

This Document can be made available  
in alternative formats upon request

State of Minnesota  
**HOUSE OF REPRESENTATIVES**

EIGHTY-NINTH SESSION

**H. F. No. 2749**

- 03/08/2016 Authored by Knoblach, Loon and Nornes  
The bill was read for the first time and referred to the Committee on Ways and Means
- 04/21/2016 Adoption of Report: Placed on the General Register as Amended  
Read Second Time
- 04/25/2016 Calendar for the Day, Amended  
Read Third Time as Amended  
Passed by the House as Amended and transmitted to the Senate to include Floor Amendments
- 05/04/2016 Returned to the House as Amended by the Senate  
Refused to concur and Conference Committee appointed
- 05/22/2016 Conference Committee Report Adopted  
Read Third Time as Amended by Conference and repassed by the House  
Passed by the Senate and returned to the House
- 05/24/2016 Presented to Governor
- 06/01/2016 Governor Approval

1.1 A bill for an act

1.2 relating to state government; providing supplemental appropriations and policy

1.3 for higher education, agriculture, broadband development, state agencies,

1.4 the courts, public safety, corrections, environment, natural resources, state

1.5 government, veterans, jobs, economic development, labor and industry,

1.6 commerce, housing finance, health and human services, early childhood

1.7 education, voluntary prekindergarten, kindergarten through grade 12 education,

1.8 and community and adult education; providing for the James Metzen Mighty

1.9 Ducks Ice Center Development Act; providing policy initiatives for state

1.10 government programs; making policy, technical, and conforming changes to

1.11 various provisions, including provisions governing broadband development,

1.12 state broadband goals, postsecondary student aid programs, agriculture, driver's

1.13 licenses, identification cards, predatory offender registration, prostitution, game

1.14 and fish, natural resources, state lands, watercraft, recreational vehicles, energy,

1.15 utilities, state agencies, the Board of Barbers, veterans, economic development,

1.16 labor and industry, housing, the Public Employment Relations Board, Explore

1.17 Minnesota Tourism, commerce, children and family services, mental and

1.18 chemical health services, direct care and treatment, continuing care, health

1.19 care programs, Department of Health programs, and health-related licensing;

1.20 making forecast adjustments; making adjustments to certain appropriations;

1.21 specifying requirements for construction of highways on tribal lands; creating

1.22 a surrogacy commission; modifying state procurement contracts; establishing

1.23 certain programs and incentives; providing an income tax subtraction for military

1.24 retirement pay; providing an income tax credit for parents of stillborn children;

1.25 modifying the sales and use tax rate for retail sales of modular homes; increasing

1.26 maximum sentence for felony assault motivated by bias; permitting the purchase

1.27 and possession of alcohol by sensory testing firms; authorizing the issuance of

1.28 certain liquor licenses; authorizing transfers; creating accounts; creating task

1.29 forces; requiring reports; authorizing rulemaking; providing criminal penalties;

1.30 amending Minnesota Statutes 2014, sections 3.3005, subdivisions 3, 3b, 4, 5, 6,

1.31 by adding subdivisions; 13.3805, by adding a subdivision; 16A.103, by adding a

1.32 subdivision; 16C.10, subdivision 6; 16C.16, subdivisions 6, 7, 11, by adding a

1.33 subdivision; 16E.0466; 16E.21, subdivision 2, by adding subdivisions; 17.117,

1.34 subdivisions 4, 11a; 17.4982, subdivision 18a; 18B.26, subdivision 3; 41A.12,

1.35 subdivision 2; 61A.24, by adding a subdivision; 61A.25, by adding a subdivision;

1.36 62D.04, subdivision 1; 62D.08, subdivision 3; 62J.495, subdivision 4; 62J.496,

1.37 subdivision 1; 62V.05, by adding a subdivision; 84.027, subdivision 13; 84.091,

1.38 subdivision 2; 84.798, subdivision 2; 84.8035; 84D.01, subdivision 2; 84D.05,

1.39 subdivision 1; 84D.09, subdivision 2; 84D.10, subdivision 4; 84D.108, by adding

2.1 a subdivision; 84D.13, subdivision 4; 85.015, subdivision 13; 86B.005, by adding  
 2.2 subdivisions; 88.01, by adding a subdivision; 88.22, subdivision 1; 89.0385;  
 2.3 93.0015, subdivision 3; 93.2236; 94.3495, subdivisions 2, 3, 7; 97A.075,  
 2.4 subdivision 7; 97A.405, subdivision 2; 97A.465, by adding a subdivision;  
 2.5 115C.09, subdivisions 1, 3; 115C.13; 116J.395, subdivisions 4, 5, by adding  
 2.6 subdivisions; 116J.423; 116J.424; 116J.431, subdivisions 1, 2, 4, 6; 116J.68;  
 2.7 116J.8737, subdivisions 2, 3, 5, 12; 116J.8747, subdivisions 1, 2; 116L.99;  
 2.8 116M.14, subdivisions 2, 4, by adding subdivisions; 116M.15, subdivision 1, by  
 2.9 adding a subdivision; 116M.17, subdivisions 2, 4; 116M.18; 120A.42; 120B.02,  
 2.10 by adding a subdivision; 120B.021, subdivisions 1, 3; 120B.11, subdivisions 1a,  
 2.11 2, 3, 4, 5; 120B.12, subdivision 2; 120B.15; 120B.232; 120B.30, subdivision 2, by  
 2.12 adding a subdivision; 120B.31, subdivision 5, by adding subdivisions; 120B.35;  
 2.13 120B.36, as amended; 121A.53; 121A.61, subdivision 3; 121A.64; 122A.09, as  
 2.14 amended; 122A.16; 122A.18, as amended; 122A.21, as amended; 122A.245, as  
 2.15 amended; 122A.31, subdivision 3; 122A.4144; 122A.416; 122A.42; 122A.63,  
 2.16 subdivision 1; 122A.72, subdivision 5; 123A.24, subdivision 2; 123B.045, by  
 2.17 adding a subdivision; 123B.52, subdivision 1; 123B.53, subdivision 5; 123B.571,  
 2.18 subdivision 2; 123B.60, subdivision 1; 123B.71, subdivision 8; 123B.79,  
 2.19 subdivisions 5, 8, 9; 124D.03, subdivision 5a; 124D.111, by adding a subdivision;  
 2.20 124D.1158, subdivisions 3, 4; 124D.135, subdivision 6, by adding subdivisions;  
 2.21 124D.15, subdivisions 3a, 15; 124D.52, subdivisions 1, 2; 124D.55; 124D.59, by  
 2.22 adding a subdivision; 124D.68, subdivision 2; 124D.861, as amended; 125A.091,  
 2.23 subdivision 11; 125A.0942, subdivision 4; 125A.56, subdivision 1; 126C.05,  
 2.24 subdivision 3; 126C.10, subdivisions 2d, 24; 126C.40, subdivision 5; 126C.63,  
 2.25 subdivision 7; 127A.095; 127A.353, subdivision 4; 127A.45, subdivision 6a;  
 2.26 127A.51; 129C.10, subdivision 1; 136A.101, subdivisions 5a, 10; 144.05, by  
 2.27 adding a subdivision; 144A.073, subdivisions 13, 14, by adding a subdivision;  
 2.28 144A.611, subdivisions 1, 2, by adding a subdivision; 144A.75, subdivisions 5,  
 2.29 6, 8, by adding a subdivision; 145.4716, subdivision 2, by adding a subdivision;  
 2.30 149A.50, subdivision 2; 154.001, subdivision 2; 154.002; 154.01; 154.02;  
 2.31 154.04; 154.05; 154.065, subdivisions 2, 4; 154.07; 154.08; 154.09; 154.10,  
 2.32 subdivision 2; 154.11, subdivision 1; 154.14; 154.15; 154.161, subdivision 7;  
 2.33 154.162; 154.19; 154.21; 154.24; 154.25; 161.368; 171.07, subdivisions 6, 7,  
 2.34 15, by adding a subdivision; 197.455, subdivision 1; 214.075, subdivision 3;  
 2.35 216B.16, subdivision 12; 216B.1691, subdivision 10; 216B.241, subdivision  
 2.36 1c; 216B.243, subdivision 8; 216C.20, subdivision 3; 216E.03, subdivision 5;  
 2.37 216H.01, by adding a subdivision; 216H.03, subdivision 1; 237.012; 243.166,  
 2.38 subdivision 1b; 245.92; 245.94; 245.95, subdivision 1; 245.97, subdivision 5;  
 2.39 245.99, subdivision 2; 245A.11, subdivision 2a, as amended; 246.50, subdivision  
 2.40 7; 246.54, as amended; 246B.01, subdivision 1b; 246B.035; 254B.01, subdivision  
 2.41 4a; 254B.03, subdivision 4; 254B.04, subdivision 2a; 254B.06, subdivision 2, by  
 2.42 adding a subdivision; 256.01, by adding a subdivision; 256B.059, subdivisions 1,  
 2.43 2, 3, by adding a subdivision; 256B.06, subdivision 4; 256B.0622, by adding a  
 2.44 subdivision; 256B.0625, subdivisions 30, 34, by adding a subdivision; 256B.15,  
 2.45 subdivisions 1, 1a, 2; 256D.051, subdivision 6b; 256L.01, subdivision 1a;  
 2.46 256L.04, subdivisions 1a, 2; 256L.07, subdivision 1; 256L.11, subdivision  
 2.47 7; 256N.26, subdivision 3; 260C.451, by adding a subdivision; 268.035,  
 2.48 subdivisions 12, 20, 23a, 29, by adding subdivisions; 268.051, subdivision 5;  
 2.49 268.085, subdivisions 4, 5; 268.0865, subdivisions 3, 4; 268.095, subdivisions 1,  
 2.50 2, 5; 268.101, subdivision 2; 268.18; 268.182, subdivision 2; 290.01, subdivision  
 2.51 19b; 297A.62, subdivision 3; 299A.41, subdivisions 3, 4; 326B.439; 326B.49,  
 2.52 subdivision 1; 327.14, subdivision 8; 327C.03, subdivision 6; 327C.095,  
 2.53 subdivisions 12, 13; 373.48, subdivision 3; 462A.204, subdivisions 1, 3; 484.90,  
 2.54 subdivision 6; 518.175, subdivision 5; 518A.34; 518A.35, subdivision 1;  
 2.55 518A.36; 609.3241; 626.556, subdivision 3e; 626.558, subdivisions 1, 2, by  
 2.56 adding a subdivision; Minnesota Statutes 2015 Supplement, sections 16A.152,  
 2.57 subdivision 2; 16A.724, subdivision 2; 16C.073, subdivision 2; 16C.16,  
 2.58 subdivision 6a; 41A.14; 41A.15, subdivision 10, by adding subdivisions;

