure of material facts to Buyers).

Reasonable Care-broker/salesperson will use reasonable care in performing duties as an agent.

Accounting-broker/salesperson will account to client(s) for all client(s)’ money and property received as agent.

(3) If Seller(s) decides not to agree to a dual agency relationship, Seller(s) may give up the opportunity to sell the property to Buyers represented by the broker/salesperson. If Buyer(s) decides not to agree to a dual agency relationship, Buyer(s) may give up the opportunity to purchase properties listed by the broker.

Sec. 4. Minnesota Statutes 2001 Supplement, section 82.197, subdivision 6, is amended to read:

Subd. 6. [MATERIAL FACTS.] (a) Licensees shall disclose to any prospective purchaser all material facts of which the licensees are aware, which could adversely and significantly affect an ordinary purchaser’s use or enjoyment of the property, or any intended use of the property of which the licensees are aware.

(b) It is not a material fact relating to real property offered for sale and no regulatory action shall be brought against a licensee for failure to disclose in any real estate transaction the fact or suspicion that the property:

(1) is or was occupied by an owner or occupant who is or was suspected to be infected with human immunodeficiency virus or diagnosed with acquired immunodeficiency syndrome; or

(2) was the site of an a suicide, accidental death, natural death, or perceived paranormal activity; or

(3) is located in a neighborhood containing any adult family home, community-based residential facility, or nursing home.

(c) A licensee or employee of the licensee has no duty to disclose information regarding an offender who is required to register under section 243.166, or about whom notification is made under that section, if the broker or salesperson, in a timely manner, provides a written notice that information about the predatory offender registry and persons registered with the registry may be obtained by contacting local law enforcement where the property is located or the department of corrections.

(d) A licensee is not required to disclose, except as otherwise provided in paragraph (e), information relating to the physical condition of the property or any other information relating to the real estate transaction, if a written report that discloses the information has been prepared by a qualified third party and provided to the person. For the purposes of this paragraph, "qualified third party" means a federal, state, or local governmental agency, or any person whom the broker, salesperson, or a party to the real estate transaction reasonably believes has the expertise necessary to meet the industry standards of practice for the type of inspection or investigation that has been conducted by the third party in order to prepare the written report and who is acceptable to the person to whom the disclosure is being made.

(e) A licensee shall disclose to the parties to a real estate transaction any facts known by the broker or salesperson that contradict any information included in a written report, if a copy of the report is provided to the licensee, described in paragraph (d).

Sec. 5. Minnesota Statutes 2000, section 82.23, subdivision 1, is amended to read:

Subdivision 1. [RETENTION.] A licensed real estate broker shall retain for three years copies of all listings, buyer representation and facilitator services contracts, deposit receipts, purchase money contracts, canceled checks, trust account records, and such other documents as may reasonably be related to carrying on a real estate brokerage business. The retention period shall run from the date of the closing of the transaction, or from the date of the listing document if the transaction document is not consummated. The following documents need not be retained:

(1) agency disclosure forms provided to prospective buyers or sellers, where no contractual relationship is subsequently created and no services are provided by the licensee; and

(2) facilitator services contracts or buyer representation contracts entered into with prospective buyers, where the prospective buyer abandons the contractual relationship before any services have been provided by the licensee.

Sec. 6. Minnesota Statutes 2000, section 82.27, is amended by adding a subdivision to read:

Subd. 2a. [MONETARY SETTLEMENTS.] The commissioner shall not coerce or attempt to coerce a licensee to enter into any monetary settlement with a consumer in connection with any complaint investigation. The commissioner may consider the totality of the circumstances, including any efforts by the licensee to mitigate any losses by a consumer, in determining the appropriateness or severity of administrative sanction.

Delete the title and insert:

"A bill for an act relating to commerce; regulating the conduct of real estate industry licensees;

modifying disclosures; regulating records retention requirements; amending Minnesota Statutes 2000, sections 82.19, subdivision 9; 82.23, subdivision 1; 82.27, by adding a subdivision; Minnesota Statutes 2001 Supplement, section 82.197, subdivisions 1, 4, 6."

The motion prevailed. So the amendment was adopted.

S.F. No. 2821 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Higgins	Larson	Ourada	Scheid
Bachmann	Hottinger	Lesewski	Pappas	Schwab
Belanger	Johnson, Dave	Lessard	Pariseau	Solon, Y.P.
Berg	Johnson, Dean	Limmer	Pogemiller	Stevens
Berglin	Johnson, Debbie	Lourey	Price	Stumpf
Betzold	Johnson, Doug	Marty	Ranum	Terwilliger
Chaudhary	Kelley, S.P.	Metzen	Reiter	Tomassoni
Cohen	Kierlin	Moe, R.D.	Rest	Vickerman
Day	Kinkel	Moua	Ring	Wiener
Dille	Kiscaden	Murphy	Robertson	Wiger
Fischbach	Kleis	Neuville	Sabo	
Foley	Knutson	Oliver	Sams	
Fowler	Krentz	Olson	Samuelson	
Frederickson	Langseth	Orfield	Scheevel	

