

purpose other than the purpose indicated.

Approved June 5, 1979.

**CHAPTER 335—H.F.No.1526**

*An act relating to the organization and operation of state government; appropriating money for education and related purposes, including the department of education, higher education coordinating board, state universities, community colleges, and the University of Minnesota and its hospitals, with certain conditions; amending Minnesota Statutes 1978, Sections 120.81, Subdivision 2; 123.38, Subdivision 3; and 124.572, by adding a subdivision; repealing Minnesota Statutes 1978, Section 197.78, Subdivision 2.*

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

Section 1. **EDUCATION; APPROPRIATIONS.** The sums set forth in the columns designated "APPROPRIATIONS" are appropriated from the general fund, or any other fund designated, to the agencies and for the purposes specified in the following sections of this act, to be available for the fiscal year indicated for each purpose. The figures "1979", "1980", and "1981", wherever used in this act, mean that the appropriation or appropriations listed thereunder or therefor shall be available for the year ending June 30, 1979, June 30, 1980, or June 30, 1981, respectively.

	SUMMARY BY FUND			
	1979	1980	1981	TOTAL
General		\$397,246,964	\$403,036,924	\$800,283,888
Tr. Hwy.		15,700	15,700	31,400
Prm.Univ.		2,500,000	2,500,000	5,000,000
Total		399,762,664	405,552,624	805,315,288

APPROPRIATIONS	
Available for the Year	
Ending June 30	
1980	1981

Sec. 2. DEPARTMENT OF EDUCATION	
Subdivision 1. General Operations and Management	\$22,896,400 \$21,647,000

Approved Complement	
State -	551.7 548.7
Federal -	216.7 215.7

The amounts that may be expended from this appropriation for each program and activity are more specifically described in the following subdivisions of this section.

Changes or additions indicated by underline deletions by ~~strikeout~~

Subd. 2. Special and Compensatory Education	5,553,600	5,322,000
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Of this appropriation, \$650,000 in the first year, and \$600,000 in the second year is for Indian scholarships. Any unexpended balance remaining in the first year does not cancel but is available for the second year of the biennium.

\$109,300 the first year is for repair and purchase of equipment at the Minnesota School for the Deaf and the Minnesota Braille and Sight-Saving School. Any unexpended balance remaining in the first year does not cancel but is available for the second year of the biennium.

Subd. 3. Vocational Technical Instruction	3,438,900	2,651,000
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(a) \$275,000 the first year is for the Minnesota instructional materials center.

(b) \$168,800 the first year is for the vocational student organization center.

(c) \$201,100 the first year is for area agricultural coordinators.

(d) \$150,000 the first year is for the statewide curriculum articulation center.

(e) The amounts in (a), (b), (c), and (d) shall be spent pursuant to agreements between the state board of education and the recipients. The agreements are not subject to the contract approval procedures of the commissioner of administration.

Until June 30, 1980, the recipient may charge fees to users of these services designed to cover the cost to the recipient of duplication and distribution, plus ten percent.

Before January 15, 1980, the department of education shall provide a report to the appropriate committees of the legislature in regard to the activities of each of these services and make recommendations regarding the future need for these services, possibilities for alternative funding, and alternative methods of administration.

(f) Federal money received for state vocational education programs pursuant to the Vocational Education Act of 1963, Section 120, and required to be used for vocational education of the disadvantaged and handicapped shall be used only for grants and not for state administrative costs. This does not limit the use of grant money by a school district for its own administrative costs if otherwise permitted by federal law. The remainder of section 120 money not required to be used for eliminating sex bias in vocational education shall be used for grants for post-secondary vocational categorical aid.

Subd. 4. Special Services	1,720,200	1,727,200
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Subd. 5. Instructional Services	1,321,700	1,321,700
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Of the amounts provided by this subdivision, \$15,700 in 1980 and \$15,700 in 1981 are from the trunk highway fund.

The department of education is authorized to apply for and receive federal money for the career education program. The department of education shall not increase its expenditure of state money or its state complement involved in career education programs above the level of the spending and complement in fiscal year 1979. The department of education shall not apply for federal career education money if the application will require an appropriation of state money at any time in the future. The department of education shall present no budget requests for state appropriations for this program in future sessions.