3.1 41A.16, subdivision 1; 41A.17, subdivisions 1, 2; 41A.18, subdivision 1; 84.027,  
3.2 subdivision 13a; 84D.11, subdivision 1; 84D.13, subdivision 5; 116D.04,  
3.3 subdivision 2a; 116J.394; 120A.41; 120B.021, subdivision 4; 120B.125;  
3.4 120B.30, subdivision 1; 120B.301; 120B.31, subdivision 4; 122A.23; 122A.40,  
3.5 subdivision 8; 122A.41, subdivision 5; 122A.414, subdivisions 1, 2, 2b, 3;  
3.6 122A.415, subdivision 4; 122A.60, subdivision 4; 123B.53, subdivision 1;  
3.7 123B.595, subdivisions 1, 4, 7, 8, 9, 10, 11, by adding a subdivision; 124D.231,  
3.8 subdivision 2; 124D.59, subdivision 2; 124D.73, subdivision 4; 124E.01;  
3.9 124E.02; 124E.03; 124E.05; 124E.06; 124E.07; 124E.08; 124E.10; 124E.12;  
3.10 124E.13; 124E.15; 124E.16; 124E.17; 124E.22; 124E.24; 124E.25; 124E.26;  
3.11 125A.08; 125A.083; 125A.0942, subdivision 3; 125A.11, subdivision 1;  
3.12 125A.21, subdivision 3; 125A.63, subdivision 4; 125A.76, subdivision 2c;  
3.13 125A.79, subdivision 1; 126C.05, subdivision 1; 126C.10, subdivision 13a;  
3.14 126C.48, subdivision 8; 127A.05, subdivision 6; 127A.47, subdivision 7;  
3.15 136A.121, subdivision 7a; 136A.125, subdivisions 2, 4; 136A.1791, subdivisions  
3.16 4, 5, 6; 136A.246, by adding subdivisions; 136A.87; 136F.302, subdivision  
3.17 1; 144.4961, subdivisions 3, 4, 5, 6, 8, by adding subdivisions; 144A.75,  
3.18 subdivision 13; 149A.92, subdivision 1; 154.003; 154.11, subdivision 3; 154.161,  
3.19 subdivision 4; 197.46; 245.735, subdivisions 3, 4; 254B.05, subdivision 5;  
3.20 256B.059, subdivision 5; 256B.0625, subdivision 17a; 256B.431, subdivision  
3.21 36; 256B.76, subdivisions 2, 4; 256B.766; 256L.01, subdivision 5; 256L.04,  
3.22 subdivision 7b; 256L.05, subdivision 3a; 256L.06, subdivision 3; 256L.15,  
3.23 subdivision 1; 256P.06, subdivision 3; 260C.203; 260C.212, subdivisions 1,  
3.24 14; 260C.215, subdivision 4; 260C.451, subdivision 6; 260C.521, subdivision  
3.25 1; 268.07, subdivision 3b; 268.085, subdivision 2; 326B.13, subdivision 8;  
3.26 326B.988; 518A.26, subdivision 14; 518A.39, subdivision 2; 583.215; 609.324,  
3.27 subdivision 1; 626.556, subdivision 2; Laws 2001, chapter 130, section 3; Laws  
3.28 2011, First Special Session chapter 11, article 4, section 8; Laws 2014, chapter  
3.29 198, article 2, section 2; Laws 2014, chapter 211, section 13; Laws 2014, chapter  
3.30 312, article 2, sections 14; 15; article 12, section 6, subdivision 5, as amended;  
3.31 Laws 2015, chapter 65, article 1, section 18; Laws 2015, chapter 69, article 1,  
3.32 section 3, subdivision 28; article 3, sections 20, subdivision 15; 24, subdivision  
3.33 1; Laws 2015, chapter 71, article 8, section 24; article 14, section 4, subdivision  
3.34 3; Laws 2015, First Special Session chapter 1, article 1, sections 2, subdivision 3;  
3.35 4; 6; article 6, section 16; Laws 2015, First Special Session chapter 3, article 1,  
3.36 sections 24; 27, subdivisions 2, 4, 5, 6, 7, 9; article 2, section 70, subdivisions  
3.37 2, 3, 4, 5, 6, 7, 11, 12, 15, 19, 21, 24, 26; article 4, sections 4; 9, subdivision 2;  
3.38 article 5, section 30, subdivisions 2, 3, 5; article 6, section 13, subdivisions 2, 3, 6,  
3.39 7; article 7, section 7, subdivisions 2, 3, 4; article 9, section 8, subdivisions 5, 6,  
3.40 7, 9; article 10, section 3, subdivisions 2, 6, 7; article 11, section 3, subdivisions  
3.41 2, 3; article 12, section 4, subdivision 2; Laws 2015, First Special Session chapter  
3.42 4, article 1, sections 2, subdivisions 2, 4; 5; article 3, section 3, subdivisions 2,  
3.43 5; article 4, section 131; proposing coding for new law in Minnesota Statutes,  
3.44 chapters 17; 41A; 62D; 84D; 86B; 116J; 116L; 119A; 120B; 121A; 123B; 124D;  
3.45 136A; 136F; 144; 145; 216B; 240A; 254B; 260C; 260D; 290; 325E; 462A; 518A;  
3.46 609; proposing coding for new law as Minnesota Statutes, chapters 147F; 153B;  
3.47 repealing Minnesota Statutes 2014, sections 116P.13; 122A.413, subdivision  
3.48 3; 122A.43, subdivision 6; 123B.60, subdivision 2; 123B.79, subdivisions 2,  
3.49 6; 149A.92, subdivision 11; 154.03; 154.06; 154.11, subdivision 2; 154.12;  
3.50 216B.1612; 216C.39; 256B.059, subdivision 1a; 256L.04, subdivisions 2a, 8;  
3.51 256L.22; 256L.24; 256L.26; 256L.28; Minnesota Statutes 2015 Supplement,  
3.52 section 122A.413, subdivisions 1, 2; Special Laws 1891, chapter 57, chapter XII,  
3.53 section 5; Laws 2015, First Special Session chapter 4, article 2, section 81.

