

enactment.

Approved May 25, 1979.

CHAPTER 211—H.F.No.487

An act relating to education; authorizing school districts to discontinue certain grades and provide instruction by contract with other districts; providing for calculation of aids, levies and tuition agreements; providing for the employment rights of teachers in participating districts; amending Minnesota Statutes 1978, Sections 122.41; 122.43, Subdivision 1; 122.44, Subdivision 1; and Chapter 122, by adding a section.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1978, Section 122.41, is amended to read:

122.41 **POLICY.** It is hereby declared to be the policy of the state to encourage the organization of school districts into such local units of administration as will afford better educational opportunities for all pupils, make possible a more economical and efficient operation of the schools and insure a more equitable distribution of public school revenue. To this end all area of the state shall be included in an independent or special school district maintaining classified elementary and secondary schools, grades one through twelve, unless a district has made an agreement with another district or districts as provided in section 4.

Sec. 2. Minnesota Statutes 1978, Section 122.43, Subdivision 1, is amended to read:

122.43 **DISSOLUTION OF DISTRICTS NOT A PART OF INDEPENDENT DISTRICTS.** Subdivision 1. If there be any organized school district not a part of an independent school district maintaining classified elementary and secondary schools, grades one through twelve, unless the district has made an agreement with another district or districts as provided in section 4, such district shall hereby be dissolved.

Sec. 3. Minnesota Statutes 1978, Section 122.44, Subdivision 1, is amended to read:

122.44 **ATTACHMENT TO ORGANIZED DISTRICTS; PROCEDURE.** Subdivision 1. Upon notice and hearing, as provided in section 122.22 for the attachment of dissolved districts, all territory of school districts dissolved by sections 122.41 to 122.52 and all area of the state not in a district maintaining classified elementary and secondary schools shall be attached by order of the county board to organized districts maintaining classified elementary and secondary schools, grades one through twelve ~~upon notice and hearing, as provided in section 122.22 for the attachment of dissolved districts,~~ unless a district has made an agreement with another district or districts as provided in section 4.

Sec. 4. Minnesota Statutes 1978, Chapter 122, is amended by adding a section to read:

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[122.541] INTERDISTRICT COOPERATION. Subdivision 1. The boards of two or more school districts may, after consultation with the department of education, enter into an agreement providing for the discontinuance by a district of any of grades kindergarten through 12 or portions of those grades and the instruction in a cooperating district of the pupils in the discontinued grades or portions of grades; provided, the board of a district discontinuing a grade pursuant to the agreement shall continue to maintain a school enrolling pupils in at least three grades. Before making final an agreement permitted by this subdivision, the boards shall provide a copy of this agreement to the commissioner of education.

Subd. 2. A district entering into an agreement permitted in subdivision 1 shall:

(1) Continue to count its resident pupils who are educated in a cooperating district as resident pupils in the calculation of pupil units for all purposes, including the calculation of state aids and levy limitations. Notwithstanding section 124.18, subdivision 2, an agreement permitted by subdivision 1 shall provide for the tuition payments the cooperating districts determine are necessary and equitable to compensate each district for the instruction of nonresident pupils; and

(2) Continue to provide transportation and collect transportation aid for its resident pupils pursuant to sections 123.39, 124.222 and 124.223. This clause shall not be construed to prohibit a district from providing some or all transportation to its resident pupils by contracting with a district which has entered the agreement. For purposes of aid calculations pursuant to section 124.222, the commissioner may adjust the base cost per eligible pupil transported to reflect changes in costs resulting from an agreement which provides for a district to discontinue at least one grade.

Subd. 3. As used in this section, the term "teacher" shall have the meaning given it in section 125.12, subdivision 1.

Subd. 4. The school board and exclusive bargaining representative of the teachers in each district discontinuing grades pursuant to an agreement permitted by subdivision 1 may negotiate a plan for the assignment or employment in a cooperating district or the placement on unrequested leave of absence of teachers whose positions are discontinued as a result of the agreement. The school board and exclusive bargaining representative of the teachers in each district providing instruction to nonresident pupils pursuant to an agreement permitted by subdivision 1 may negotiate a plan for the employment of teachers from a cooperating district whose positions are discontinued as a result of the agreement. If such plans are negotiated in cooperating districts and if the boards determine the plans are compatible with one another, the boards of the districts shall include the plans in their agreement.

Subd. 5. If compatible plans are not negotiated pursuant to subdivision 4 before the June 1 preceding any year of the agreement permitted by subdivision 1, the cooperating districts shall be governed by the provisions of this subdivision. Insofar as possible, teachers who have acquired continuing contract rights and whose positions are discontinued as a result of the agreement shall be employed by a cooperating district or assigned to teach in a cooperating district as exchange teachers pursuant to section

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125.13. If necessary, teachers whose positions are discontinued as a result of the agreement and who have acquired continuing contract rights shall be placed on unrequested leave of absence in fields in which they are licensed in the inverse order in which they were employed by a cooperating district, according to a combined seniority list of teachers in the cooperating districts.

Subd. 6. Prior to making an agreement permitted by subdivision 1, the school board of a district participating in the agreement shall consult with the community at an informational meeting. The board shall publish notice of the meeting in the official newspaper of the district and may send written notice of the meeting to parents of pupils who would be affected by the plan.

Sec. 5. This act shall be effective the day following its final enactment, but no grade or portion of a grade shall be discontinued pursuant to section 4 prior to the 1979-1980 school year.

Approved May 25, 1979..

CHAPTER 212--H.F.No.508

An act relating to unemployment compensation; exempting family corporation shareholder's income from contribution rate; amending Minnesota Statutes 1978, Section 268.04, Subdivision 12.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1978, Section 268.04, Subdivision 12, is amended to read:

Subd. 12. "Employment" means: (1) Subject to the other provisions of this subdivision "employment" means service performed prior to January 1, 1945, which was employment as defined in this section prior to such date, and any service performed after December 31, 1944, including service in interstate commerce, by an individual who is a servant under the law of master and servant or who performs services for any employing unit, unless such services are performed by an independent contractor.

The term "employment" shall include: Any service performed, including service in interstate commerce, by;

(a) any officer of any corporation; or

(b) any individual other than an individual who is an employee under clause (a) who performs services for remuneration for any person as an agent-driver or commission-driver engaged in distributing meat products, vegetable products, fruit products, bakery products, beverages (other than milk), or laundry or dry-cleaning services, for his principal, or as a traveling or city salesman, other than as an agent-driver

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