Subd. 6. School Management Services	8,694,900	8,477,600
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The commissioner of education with the approval of the commissioner of finance may

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Subd. 8. Federal money received for strengthening state education agencies pursuant to the Elementary and Secondary Education Act of 1965, Title 4C, as amended, or pursuant to the Education Amendments of 1978, Section 404, Paragraph (a), Clause (9), or Title 5, Part B, shall be spent only for the activities and approved complement positions shown in the allocation plan for Title 4C money as approved by the conferees of the senate and house of representatives. The amounts available for expenditure for each activity are those shown in the allocation plan. Amounts necessary to support approved complement positions shown in the allocation plan may be added to or transferred among those activities by the commissioner of education, with the approval of the commissioner of finance and with notification to the committee on finance of the senate and the committee on appropriations of the house of representatives. Any other transfers or additions may be made only by the governor after consultation with the legislative advisory commission.

Subd. 9. It is the intent of the legislature that the department of education be allowed to transfer money among the various object of expenditure categories and activities within each program.

Subd. 10. The department of education shall not use any federal or other money for the purpose of continuing any positions that have been deleted from the department's complement as shown on official conference committee work papers.

**Sec. 3. HIGHER EDUCATION  
COORDINATING BOARD**

Subdivision 1. General Operations  
and Management

44,478,800 45,833,900

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The amounts that may be expended from this appropriation for each purpose are more specifically described in the following subdivisions of this section.

Subd. 2. Salaries and Expenses 1,657,500 1,871,000

This appropriation includes sufficient state money to offset anticipated loss of federal money in the policy planning and research activities. If any federal money becomes available for this activity, an equal amount of state money shall cancel to the general fund.

This appropriation includes money for the administration of the state students assistance programs, program planning and coordination, policy planning and research, and agency management services.

Subd. 3. State Scholarship, Nurses  
Scholarship and State  
Grant-In-Aid 22,200,000 23,152,000

Subd. 4. Part Time Student  
Subsidy 375,000 375,000

Subd. 5. Special Assistance 47,000 47,000

The University of Minnesota is not eligible to receive money from this appropriation.

Subd. 6. Interstate Tuition  
Reciprocity 10,075,500 9,363,000

Subd. 7. State Work Study 2,600,000 3,600,000

Subd. 8. Medical Student Loans 143,500 153,000

Subd. 9. AVTI Tuition Subsidy 1,792,500 1,792,500

Subd. 10. Private College  
Contracts 4,630,000 4,630,000

Any private educational institution that holds classes or other scheduled educational activities on evenings of precinct caucuses as defined by Minnesota Statutes, Chapter 202A is ineligible to receive money from this appropriation.

Subd. 11. Regional Coordination  
and Service 234,200 234,200

Subd. 12. Minitex Library  
Program 475,000 515,000

Subd. 13. Southwest and West  
Central Consortium 53,600 56,200

No additional funding shall be available for the above program beyond June 30, 1981. A report of the activities and accomplishments of the consortium shall be submitted to the legislature by January 1, 1981.

Subd. 14. Federal Small Business  
Institutes - State Matching 45,000 45,000

The higher education coordinating board shall provide matching grants to colleges and universities in Minnesota that receive grants under the small business management

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assistance program of the federal Small Business Administration, as authorized by Pub. L. 85-536, as amended, Sections 2, 8 and 9; Pub. L. 88-452, as amended, Sections 401, 402, 406, and 407; or any other federal law.

Subd. 15. Minnesota Occupational Information System 150,000

The higher education coordinating board shall prepare and submit to the appropriate legislative committees by January 15, 1980 an evaluation report dealing with the present operations, funding requirements, effectiveness, and demonstrated need for the continuation of the Minnesota occupational information system.

Subd. 16. Any unexpended balances in this section, except subdivisions 2, 8, and 15 remaining in the first year do not cancel but are available for the second year of the biennium.

Subd. 17. The higher education coordinating board shall conduct a study to determine the need for and availability of training programs in Minnesota and neighboring states for personnel who work with individuals having vision, hearing, and deaf-blind disabilities. The board shall assess the need for additional training programs and identify feasible delivery options including contracting with institutions in other states. The results and recommendations shall be submitted to the legislature by December 30, 1979.

Subd. 18. The higher education coordinating board shall conduct a study of the salaries and fringe benefits of unclassified professional employees in public and private post secondary education in Minnesota. The study shall examine existing compensation patterns in each system and institution as related to sex, rank, length of service, term of employment, professional preparation, and conditions of employment specified in any collective bargaining agreements. The study shall relate compensation to total educational costs, including, but not limited to long range enrollment projections, faculty student ratios, and the geographic distribution of institutional and faculty resources. The study shall also examine the policy of the institution in regard to the

amount of earned income and the amount of time devoted to outside employment of unclassified employees in public post secondary education.