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



5.1 Subd. 4. **Addiction Medicine Graduate**  
 5.2 **Fellowship Program** -0- 210,000

5.3 For establishing a grant program used to  
 5.4 support up to four physicians who are enrolled  
 5.5 each year in an addiction medicine fellowship  
 5.6 program. A grant recipient must be enrolled  
 5.7 in a program that trains fellows in diagnostic  
 5.8 interviewing, motivational interviewing,  
 5.9 addiction counseling, recognition and care  
 5.10 of common acute withdrawal syndromes  
 5.11 and complications, pharmacotherapies  
 5.12 of addictive disorders, epidemiology and  
 5.13 pathophysiology of addiction, addictive  
 5.14 disorders in special populations, secondary  
 5.15 interventions, use of screening and diagnostic  
 5.16 instruments, inpatient care, and working  
 5.17 within a multidisciplinary team, and prepares  
 5.18 doctors to practice addiction medicine in  
 5.19 rural and underserved areas of the state. The  
 5.20 base for this program is \$210,000 in fiscal  
 5.21 year 2018 and \$0 in fiscal year 2019.

5.22 Subd. 5. **Student and Employer Connection**  
 5.23 **Information System** -0- 500,000

5.24 For a grant to the Saint Paul Foundation  
 5.25 for the creation of a web-based job and  
 5.26 intern-seeking software tool that blind  
 5.27 matches the needs of employers located  
 5.28 in Minnesota with the individual profiles  
 5.29 of high school seniors and postsecondary  
 5.30 students attending Minnesota high schools  
 5.31 and postsecondary institutions. No more  
 5.32 than three percent of this appropriation may  
 5.33 be used for administrative expenses of the  
 5.34 foundation. The foundation must report by  
 5.35 January 15, 2017, on activities under this  
 5.36 subdivision to the chairs and ranking minority

6.1 members of the legislative committees with  
 6.2 jurisdiction over higher education finance.  
 6.3 The base for this appropriation is \$405,000  
 6.4 in fiscal year 2018.

6.5 **Sec. 3. BOARD OF TRUSTEES OF THE**  
 6.6 **MINNESOTA STATE COLLEGES AND**  
 6.7 **UNIVERSITIES**

6.8	<b><u>Subdivision 1. Total Appropriations</u></b>	<b><u>\$</u></b>	<b><u>-0-</u></b>	<b><u>\$</u></b>	<b><u>790,000</u></b>
-----	---	------------------	-------------------	------------------	-----------------------

6.9 The amounts that may be spent for each  
 6.10 purpose are specified in the following  
 6.11 subdivisions.

6.12	<b><u>Subd. 2. Operating Support and Protecting</u></b>				
6.13	<b><u>Affordability</u></b>		<b><u>-0-</u></b>		<b><u>570,000</u></b>

6.14	<b><u>Subd. 3. MnSCU Open Textbooks</u></b>		<b><u>-0-</u></b>		<b><u>100,000</u></b>
------	---	--	-------------------	--	-----------------------

6.15 (a) For programs on system campuses  
 6.16 that promote adoption of open textbooks.  
 6.17 Programs must focus on the review, creation,  
 6.18 and promotion of new or existing open  
 6.19 textbooks and on saving money for students  
 6.20 while meeting the academic needs of faculty.  
 6.21 This is a onetime appropriation.

6.22 (b) By January 15, 2017, the board shall  
 6.23 report to the chairs and ranking minority  
 6.24 members of the legislative committees with  
 6.25 jurisdiction over higher education regarding  
 6.26 the progress of the pilot programs. The  
 6.27 report shall include a summary of each pilot  
 6.28 program and the total savings expected for  
 6.29 students as a result of the programs.

6.30	<b><u>Subd. 4. MnSCU Open Textbook Library</u></b>		<b><u>-0-</u></b>		<b><u>100,000</u></b>
------	--	--	-------------------	--	-----------------------

6.31 To expand and promote the open textbook  
 6.32 library to faculty across the state. This is a  
 6.33 onetime appropriation.

6.34	<b><u>Subd. 5. Cook County Higher Education Board</u></b>		<b><u>-0-</u></b>		<b><u>20,000</u></b>
------	---	--	-------------------	--	----------------------



8.1 limited to, specialized professional support  
 8.2 through academic, career, and financial  
 8.3 advising; establishment of on-campus  
 8.4 or residential peer support communities;  
 8.5 and opportunities for personal growth  
 8.6 through leadership development and other  
 8.7 community engagement activities.

8.8 (c) No later than January 15, 2020, the  
 8.9 Board of Regents must submit a report to  
 8.10 the chairs and ranking minority members of  
 8.11 the legislative committees with jurisdiction  
 8.12 over higher education finance and policy on  
 8.13 campus recovery program outcomes. Based  
 8.14 on available data, the report must describe,  
 8.15 in summary form, the number of students  
 8.16 participating in the program and the success  
 8.17 rate of participants, including retention and  
 8.18 graduation rates, and long-term recovery and  
 8.19 relapse rates.

8.20 **Sec. 5. OFFICE OF OMBUDSMAN**  
 8.21 **FOR MENTAL HEALTH AND**  
 8.22 **DEVELOPMENTAL DISABILITIES**

<b><u>\$</u></b>	<b><u>-0-</u></b>	<b><u>\$</u></b>	<b><u>100,000</u></b>
------------------	-------------------	------------------	-----------------------

8.23 For the duties of the office related to clinical  
 8.24 drug trials at the Department of Psychiatry at  
 8.25 the University of Minnesota.

8.26 **Sec. 6. MNSCU TWO-YEAR COLLEGE PROGRAM; ADMINISTRATIVE**  
 8.27 **COSTS.**

8.28 The appropriation made by Laws 2015, chapter 69, article 1, section 3, subdivision  
 8.29 18, paragraph (c), for fiscal year 2017 for information technology and administrative costs  
 8.30 is available on the effective date of this section and until June 30, 2017.

8.31 **EFFECTIVE DATE.** This section is effective the day following final enactment.