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

SPECIAL ORDER

S.F. No. 3200: A bill for an act relating to civil actions; providing that a nonprofit organization operating an environmental learning center is a municipality for purposes of tort claims; amending Minnesota Statutes 2000, section 84.0875.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 6, as follows:

Those who voted in the affirmative were:

Anderson	Hottinger	Lesewski	Orfield	Scheevel
Belanger	Johnson, Dave	Lessard	Ourada	Scheid
Berglin	Johnson, Dean	Limmer	Pappas	Solon, Y.P.
Betzold	Kelley, S.P.	Lourey	Pogemiller	Stevens
Chaudhary	Kierlin	Marty	Price	Stumpf
Cohen	Kinkel	Metzen	Ranum	Terwilliger
Day	Kiscaden	Moe, R.D.	Rest	Tomassoni
Dille	Kleis	Moua	Ring	Vickerman
Fischbach	Knutson	Murphy	Robertson	Wiener
Fowler	Krentz	Neuville	Sabo	Wiger
Frederickson	Langseth	Oliver	Sams	
Higgins	Larson	Olson	Samuelson	

Those who voted in the negative were:

Bachmann	Foley	Johnson, Debbie	Pariseau	Reiter
Berg				

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 3140: A bill for an act relating to employment; providing that wage credits earned by certain school food service employees may be used for unemployment benefit purposes; amending Minnesota Statutes 2000, section 268.085, subdivision 8.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 40 and nays 27, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Krentz	Murphy	Sabo
Berglin	Higgins	Larson	Orfield	Sams
Betzold	Hottinger	Lessard	Pappas	Samuelson
Chaudhary	Johnson, Dave	Lourey	Pogemiller	Scheid
Cohen	Johnson, Dean	Marty	Price	Solon, Y.P.
Fischbach	Johnson, Doug	Metzen	Ranum	Tomassoni
Foley	Kelley, S.P.	Moe, R.D.	Rest	Wiener
Fowler	Kinkel	Moua	Ring	Wiger

Those who voted in the negative were:

Bachmann	Kierlin	Limmer	Reiter	Stumpf
Belanger	Kiscaden	Neuville	Robertson	Terwilliger
Berg	Kleis	Oliver	Robling	Vickerman
Day	Knutson	Olson	Scheevel	
Dille	Langseth	Ourada	Schwab	
Johnson, Debbie	Lesewski	Pariseau	Stevens	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Reports of Committees and Second Reading of Senate Bills.

REPORTS OF COMMITTEES

Senator Moe, R.D. moved that the Committee Report at the Desk be now adopted. The motion prevailed.

Senator Johnson, Doug from the Committee on Finance, to which was re-referred

S.F. No. 2669: A bill for an act relating to public health; establishing the Minnesota Emergency Health Powers Act; modifying provisions for declaring national security and peacetime emergencies; appropriating money; amending Minnesota Statutes 2000, sections 12.03, by adding subdivisions; 12.21, subdivision 3; 12.31, as amended; 12.32; 12.34, subdivision 1; 13.381, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 144.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 13, delete "10" and insert "8"

Page 3, line 29, after "state" insert ", including entrance or exit from any stricken or threatened public place, occupancy of facilities,"

Page 4, lines 13 to 15, delete the new language

Page 6, line 2, delete everything before "public"

Page 6, line 3, after "emergency" insert "under subdivision 1 or 2"

Page 6, delete line 12 and insert "declaration of a national security emergency due to a public health emergency or a peacetime emergency"

Page 6, line 13, delete the new language

Page 6, line 23, after "peacetime" insert "emergency due to a public health emergency"

Page 7, line 5, after the stricken comma, insert a semicolon and reinstate the stricken "and" and delete the semicolon

Page 7, line 8, delete "; and"

Page 7, lines 9 to 12, delete the new language

Pages 7 to 9, delete sections 9 and 10

Page 10, delete section 12

Amend the title as follows:

Page 1, line 5, delete "appropriating money;"

Page 1, line 8, delete everything after "1" and insert a period

Page 1, delete lines 9 and 10

And when so amended the bill do pass. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. No. 2669 was read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Senator Kinkel introduced--

S.F. No. 3444: A bill for an act relating to higher education; exempting certain student contracts from the contract moratorium; amending Laws 2002, chapter 220, article 10, section 37.

Referred to the Committee on Education.

Senator Scheevel introduced--

S.F. No. 3445: A bill for an act relating to water; limiting water appropriation permits for animal feedlots.

Referred to the Committee on Environment and Natural Resources.

MEMBERS EXCUSED

Senator Robling was excused from the Session of today from 11:45 a.m. to 12:00 noon.

ADJOURNMENT

Senator Moe, R.D. moved that the Senate do now adjourn until 9:00 a.m., Tuesday, March 19, 2002. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

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