A report on the study shall be made to the legislature by July 1, 1980.

Subd. 19. The higher education coordinating board shall employ one staff member for the purpose of working with the Latino-Chicano Spanish communities in Minnesota in cooperation with the Spanish American Board with the aim of increasing and enhancing their participation in postsecondary education.

This shall include, but not be limited to (1) increasing the knowledge of opportunities for postsecondary education, (2) exploring ways to facilitate more effective recruitment and admissions, (3) improving the retention and success of the students and (4) expediting access to financial and other assistance.

The coordinating board shall also study present conditions affecting the participation and retention of Latino-Chicano students in postsecondary education and make recommendations designed to more effectively meet their needs. A report of the findings shall be submitted to the legislature by January 5, 1981.

The appropriation in subdivision 2 includes \$30,000 each year for this purpose.

Subd. 20. In view of declining enrollments in some community colleges, the higher education coordinating board with the assistance of the state board for community colleges, shall conduct a study of, and make recommendations in regard to, the advisability of (1) discontinuance, or reduction of programs, activities, and services, (2) closing of colleges, (3) consolidation or merger, or both, of community colleges, (4) merger of community colleges with other post secondary institutions, and (5) other appropriate alternatives.

A report of the study shall be transmitted to the house appropriations committee and senate finance committee by January 6, 1981.

Sec. 4. STATE UNIVERSITY BOARD

Subdivision 1. General Operations

and Management 75,040,160 76,563,255

The amounts that may be expended from this appropriation for each purpose are more specifically described in the following subdivisions of this section.

Subd. 2. Maintenance and

Equipment 72,732,460 75,005,555

Within the money appropriated for this purpose by the 71st legislature, the commissioner of personnel and the state university board may implement those provisions of the collective bargaining agreements negotiated with the authorized employee representatives that establish wages and economic fringe benefits.

The provisions of collective bargaining agreements establishing severance pay are approved notwithstanding the provisions of Minnesota Statutes, Section 43.17.

The amounts appropriated in subdivisions 2 and 3 include a sum in each year for

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recruitment of unclassified staff.

Notwithstanding any other law to the contrary, until June 30, 1981 the state university board may purchase insurance coverage as it deems necessary and appropriate for activities ancillary to the programs of the state universities.

Subd. 3. State University Board

Contingent	750,000	
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Any unexpended balance remaining in the first year does not cancel but is available for the second year of the biennium.

This appropriation shall be expended with the approval of the governor after consultation with the legislative advisory commission as provided by Minnesota Statutes, Section 3.30.

Subd. 4. Federal Student Loans -

State Matching	175,000	175,000
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Subd. 5. Federal Work Study -

State Matching	518,000	518,000
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Any unexpended balances in subdivisions 4 and 5 remaining in the first year do not cancel but are available for the second year of the biennium. If the amounts appropriated in subdivision 5 are insufficient to fully match federal money available, the state university board may transfer money from the appropriations in subdivisions 1 or 3 to this program. No portion of the appropriation shall be used to defray obligations incurred prior to July 1, 1979.

Subd. 6. Repairs and Betterments	864,700	864,700
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Any unexpended balance remaining in the first year does not cancel but is available for the second year of the biennium.

The state university board, with the concurrence of the commissioner of finance and the chairmen of the senate finance and house appropriations committees, may transfer excess fuel and utility money appropriated in subdivision 2 to the repair and betterment account to fund energy conservation related building repairs and improvements.

Subd. 7. [136.034] STATE UNIVERSITY SYSTEM; EXECUTIVE SALARIES.

Notwithstanding the provisions of Minnesota Statutes, Chapters 15A and 43, the state university board may establish executive salaries within the state university system in accordance with a management compensation plan based on the level of responsibility and authority of various positions as well as appropriate market comparisons with similar positions in comparable public colleges and universities in the midwest.

*The salary of the chancellor is the upper limit of compensation for all other positions in the state university system.*

The state university board shall survey compensation levels in comparable public colleges and universities in the midwest during the 1979-81 biennium and report necessary adjustments in the above level of compensation to the governor and legislature as part of its 1981-83 biennial budget request.