8.32 **Sec. 7. [136A.0412] ACCEPTANCE OF PRIVATE FUNDS; APPROPRIATION.**

9.1 The commissioner may accept donations, grants, bequests, and other gifts of money  
9.2 to carry out the purposes of section 136A.01. Donations, nonfederal grants, bequests, or  
9.3 other gifts of money accepted by the commissioner must be deposited in an account in  
9.4 the special revenue fund and is appropriated to the commissioner for the purpose for  
9.5 which it was given.

9.6 Sec. 8. Minnesota Statutes 2014, section 136A.101, subdivision 5a, is amended to read:

9.7 Subd. 5a. **Assigned family responsibility.** "Assigned family responsibility" means  
9.8 the amount of a family's contribution to a student's cost of attendance, as determined by a  
9.9 federal need analysis. For dependent students, the assigned family responsibility is 96  
9.10 94 percent of the parental contribution. For independent students with dependents other  
9.11 than a spouse, the assigned family responsibility is 86 percent of the student contribution.  
9.12 For independent students without dependents other than a spouse, the assigned family  
9.13 responsibility is 50 percent of the student contribution.

9.14 Sec. 9. Minnesota Statutes 2014, section 136A.101, subdivision 10, is amended to read:

9.15 Subd. 10. **Satisfactory academic progress.** "Satisfactory academic progress"  
9.16 means satisfactory academic progress as defined under Code of Federal Regulations, title  
9.17 34, sections 668.16(e), 668.32(f), and 668.34, except that a student with an intellectual  
9.18 disability as defined in Code of Federal Regulations, title 34, section 668.231, enrolled  
9.19 in an approved comprehensive transition and postsecondary program under that section  
9.20 is subject to the institution's published satisfactory academic process standards for that  
9.21 program as approved by the Office of Higher Education.

9.22 Sec. 10. Minnesota Statutes 2015 Supplement, section 136A.121, subdivision 7a,  
9.23 is amended to read:

9.24 Subd. 7a. **Surplus appropriation.** If the amount appropriated is determined by the  
9.25 office to be more than sufficient to fund projected grant demand in the second year of the  
9.26 biennium, the office may increase the living and miscellaneous expense allowance ~~or the~~  
9.27 ~~tuition and fee maximums~~ in the second year of the biennium by up to an amount that  
9.28 retains sufficient appropriations to fund the projected grant demand. The adjustment may  
9.29 be made one or more times. In making the determination that there are more than sufficient  
9.30 funds, the office shall balance the need for sufficient resources to meet the projected  
9.31 demand for grants with the goal of fully allocating the appropriation for state grants. An  
9.32 increase in the living and miscellaneous expense allowance under this subdivision does  
9.33 not carry forward into a subsequent biennium.

10.1 Sec. 11. Minnesota Statutes 2015 Supplement, section 136A.125, subdivision 2,  
10.2 is amended to read:

10.3 Subd. 2. **Eligible students.** (a) An applicant is eligible for a child care grant if  
10.4 the applicant:

10.5 (1) is a resident of the state of Minnesota or the applicant's spouse is a resident  
10.6 of the state of Minnesota;

10.7 (2) has a child 12 years of age or younger, or 14 years of age or younger who is  
10.8 disabled as defined in section 125A.02, and who is receiving or will receive care on a  
10.9 regular basis from a licensed or legal, nonlicensed caregiver;

10.10 (3) is income eligible as determined by the office's policies and rules, but is not a  
10.11 recipient of assistance from the Minnesota family investment program;

10.12 (4) either has not earned a baccalaureate degree and has been enrolled full time less  
10.13 than eight semesters or the equivalent, or has earned a baccalaureate degree and has been  
10.14 enrolled full time less than eight semesters or the equivalent in a graduate or professional  
10.15 degree program;

10.16 (5) is pursuing a nonsectarian program or course of study that applies to an  
10.17 undergraduate, graduate, or professional degree, diploma, or certificate;

10.18 (6) is enrolled in at least ~~half time~~ six credits in an undergraduate program or one  
10.19 credit in a graduate or professional program in an eligible institution; and

10.20 (7) is in good academic standing and making satisfactory academic progress.

10.21 (b) A student who withdraws from enrollment for active military service after  
10.22 December 31, 2002, because the student was ordered to active military service as defined  
10.23 in section 190.05, subdivision 5b or 5c, or for a major illness, while under the care of a  
10.24 medical professional, that substantially limits the student's ability to complete the term  
10.25 is entitled to an additional semester or the equivalent of grant eligibility and will be  
10.26 considered to be in continuing enrollment status upon return.

10.27 Sec. 12. Minnesota Statutes 2015 Supplement, section 136A.125, subdivision 4,  
10.28 is amended to read:

10.29 Subd. 4. **Amount and length of grants.** (a) The amount of a child care grant  
10.30 must be based on:

10.31 (1) the income of the applicant and the applicant's spouse;

10.32 (2) the number in the applicant's family, as defined by the office; and

10.33 (3) the number of eligible children in the applicant's family.

10.34 (b) The maximum award to the applicant shall be \$2,800 for each eligible child per  
10.35 academic year, except that the campus financial aid officer may apply to the office for

11.1 approval to increase grants by up to ten percent to compensate for higher market charges  
11.2 for infant care in a community. The office shall develop policies to determine community  
11.3 market costs and review institutional requests for compensatory grant increases to ensure  
11.4 need and equal treatment. The office shall prepare a chart to show the amount of a grant  
11.5 that will be awarded per child based on the factors in this subdivision. The chart shall  
11.6 include a range of income and family size.

11.7 (c) Applicants with family incomes at or below a percentage of the federal poverty  
11.8 level, as determined by the commissioner, will qualify for the maximum award. The  
11.9 commissioner shall attempt to set the percentage at a level estimated to fully expend the  
11.10 available appropriation for child care grants. Applicants with family incomes exceeding  
11.11 that threshold will receive the maximum award minus ten percent of their income  
11.12 exceeding that threshold. If the result is less than zero, the grant is zero.

11.13 (d) The academic year award amount must be disbursed by academic term using the  
11.14 following formula:

11.15 (1) the academic year amount described in paragraph (b);

11.16 (2) divided by the number of terms in the academic year;

11.17 (3) divided by 15 for undergraduate students and six for graduate and professional  
11.18 students; and

11.19 (4) multiplied by the number of credits for which the student is enrolled that  
11.20 academic term, up to 15 credits for undergraduate students and six for graduate and  
11.21 professional students.

11.22 (e) Payments shall be made each academic term to the student or to the child care  
11.23 provider, as determined by the institution. Institutions may make payments more than  
11.24 once within the academic term.

11.25 Sec. 13. Minnesota Statutes 2015 Supplement, section 136A.1791, subdivision 4,  
11.26 is amended to read:

11.27 Subd. 4. **Application for loan forgiveness.** Each applicant for loan forgiveness,  
11.28 according to rules adopted by the commissioner, shall:

11.29 (1) apply for teacher shortage loan forgiveness and promptly submit any additional  
11.30 information required by the commissioner; and

11.31 ~~(2) annually reapply for up to five consecutive school years and submit information~~  
11.32 ~~the commissioner requires to determine the applicant's continued eligibility for loan~~  
11.33 ~~forgiveness; and~~

11.34 ~~(3)~~ (2) submit to the commissioner a completed affidavit, prescribed by the  
11.35 commissioner, affirming the teacher is teaching in: (i) a licensure field and in identified by

12.1 the commissioner as experiencing a teacher shortage; or (ii) an economic development  
12.2 region identified by the commissioner as experiencing a teacher shortage.

12.3 Sec. 14. Minnesota Statutes 2015 Supplement, section 136A.1791, subdivision 5,  
12.4 is amended to read:

12.5 Subd. 5. **Amount of loan forgiveness.** (a) To the extent funding is available, the  
12.6 annual amount of teacher shortage loan forgiveness for an approved applicant shall not  
12.7 exceed \$1,000 or the cumulative balance of the applicant's qualified educational loans,  
12.8 including principal and interest, whichever amount is less.

12.9 (b) Recipients must secure their own qualified educational loans. Teachers who  
12.10 graduate from an approved teacher preparation program or teachers who add a licensure  
12.11 field, consistent with the teacher shortage requirements of this section, are eligible to  
12.12 apply for the loan forgiveness program.

12.13 (c) No teacher shall receive more than five annual awards.

12.14 Sec. 15. Minnesota Statutes 2015 Supplement, section 136A.1791, subdivision 6,  
12.15 is amended to read:

12.16 Subd. 6. **Disbursement.** (a) The commissioner must make annual disbursements  
12.17 directly to the participant of the amount for which a participant is eligible, for each year  
12.18 that a participant is eligible.

12.19 (b) Within 60 days of receipt of a the disbursement date, the participant must provide  
12.20 the commissioner with verification that the full amount of loan repayment disbursement  
12.21 has been applied toward the designated loans. A participant that previously received  
12.22 funds under this section but has not provided the commissioner with such verification  
12.23 is not eligible to receive additional funds.

12.24 Sec. 16. **[136A.1792] PROMOTION OF FEDERAL PUBLIC SERVICE LOAN**  
12.25 **FORGIVENESS PROGRAMS.**

12.26 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms  
12.27 have the meanings given.

12.28 (b) "Employer" means an organization, agency, or entity that is a public service  
12.29 organization under Code of Federal Regulations, title 34, part 685, section 219, provided  
12.30 that the following are not employers:

12.31 (1) a federal or tribal government organization, agency, or entity; and

12.32 (2) a tribal college or university.

13.1 (c) "Employment certification form" means the form used by the United States  
13.2 Department of Education to certify an individual's employment at a public service  
13.3 organization for the purposes of the federal public service loan forgiveness program.

13.4 (d) "Federal loan forgiveness program" means a loan forgiveness program offered  
13.5 under Code of Federal Regulations, title 34, part 685.

13.6 (e) "Public service loan forgiveness program" means the loan forgiveness program  
13.7 under Code of Federal Regulations, title 34, part 685, section 219.

13.8 (f) "Public service organization" means a public service organization under Code of  
13.9 Federal Regulations, title 34, part 685, section 219.

13.10 Subd. 2. **Promotion of federal public service loan forgiveness programs.** (a) The  
13.11 commissioner must develop and distribute informational materials designed to increase  
13.12 awareness of federal public service loan forgiveness programs among Minnesota residents  
13.13 who are eligible for those programs. At a minimum, the commissioner must develop and  
13.14 distribute informational materials that public service organizations may use to promote  
13.15 awareness of the federal public service loan forgiveness program, including:

13.16 (1) a one-page letter addressed to individuals who may be eligible for the public  
13.17 service loan forgiveness program that briefly summarizes the program, provides  
13.18 information on what an eligible individual must do in order to participate, and recommends  
13.19 that they contact their student loan servicer or servicers for additional information;

13.20 (2) a detailed fact sheet describing the public service loan forgiveness program; and

13.21 (3) a document containing answers to frequently asked questions about the public  
13.22 service loan forgiveness program.

13.23 (b) In place of developing and publishing an informational document required under  
13.24 paragraph (a), the commissioner may distribute a document published by a federal agency  
13.25 that meets the requirements of paragraph (a).

13.26 Subd. 3. **Publication of informational materials.** The commissioner must make  
13.27 the informational materials required under subdivision 2 available on the office's Web  
13.28 site and must verify each biennium that the informational materials contain current  
13.29 information. The commissioner must update and correct any informational materials that  
13.30 the commissioner finds inaccurate or outdated.

13.31 Subd. 4. **Employer information.** (a) An employer must provide an employee with  
13.32 information about the employee's potential eligibility for the federal public service loan  
13.33 forgiveness program. An employer must annually provide to each employee in written or  
13.34 electronic form the one-page letter, fact sheet, and frequently asked questions required  
13.35 under subdivision 2. In addition, an employer must provide a newly hired employee with  
13.36 that information within two weeks of the employee's first day of employment.

14.1 (b) At an employee's request, an employer must provide the employee with a copy  
14.2 of the employment certification form.

14.3 **EFFECTIVE DATE.** Subdivision 4 is effective January 1, 2017.

14.4 Sec. 17. **[136A.1793] PROMOTION OF TEACHER LOAN FORGIVENESS**  
14.5 **PROGRAMS.**

14.6 The commissioner shall provide information to public and private teacher education  
14.7 programs concerning public and private student loan programs that provide for full or  
14.8 partial repayment forgiveness. Teacher education programs must provide the information  
14.9 furnished by the commissioner to their teacher education students.

14.10 Sec. 18. Minnesota Statutes 2015 Supplement, section 136A.246, is amended by  
14.11 adding a subdivision to read:

14.12 Subd. 10. **Dual training account.** A dual training account is created in the special  
14.13 revenue fund in the state treasury. The commissioner shall deposit into the account  
14.14 appropriations made for the purposes of this section. Money in the account is appropriated  
14.15 to the commissioner for the purposes for which it was appropriated.

14.16 Sec. 19. Minnesota Statutes 2015 Supplement, section 136A.246, is amended by  
14.17 adding a subdivision to read:

14.18 Subd. 11. **Administration expenses.** The commissioner may expend up to five  
14.19 percent of the appropriation made for the purposes of this section for administration  
14.20 of this section.

14.21 Sec. 20. Minnesota Statutes 2015 Supplement, section 136A.87, is amended to read:

14.22 **136A.87 PLANNING INFORMATION FOR POSTSECONDARY**  
14.23 **EDUCATION.**

14.24 (a) The office shall make available to all residents beginning in 7th grade through  
14.25 adulthood information about planning and preparing for postsecondary opportunities.  
14.26 Information must be provided to all 7th grade students and their parents annually  
14.27 by September 30 about planning for their postsecondary education. The office may  
14.28 also provide information to high school students and their parents, to adults, and to  
14.29 out-of-school youth.

14.30 (b) The office shall gather and share information with students and parents about  
14.31 the dual credit acceptance policies of each Minnesota public and private college and

15.1 university. The office shall gather and share information related to the acceptance policies  
15.2 for concurrent enrollment courses, postsecondary enrollment options courses, advanced  
15.3 placement courses, and international baccalaureate courses. This information must be  
15.4 shared on the office's Web site and included in the information under paragraph (a).

15.5 (c) The information provided under paragraph (a) may include the following:

15.6 (1) the need to start planning early;

15.7 (2) the availability of assistance in educational planning from educational institutions  
15.8 and other organizations;

15.9 (3) suggestions for studying effectively during high school;

15.10 (4) high school courses necessary to be adequately prepared for postsecondary  
15.11 education;

15.12 (5) encouragement to involve parents actively in planning for all phases of education;

15.13 (6) information about postsecondary education and training opportunities existing  
15.14 in the state, their respective missions and expectations for students, their preparation  
15.15 requirements, admission requirements, and student placement;

15.16 (7) ways to evaluate and select postsecondary institutions;

15.17 (8) the process of transferring credits among Minnesota postsecondary institutions  
15.18 and systems;

15.19 (9) the costs of postsecondary education and the availability of financial assistance  
15.20 in meeting these costs, including specific information about the Minnesota Promise;

15.21 (10) the interrelationship of assistance from student financial aid, public assistance,  
15.22 and job training programs; and

15.23 (11) financial planning for postsecondary education.