Subd. 8. A report shall be submitted to the 72nd session of the legislature on the use of all money exempt from budgetary control by the commissioner

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of finance pursuant to Minnesota Statutes, Sections 136.11, Subdivision 5; 136.144; and 136.37.

Sec. 5. STATE COMMUNITY COLLEGE

BOARD

Subdivision 1. General Operations and Management

35,668,371 36,673,186

The amounts that may be expended from this appropriation for each purpose are more specifically described in the following subdivisions of this section.

Subd. 2. Operations and

Maintenance

33,958,471 35,688,286

This appropriation is for maintenance and equipment of the state community college board and the state community colleges. The state community colleges are encouraged to use off-campus courses to extend the benefits of this appropriation to as many Minnesota residents as possible.

Notwithstanding any other law to the contrary, the community college board may purchase insurance coverage as it deems necessary and appropriate for activities ancillary to the programs of the state community colleges.

Subd. 3. Program Development

300,000

Prior to use of this appropriation the chancellor of the community college system shall submit the proposed program and expenditures for review by the chairmen of the house appropriations and senate finance committees.

Subd. 4. Learning Centers

225,300 225,300

The board may establish one or more additional learning centers and survey the need for and suggested sites for additional learning centers.

The board shall report to the committee on finance of the senate and the committee on appropriations of the house of representatives by March 1, 1980 for the first year and January 1, 1981 for the second year on the use of the money in this appropriation.

Subd. 5. Federal Student Loan -

State Matching

70,000 70,000

Subd. 6. Federal Work Study

State Matching

291,500 291,500

If the amounts appropriated are insufficient to fully match federal money available, the community college board may transfer money available from the appropriation in subdivision 2 to this program.

Subd. 7. State Community College

Board Contingent

300,000

This appropriation shall be expended with the approval of the governor after consultation with the legislative advisory commission, as provided by Minnesota Statutes, Section 3.30.

Subd. 8. Repairs and Betterments

398,100 398,100

Any unexpended balances in this section, except subdivision 2, remaining in the first year does not cancel but is available for the second year of the biennium.

Subd. 9. Special Assessments

125,000

Sec. 6. UNIVERSITY OF

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MINNESOTA 220,278,333 223,298,983  
 The amounts that may be expended from this appropriation for each purpose are more specifically described in the following three sections of this act.

Sec. 7. UNIVERSITY OF MINNESOTA:-

GENERAL

Subdivision 1. Operations and  
 Maintenance

173,846,759. 177,625,220

These appropriations are made from:

(a) Income derived from investment of the permanent university fund, which is appropriated to the university as provided in Minnesota Statutes, Section 137.022. It is estimated that this income will not exceed \$2,500,000 for the first year and \$2,500,000 for the second year; and

(b) The general fund. It is estimated that the amount required from the general fund will be at least \$171,346,759 for the first year and \$175,125,220 for the second year.

The university is authorized to retain two and one-half percent of the indirect cost recoveries and this amount shall be expended to improve its ability to attract non-state money. A report on the expenditures of this money with an analysis of apparent results shall accompany the university's annual report on expenditure of excess receipts.

On October 1, 1980 and 1981 the president of the university of Minnesota shall furnish the house appropriations and senate finance committees and the commissioner of finance the following information:

(1) The total amount of receipts during the fiscal year 1980 from all sources in excess of \$76,350,000 and during the fiscal year 1981 from all sources in excess of \$81,800,000;

(2) The sources of these receipts; and

(3) The purposes for which any excess receipts were expended and accounts to which transferred.

The board of regents shall certify to the commissioner of finance at the end of each quarter the amount of earnings derived from the investment of the permanent university fund.

If this income during any fiscal year exceeds the amounts stated in (a) above, the amount payable from the general fund is reduced accordingly.

State appropriations for fellowship programs shall cancel if replacement federal money becomes available during the 1979-1981 biennium.

In preparing the university's legislative budget request for the 1981-1983 biennium, all projected income from student tuition shall be based on a charge per credit hour schedule.

This appropriation provides necessary funding for the development of an automated student registration system, which shall be completed and in operation systemwide by the beginning of fall quarter 1981.

This appropriation includes money to provide direct support services to handicapped students.

Any excess money in the above appropriation resulting from delayed completion or occupancy of new space as projected in the budget document is cancelled to the general fund.