15.24 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and  
15.25 later.

15.26 Sec. 21. Minnesota Statutes 2015 Supplement, section 136F.302, subdivision 1,  
15.27 is amended to read:

15.28 Subdivision 1. **ACT or SAT college ready score.** (a) A state college or university  
15.29 ~~may~~ must not require an individual to take a remedial, noncredit course in a subject area if  
15.30 the individual has received a college ready ACT or SAT score in that subject area.

15.31 (b) When deciding if an individual is admitted to or if an individual may enroll in a  
15.32 state college or university, the state college or university must consider the individual's  
15.33 scores on the high school Minnesota Comprehensive Assessments, in addition to other  
15.34 factors determined relevant by the college or university.

16.1 Sec. 22. Minnesota Statutes 2014, section 245.92, is amended to read:

16.2 **245.92 OFFICE OF OMBUDSMAN; CREATION; QUALIFICATIONS;**  
16.3 **FUNCTION.**

16.4 The ombudsman for persons receiving services or treatment for mental illness,  
16.5 developmental disabilities, chemical dependency, or emotional disturbance shall promote  
16.6 the highest attainable standards of treatment, competence, efficiency, and justice. The  
16.7 ombudsman may gather information and data about decisions, acts, and other matters of an  
16.8 agency, facility, or program, and shall monitor the treatment of individuals participating in  
16.9 a University of Minnesota Department of Psychiatry clinical drug trial. The ombudsman  
16.10 is appointed by the governor, serves in the unclassified service, and may be removed only  
16.11 for just cause. The ombudsman must be selected without regard to political affiliation and  
16.12 must be a person who has knowledge and experience concerning the treatment, needs,  
16.13 and rights of clients, and who is highly competent and qualified. No person may serve as  
16.14 ombudsman while holding another public office.

16.15 Sec. 23. Minnesota Statutes 2014, section 245.94, is amended to read:

16.16 **245.94 POWERS OF OMBUDSMAN; REVIEWS AND EVALUATIONS;**  
16.17 **RECOMMENDATIONS.**

16.18 Subdivision 1. **Powers.** (a) The ombudsman may prescribe the methods by which  
16.19 complaints to the office are to be made, reviewed, and acted upon. The ombudsman may  
16.20 not levy a complaint fee.

16.21 (b) The ombudsman may mediate or advocate on behalf of a client.

16.22 (c) The ombudsman may investigate the quality of services provided to clients and  
16.23 determine the extent to which quality assurance mechanisms within state and county  
16.24 government work to promote the health, safety, and welfare of clients, other than clients  
16.25 in acute care facilities who are receiving services not paid for by public funds. The  
16.26 ombudsman is a health oversight agency as defined in Code of Federal Regulations,  
16.27 title 45, section 164.501.

16.28 (d) At the request of a client, or upon receiving a complaint or other information  
16.29 affording reasonable grounds to believe that the rights of a client who is not capable  
16.30 of requesting assistance have been adversely affected, the ombudsman may gather  
16.31 information and data about and analyze, on behalf of the client, the actions of an agency,  
16.32 facility, or program.

16.33 (e) The ombudsman may gather, on behalf of a client, records of an agency, facility,  
16.34 or program, or records related to clinical drug trials from the University of Minnesota  
16.35 Department of Psychiatry, if the records relate to a matter that is within the scope of the

17.1 ombudsman's authority. If the records are private and the client is capable of providing  
17.2 consent, the ombudsman shall first obtain the client's consent. The ombudsman is  
17.3 not required to obtain consent for access to private data on clients with developmental  
17.4 disabilities. The ombudsman is not required to obtain consent for access to private data  
17.5 on decedents who were receiving services for mental illness, developmental disabilities,  
17.6 or emotional disturbance. All data collected, created, received, or maintained by the  
17.7 ombudsman are governed by chapter 13 and other applicable law.

17.8 (f) Notwithstanding any law to the contrary, the ombudsman may subpoena a person  
17.9 to appear, give testimony, or produce documents or other evidence that the ombudsman  
17.10 considers relevant to a matter under inquiry. The ombudsman may petition the appropriate  
17.11 court in Ramsey County to enforce the subpoena. A witness who is at a hearing or is part  
17.12 of an investigation possesses the same privileges that a witness possesses in the courts or  
17.13 under the law of this state. Data obtained from a person under this paragraph are private  
17.14 data as defined in section 13.02, subdivision 12.

17.15 (g) The ombudsman may, at reasonable times in the course of conducting a review,  
17.16 enter and view premises within the control of an agency, facility, or program.

17.17 (h) The ombudsman may attend Department of Human Services Review Board  
17.18 and Special Review Board proceedings; proceedings regarding the transfer of patients  
17.19 or residents, as defined in section 246.50, subdivisions 4 and 4a, between institutions  
17.20 operated by the Department of Human Services; and, subject to the consent of the affected  
17.21 client, other proceedings affecting the rights of clients. The ombudsman is not required to  
17.22 obtain consent to attend meetings or proceedings and have access to private data on clients  
17.23 with developmental disabilities.

17.24 (i) The ombudsman shall gather data of agencies, facilities, or programs classified  
17.25 as private or confidential as defined in section 13.02, subdivisions 3 and 12, regarding  
17.26 services provided to clients with developmental disabilities.

17.27 (j) To avoid duplication and preserve evidence, the ombudsman shall inform  
17.28 relevant licensing or regulatory officials before undertaking a review of an action of  
17.29 the facility or program.

17.30 (k) The ombudsman shall monitor the treatment of individuals participating in  
17.31 a University of Minnesota Department of Psychiatry clinical drug trial and ensure that  
17.32 all protections for human subjects required by federal law and the Institutional Review  
17.33 Board are provided.

17.34 (l) Sections 245.91 to 245.97 are in addition to other provisions of law under which  
17.35 any other remedy or right is provided.

18.1 Subd. 2. **Matters appropriate for review.** (a) In selecting matters for review by the  
18.2 office, the ombudsman shall give particular attention to unusual deaths or injuries of a  
18.3 client or reports of emergency use of manual restraint as identified in section 245D.061,  
18.4 served by an agency, facility, or program, or actions of an agency, facility, or program that:

18.5 (1) may be contrary to law or rule;

18.6 (2) may be unreasonable, unfair, oppressive, or inconsistent with a policy or order of  
18.7 an agency, facility, or program;

18.8 (3) may be mistaken in law or arbitrary in the ascertainment of facts;

18.9 (4) may be unclear or inadequately explained, when reasons should have been  
18.10 revealed;

18.11 (5) may result in abuse or neglect of a person receiving treatment;

18.12 (6) may disregard the rights of a client or other individual served by an agency  
18.13 or facility;

18.14 (7) may impede or promote independence, community integration, and productivity  
18.15 for clients; or

18.16 (8) may impede or improve the monitoring or evaluation of services provided to  
18.17 clients.

18.18 (b) The ombudsman shall, in selecting matters for review and in the course of the  
18.19 review, avoid duplicating other investigations or regulatory efforts.

18.20 (c) The ombudsman shall give particular attention to the death or unusual injury of  
18.21 any individual who is participating in a University of Minnesota Department of Psychiatry  
18.22 clinical drug trial.

18.23 Subd. 2a. **Mandatory reporting.** Within 24 hours after a client suffers death or  
18.24 serious injury, the agency, facility, ~~or~~ program director, or lead investigator of a clinical  
18.25 drug trial at the University of Minnesota Department of Psychiatry shall notify the  
18.26 ombudsman of the death or serious injury. The emergency use of manual restraint must  
18.27 be reported to the ombudsman as required under section 245D.061, subdivision 8. The  
18.28 ombudsman is authorized to receive identifying information about a deceased client  
18.29 according to Code of Federal Regulations, title 42, section 2.15, paragraph (b).

18.30 Subd. 3. **Complaints.** (a) The ombudsman may receive a complaint from any  
18.31 source concerning an action of an agency, facility, or program. After completing a review,  
18.32 the ombudsman shall inform the complainant and the agency, facility, or program.  
18.33 No client may be punished nor may the general condition of the client's treatment be  
18.34 unfavorably altered as a result of an investigation, a complaint by the client, or by another  
18.35 person on the client's behalf. An agency, facility, or program shall not retaliate or take  
18.36 adverse action against a client or other person, who in good faith makes a complaint or

19.1 assists in an investigation. The ombudsman may classify as confidential, the identity of a  
19.2 complainant, upon request of the complainant.

19.3 (b) The ombudsman shall receive a complaint from any source concerning an  
19.4 action or inaction of the University of Minnesota Department of Psychiatry related  
19.5 to an individual who is enrolled in a department-approved clinical drug trial. No  
19.6 individual participating in the trial may be punished, nor may the general condition of  
19.7 the individual's treatment be unfavorably altered, as a result of an investigation or a  
19.8 complaint by the individual or the individual's advocate. The university shall not retaliate  
19.9 or take adverse action against any person who in good faith makes a complaint or assists  
19.10 in an investigation. The ombudsman may classify the identity of the complainant as  
19.11 confidential, upon request of the complainant.

19.12 Subd. 4. **Recommendations to agency.** (a) If, after reviewing a complaint or  
19.13 conducting an investigation and considering the response of an agency, facility, or  
19.14 program and any other pertinent material, the ombudsman determines that the complaint  
19.15 has merit or the investigation reveals a problem, the ombudsman may recommend that  
19.16 the agency, facility, or program:

- 19.17 (1) consider the matter further;  
19.18 (2) modify or cancel its actions;  
19.19 (3) alter a rule, order, or internal policy;  
19.20 (4) explain more fully the action in question; or  
19.21 (5) take other action.

19.22 (b) At the ombudsman's request, the agency, facility, or program shall, within a  
19.23 reasonable time, inform the ombudsman about the action taken on the recommendation  
19.24 or the reasons for not complying with it.

19.25 Subd. 5. **Recommendations to University of Minnesota.** If, after reviewing a  
19.26 complaint or conducting an investigation and considering the response of the clinical drug  
19.27 trial's primary investigator or the Department of Psychiatry, the ombudsman determines  
19.28 that the complaint has merit or the investigation reveals noncompliance with the federal  
19.29 protection of human subjects requirements or the requirements of the Institutional Review  
19.30 Board, the ombudsman shall recommend that the Board of Regents of the University of  
19.31 Minnesota take corrective action to remedy the violations.

19.32 Sec. 24. Minnesota Statutes 2014, section 245.95, subdivision 1, is amended to read:

19.33 Subdivision 1. **Specific reports.** The ombudsman may send conclusions and  
19.34 suggestions concerning any matter reviewed to the governor. Before making public a  
19.35 conclusion or recommendation that expressly or implicitly criticizes an agency, facility,

20.1 program, or any person, the ombudsman shall consult with the governor and the agency,  
20.2 facility, program, or person concerning the conclusion or recommendation. When sending  
20.3 a conclusion or recommendation to the governor that is adverse to an agency, facility,  
20.4 program, or any person, the ombudsman shall include any statement of reasonable length  
20.5 made by that agency, facility, program, or person in defense or mitigation of the office's  
20.6 conclusion or recommendation. For purposes of this subdivision, "agency, facility,  
20.7 program, or any person" includes the University of Minnesota Department of Psychiatry  
20.8 and its employees working in clinical drug trials.

20.9 Sec. 25. Minnesota Statutes 2014, section 245.97, subdivision 5, is amended to read:

20.10 Subd. 5. **Medical Review Subcommittee.** At least five members of the committee,  
20.11 including at least three physicians, one of whom is a psychiatrist, must be designated by  
20.12 the governor to serve as a Medical Review Subcommittee. Terms of service, vacancies,  
20.13 and compensation are governed by subdivision 2. The governor shall designate one of  
20.14 the members to serve as chair of the subcommittee. The Medical Review Subcommittee  
20.15 may have access to private and confidential data collected or created by the ombudsman  
20.16 that are necessary to fulfill the duties of the Medical Review Subcommittee under this  
20.17 section and may:

20.18 (1) make a preliminary determination of whether the death of a client that has been  
20.19 brought to its attention is unusual or reasonably appears to have resulted from causes other  
20.20 than natural causes and warrants investigation;

20.21 (2) review the causes of and circumstances surrounding the death;

20.22 (3) request the county coroner or medical examiner to conduct an autopsy;

20.23 (4) assist an agency in its investigations of unusual deaths and deaths from causes  
20.24 other than natural causes; ~~and~~

20.25 (5) make a preliminary determination of whether the death of a participant in a  
20.26 clinical drug trial conducted by the University of Minnesota Department of Psychiatry  
20.27 appears to have resulted from causes other than natural causes and warrants investigation  
20.28 and reporting as required by federal laws on the protection of human subjects; and

20.29 (6) submit a report regarding the death of a client to the committee, the ombudsman,  
20.30 the client's next-of-kin, and the facility where the death occurred and, where appropriate,  
20.31 make recommendations to prevent recurrence of similar deaths to the head of each affected  
20.32 agency or facility, or the Board of Regents of the University of Minnesota.

20.33 Sec. 26. Laws 2015, chapter 69, article 3, section 20, subdivision 15, is amended to read:

21.1 Subd. 15. **Reporting.** (a) A college must report to the commissioner the following  
21.2 information:

21.3 (1) the number of grantees and their race, gender, and ethnicity;

21.4 (2) grantee persistence and completion;

21.5 (3) employment outcomes; and

21.6 (4) other information requested by the commissioner.

21.7 (b) The commissioner shall report ~~annually~~ by January 15, 2017, and January 15,

21.8 2018, to the chairs and ranking minority members of the legislative committees with

21.9 jurisdiction over higher education finance by college and in aggregate on the information

21.10 submitted to the commissioner under paragraph (a). The commissioner may include in the

21.11 report recommendations for changes in the grant program.

21.12 Sec. 27. Laws 2015, chapter 69, article 3, section 24, subdivision 1, is amended to read:

21.13 Subdivision 1. **Pilot program created.** The commissioner of the Office of Higher

21.14 Education shall make a grant to a nonprofit qualified debt counseling organization to

21.15 provide individual student loan debt repayment counseling to borrowers who are Minnesota

21.16 residents concerning loans obtained to attend a Minnesota postsecondary institution. ~~The~~

21.17 ~~counseling shall be provided to borrowers who are 30 to 60 days delinquent when they~~

21.18 ~~are referred to or otherwise identified by the organization as candidates for counseling.~~

21.19 The number of individuals receiving counseling may be limited to those capable of being

21.20 served with available appropriations for that purpose. A goal of the counseling program is

21.21 to provide two counseling sessions to at least 75 percent of borrowers receiving counseling.

21.22 The purpose of the counseling is to assist borrowers to:

21.23 (1) understand their loan and repayment options;

21.24 (2) manage loan repayment; and

21.25 (3) develop a workable budget based on the borrower's full financial situation

21.26 regarding income, expenses, and other debt.

21.27 **EFFECTIVE DATE.** This section is effective the day following final enactment

21.28 and is retroactive to July 1, 2015.