The university shall take necessary steps to reduce the amount of leased space and to discontinue leasing inefficient space. A report detailing the steps taken and results achieved, including projected energy savings, shall be submitted to the chairmen of house

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appropriations and senate finance committees by January 1, 1981.

The university shall continue to take the necessary steps to insure faculty salary equalization among the twin cities and coordinate campuses and submit a progress report to the legislature by January 15, 1981.

The university shall submit by January 1, 1981 a report to the chairman of the house appropriations committee and the chairman of the senate finance committee detailing the increased level of grants, contracts, other non-state support, and indirect cost recoveries as a result of an increased travel budget.

Subd. 2. Equipment Replacement	750,000	750,000
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Subd. 3. Student Loans - State Matching	250,000	250,000
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Subd. 4. Disadvantaged Students	350,000	350,000
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This appropriation shall be used for providing counseling, tutorial, and other direct services to disadvantaged students.

Subd. 5. Library Supplement	1,644,900	1,706,400
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Subd. 6. Intercollegiate Athletics	1,158,577	1,427,298
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The regents shall develop a plan for a unified department of intercollegiate athletics on the twin cities campus. The legal and fiscal implications of the plan shall be submitted to the chairmen of the house appropriations committee and the senate finance committee by September 1, 1980.

Subd. 7. Summer School Tuition and Continuing Education Supplement	1,052,000	1,052,000
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The board of regents shall expend this money to equalize tuition rates among undergraduate students for regular session, summer session, and extension programs in order to facilitate to the maximum the use of campus units, buildings, and staff.

Subd. 8. Family Practice and Graduate Residency Program	3,419,200	3,419,200
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All hospitals receiving any portion of this appropriation shall furnish the house appropriations and senate finance committees with a full report by March 1, 1980 on all actual and reasonable costs resulting from graduate family practice residency education, and all fees and income to the hospital generated by the graduate residents in family practice and the purposes for which this money was expended. Expenditures from this appropriation shall be made only for activities directly related to the training of doctors in family practice.

Subd. 9. Medical Services and Instruction	1,440,000	1,465,000
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This appropriation includes money for the rural health physicians' associate program, drug abuse information and education, and public health and nurse clinician generalist program.

Subd. 10. Health Sciences Contingent	2,425,000	
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Portions or all of the above appropriation are available upon submission of required

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documentation that federal health sciences capitation money has been reduced or phased out. Replacement of any capitation grant losses or reductions shall be computed by using the fiscal year 1976 level as the base year. The replacement will be adjusted to reflect faculty and civil service salary increases granted to the university for the 1979-1981 biennium. All requests shall be reviewed by the chairmen of the house appropriations and senate finance committees whose recommendations are advisory only. Failure to make a recommendation promptly is deemed a negative recommendation.

Subd. 11. Duluth Campus

(a) Basic Sciences Program for Medical Training	2,267,600	2,267,600
(b) Dental Hygiene Program	230,000	230,000
(c) Graduate School of Social Work	438,100	438,100

Sec. 8. UNIVERSITY OF MINNESOTA:  
RESEARCH

Subdivision 1. General Research	1,750,000	1,750,000
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This appropriation is, as the board of regents may direct, for general research, business and economic research including Duluth, training for careers in fire prevention and protection, center for urban and regional affairs, museum of natural history, and juvenile justice seminar.

Subd. 2. Mineral Resource Research

Center	300,000	300,000
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Subd. 3. General Agricultural  
Research

7,584,500	7,584,500
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This appropriation includes money for research on aquatic plants (including wild rice), soybeans, avian disease, swine disease, corn improvement and irrigation.

Subd. 4. Hormel Institute -

Austin	129,400	129,400
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To support the operation of the institute and to promote research by the institute.

Subd. 5. Medical Research	1,486,000	1,516,000
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Subd. 6. Veterinary Diagnostic Laboratory and Teaching Hospital	850,000	850,000
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Subd. 7. Geological Survey	501,000	501,000
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Subd. 8. Lake Superior Basin Studies	67,500	67,500
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Subd. 9. Sea Grant	100,000	100,000
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Subd. 10. Freshwater Biological Research Institute	224,200	224,200
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Sec. 9. UNIVERSITY OF MINNESOTA:

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**COMMUNITY SERVICES****Subdivision 1. Agricultural Extension**

Service	7,065,690	7,065,690
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*This appropriation includes money for agriculture extension work, county agricultural agents, home demonstration and 4-H club work, and soil conservation. Any salary increases granted by the university to personnel paid from this appropriation shall not result in a reduction of the county portion of the salary payments.*

*This appropriation includes money each year for the potato and sugar beet extension program in the Red River Valley, contingent on an equal amount being provided by the state of North Dakota.*

Subd. 2. For State's Share of Expenses of County Indigent Patients	2,000,000	2,000,000
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Subd. 3. Special Hospitals, Community Service, and Educational Offset	6,466,300	6,466,300
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Fees for service furnished to counties and individuals under this program shall be sought to augment the money appropriated; the fees are appropriated to the university hospitals, to be available until June 30, 1981.

Subd. 4. University Galleries	45,000	45,000
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Subd. 5. Industrial Relations Education Program	460,900	460,900
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Subd. 6. Civil Service Base Adjustment	137,100	137,100
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Subd. 7. Faculty Equity Adjustment	500,000	500,000
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Subd. 8. Faculty Salary Increase	1,021,083	2,113,641
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Subd. 9. Faculty Fringe Increase	317,524	506,934
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The appropriations in section 7, subdivisions 2, 5, 8, and 11 paragraphs (a), (b), and (c); section 8, the veterinary medicine teaching hospital portion of subdivision 6, subdivision 10; and section 9, subdivision 4 shall be merged with the general operations and maintenance appropriation in fiscal years 1980 and 1981.

Notwithstanding any other law to the contrary, prior to preparing the 1981-1983 biennial budget request the university of Minnesota and the department of finance in cooperation with the staff of the house appropriations and senate finance committees shall develop improvements to the budget format. A progress report shall be submitted to the chairman of the house appropriations committee and the chairman of senate finance committee by January 15, 1980.

**Sec. 10. MAYO MEDICAL**

Subdivision 1. Medical School	1,304,600	1,392,300
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The state of Minnesota shall pay a capitation of \$8,640 in fiscal year 1980 and \$9160 in fiscal year 1981 for each student who is a resident of Minnesota for a maximum of 40 such students in each class.

Subd. 2. Family Practice and Graduate Residency Program	96,000	144,000
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The state of Minnesota shall pay capitation of \$12,000 each for eight students in fiscal year 1980 and twelve students in fiscal year 1981.

Sec. 11. Minnesota Statutes 1978, Section 120.81, Subdivision 2, is amended to read:

Subd. 2. Notwithstanding the provisions of subdivision 1, the consortium is authorized to maintain a revolving fund for all receipts derived from computer services provided by the consortium ~~and further provided that~~. The Minnesota educational computing consortium shall charge users of consortium facilities for on-line computer time actually used. Receipts shall be deposited in the Minnesota educational computing consortium revolving fund and are appropriated to the consortium. The consortium board may establish one management position shall appoint an executive director who shall be its chief administrative officer. The executive director may be in the unclassified service. All other employees are in the classified service of the state.

Sec. 12. ~~[120.83]~~ **PURCHASE OF ANNUITIES FOR EMPLOYEES.** Subdivision 1. At the request of an employee, the consortium board may negotiate and purchase an individual annuity contract from a company licensed to do business in the state of Minnesota for an employee for retirement or other purposes and may allocate a portion of the compensation otherwise payable to the employee as salary for the purpose of paying the entire premium due or to become due under such contract. The allocation shall be made in a manner which will qualify the annuity premiums, or a portion thereof, for the benefit afforded under section 403(b) of the current Federal Internal Revenue Code or any equivalent provision of subsequent federal income tax law. The employee shall own such contract and his rights thereunder shall be nonforfeitable except for failure to pay premiums.

Subd. 2. All amounts so allocated shall be deposited in an annuity account, which is established in the state treasury. There is annually appropriated from the annuity account in the state treasury to the board all moneys deposited therein for the payment of annuity premiums when due or for other application in accordance with the salary agreement entered into between the employee and the board. The moneys in the annuity account in the state treasury are not subject to the budget, allotment, and encumbrance system provided for in chapter 16, and any act amendatory thereof.

Sec. 13. **EMPLOYEES TRANSFERRED.** On July 1, 1979, all employees of the Minnesota educational computing consortium shall be transferred without competitive examination to the classified civil service of the state. Positions and employees shall be placed in the proper classifications by the commissioner of personnel with compensation as those classifications carry. Employees above the maximum rate for their classifications

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shall receive no further salary increases, except for cost-of-living adjustments and those increases authorized by Minnesota Statutes, Section 43.122, Subdivision 1, until their salary rate falls within the range for their classification.

Incumbents of transferred positions shall receive the status and length of service credit that would have accrued to them had they originally been appointed to the classified civil service; however, the length of service shall not include seniority under the provisions of a collective bargaining agreement negotiated pursuant to sections 179.61 to 179.77, until the effective date of classified civil service status. All of the employees' accrued vacation and sick leave shall be transferred to their credit, provided that in no event shall the amount transferred exceed state limitations for classified employees. The position of executive director may be converted to the unclassified service by the consortium board upon notice to the commissioner of personnel.

Sec. 14. Minnesota Statutes 1978, Section 123.38, Subdivision 3, is amended to read:

Subd. 3. The board may enter into a contract providing for the payment of cash benefits or the rendering or payment of hospital and medical benefits, or both to school children injured while participating in activities of the school, such contract to make the payment of such benefits or the rendering thereof the direct and sole obligation of the association or company entering into such contract with the district.

If the board deems it advisable, it may authorize employees to collect fees from the pupils enrolled in said school who are to be or are covered by such contract, and to make payment of the premium or other charge for such contract or protection. The payment of such premium or other charge may be made from funds received from the federal government or from the state or any governmental subdivision thereof, or from funds derived by a tax levy or the issuance of bonds.

The payment of any fees, premium or other charge by such child shall not thereby make the district liable for any injuries incurred from such school activities.

The state board of education may purchase medical insurance coverage for the benefit of students of the school for the deaf or the braille and sight-saving school in the same manner and with the same effect as a school district board may do for its students under this subdivision.

Sec. 15. Minnesota Statutes 1978, Section 124.572, is amended by adding a subdivision to read:

Subd. 10. State money shall not be used to pay for more than 75 percent of the independent telephone communications training program and the Minnesota electric cooperative linepersons training program. The appropriate industry or association shall pay at least 25 percent of the cost of each program.

Sec. 16. [124.625] VETERANS TRAINING. The state board of education shall continue the veterans training program. All receipts to the veterans training revolving

Changes or additions indicated by underline deletions by ~~strikeout~~

fund for the veterans training program are appropriated to the state board to pay the necessary expenses of operation of the program. The state board shall act as the state agency for approving educational institutions for purposes of 38 U.S.C. Chapter 36, relating to educational benefits for veterans and other persons. The state board may adopt rules to fulfill its obligations as the state approving agency. All federal money received for purposes of the veterans training program shall be deposited in the veterans training revolving fund and is appropriated to the state board for those purposes.

Sec. 17. **PRIOR LAWS SUPERCEDED.** The provisions of the preceding section supercede and replace the provisions of Laws 1947, Chapter 599, Section 7, Clause 8, and Laws 1977, Chapter 449, Section 2, Subdivision 2, Clause (b), relating to the revolving fund for on the job training.

Sec. 18. **REPEALER.** Minnesota Statutes 1978, Section 197.78, Subdivision 2, is repealed.

Sec. 19. It is recommended that the education committees of the senate and the house review the creation of a center for older adult learners and make recommendations to the 1980 legislature.

Approved June 5, 1979.

#### CHAPTER 336—H.F.No.1518

*An act relating to the organization and operation of state government; appropriating money for welfare, corrections, health, and other purposes with certain conditions; providing appropriations for the departments of public welfare, economic security, corrections, corrections ombudsman, health, health related boards; repealing Minnesota Statutes 1978, Section 256B.44, Subdivision 2.*

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

Section 1. **WELFARE, CORRECTIONS, HEALTH; APPROPRIATIONS.** The sums set forth in the columns designated "APPROPRIATIONS" are appropriated from the general fund, or any other fund designated, to the agencies and for the purposes specified in the following sections of this act, to be available for the fiscal years indicated for each purpose. The figures "1979", "1980", and "1981", wherever used in this act, mean that the appropriation or appropriations listed thereunder shall be available for the year ending June 30, 1979, June 30, 1980, or June 30, 1981, respectively.

	SUMMARY BY FUND			
	1979	1980	1981	TOTAL
General	\$6,109,000	\$615,711,900	\$655,502,300	\$1,277,323,200
Trk. Hwy.		\$ 269,700	\$ 269,700	\$ 539,400

#### APPROPRIATIONS

Changes or additions indicated by underline deletions by ~~strikeout~~