21.29 Sec. 28. **STATE GRANT TUITION CAPS.**

21.30 For the purposes of the state grant program under Minnesota Statutes, section

21.31 136A.121, for the fiscal year ending June 30, 2017, the tuition maximum is \$5,736

21.32 for students in two-year programs and the tuition maximum is \$14,186 for students in

21.33 four-year programs.

22.1       Sec. 29. **MNSCU PROGRAM FOR STUDENTS WITH INTELLECTUAL AND**  
22.2 **DEVELOPMENTAL DISABILITIES; PLAN REQUIRED.**

22.3       Subdivision 1. **Development of plan required.** The Board of Trustees of the  
22.4 Minnesota State Colleges and Universities must develop a plan for offering an academic  
22.5 program for students with intellectual and developmental disabilities, consistent with the  
22.6 principles established in subdivisions 2 to 4.

22.7       Subd. 2. **Program locations.** The plan developed must assume the program will be  
22.8 offered at up to four college or university campuses chosen based on (1) their ability to  
22.9 offer a robust program using existing facilities and resources and (2) a goal to provide the  
22.10 program in diverse geographic regions of the state.

22.11       Subd. 3. **Enrollment and admission.** The plan developed must assume an  
22.12 enrollment goal for each campus's program of at least ten incoming students per academic  
22.13 year. The plan may allow for students to be admitted based on an application process  
22.14 that includes an in-person interview; an independent assessment of an applicant's  
22.15 interest, motivation, and likelihood of success in the program; and any other eligibility  
22.16 requirements established by the board. Upon successful completion, a student must be  
22.17 awarded a certificate, diploma, or other appropriate academic credential.

22.18       Subd. 4. **Curriculum and activities.** (a) The plan developed must assume a  
22.19 program that provides an inclusive, two-year full-time residential college experience  
22.20 for students with intellectual and developmental disabilities. The required curriculum  
22.21 must include core courses that develop life skills, financial literacy, and the ability to  
22.22 live independently; rigorous academic work in a student's chosen field of study; and an  
22.23 internship, apprenticeship, or other skills-based experience to prepare for meaningful  
22.24 employment upon completion of the program.

22.25       (b) In addition to academic requirements, the plan developed must allow  
22.26 participating students the opportunity to engage fully in campus life. Program activities  
22.27 must include but are not limited to (1) the establishment of on-campus mentoring and  
22.28 peer support communities and (2) opportunities for personal growth through leadership  
22.29 development and other community engagement activities.

22.30       (c) A participating campus may tailor its program curriculum and activities to  
22.31 highlight academic programs, student and community life experiences, and employment  
22.32 opportunities unique to that campus or the region of the state where the campus is located.

22.33       Subd. 5. **Report to legislature.** The board must submit a report on the plan required  
22.34 to be developed by this section to the chairs and ranking minority members of the  
22.35 committees of the legislature with jurisdiction over higher education finance and policy and  
22.36 human services finance and policy no later than January 15, 2017. The report must describe

23.1 program plans, including strategies for recruitment of applicants, and strategies to address  
23.2 anticipated program needs that cannot be filled using existing campus or system resources.

23.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.

23.4 Sec. 30. **UNIVERSITY OF MINNESOTA AND MNSCU BUDGET**

23.5 **ALLOCATION REPORTS.**

23.6 (a) The Board of Regents of the University of Minnesota shall report by February  
23.7 1, 2017, to the chairs and ranking minority members of the legislative committees with  
23.8 primary jurisdiction over higher education finance on the factors it considers when  
23.9 allocating funds to system campuses. The report must specifically, without limitation,  
23.10 address the following questions:

23.11 (1) what circumstances would lead the university to adopt an alternate budget model  
23.12 to the Resource Responsibility Center (RRC) model for a system campus;

23.13 (2) what were the rationale and factors considered for the initial base budget  
23.14 allocation to system campuses when the RRC was first established; and

23.15 (3) what factors would lead the university to consider adjusting the initial base  
23.16 allocation model.

23.17 (b) The Board of Trustees of the Minnesota State Colleges and Universities shall  
23.18 report by February 1, 2017, to the chairs and ranking minority members of the legislative  
23.19 committees with primary jurisdiction over higher education finance on the factors it  
23.20 considers when allocating state funds to colleges and universities. The report must  
23.21 specifically, without limitations, address the following areas:

23.22 (1) the design and methodology for the allocation of state funds to the colleges  
23.23 and universities; and

23.24 (2) the factors considered in the allocation process.

23.25 Sec. 31. **EQUITY IN EDUCATION AND JOB CONNECTION GRANT**  
23.26 **PROGRAM.**

23.27 Subdivision 1. **Grants.** (a) The commissioner of the Office of Higher Education  
23.28 shall award grants to improve postsecondary attendance, completion, and retention and  
23.29 the obtaining of well-paying jobs for which the postsecondary education provides training  
23.30 by providing services to historically underrepresented college students. Grants must be  
23.31 awarded to Minnesota state colleges and universities and private organization programs  
23.32 that help the state reach the attainment goals under Minnesota Statutes, section 135A.012.  
23.33 Programs must provide services targeted to make the improvements including, but not  
23.34 limited to:

- 24.1 (1) academic and nonacademic counseling or advising;  
24.2 (2) mentoring in education and career opportunities;  
24.3 (3) structured tutoring;  
24.4 (4) career awareness and exploration including internships and post graduation  
24.5 job placements;  
24.6 (5) orientation to college life;  
24.7 (6) financial aid counseling;  
24.8 (7) academic instruction programs in core curricular areas of mathematics and  
24.9 language arts;  
24.10 (8) supplemental instruction programs for college courses with high failure and  
24.11 withdrawal rates; and  
24.12 (9) co-requisite college course models for delivery of academic support.  
24.13 (b) The office shall structure the grants for sustainability of programs funded by a  
24.14 grant.  
24.15 (c) To the extent there are sufficient qualified applicants, approximately 50 percent  
24.16 of grant dollars must be awarded to private organization programs.  
24.17 (d) A grant must not be made to a private organization that is a postsecondary  
24.18 institution.  
24.19 **Subd. 2. Application process.** (a) The commissioner shall develop a grant  
24.20 application process. The commissioner shall attempt to support projects in a manner that  
24.21 ensures that eligible students throughout the state have access to program services.  
24.22 (b) The grant application must include, at a minimum, the following information:  
24.23 (1) a description of the characteristics of the students to be served reflective of the  
24.24 need for services listed in subdivision 1;  
24.25 (2) a description of the services to be provided and a timeline for implementation  
24.26 of the service activities;  
24.27 (3) a description of how the services provided will foster postsecondary retention  
24.28 and completion;  
24.29 (4) a description of how the services will be evaluated to determine whether the  
24.30 program goals were met;  
24.31 (5) the history of the applicant in achieving successful improvements using the  
24.32 services for which a grant is sought;  
24.33 (6) the assumed cost per student of achieving successful outcomes;  
24.34 (7) the effect of the grant on assisting students to obtain well-paying jobs;  
24.35 (8) the proposed grant match;  
24.36 (9) the organizational commitment to program sustainability; and

25.1 (10) other information as identified by the commissioner.

25.2 Grant recipients must specify both program and student outcome goals, and performance  
25.3 measures for each goal.

25.4 Subd. 3. **Advisory committee.** The commissioner may establish and convene an  
25.5 advisory committee to assist the commissioner in reviewing applications and advise the  
25.6 commissioner on grantees and grant amounts. The members of the committee may include  
25.7 representatives of postsecondary institutions, organizations providing postsecondary  
25.8 academic and career services, and others deemed appropriate by the commissioner.

25.9 Subd. 4. **Outcome report.** Each grant recipient must annually submit a report to  
25.10 the Office of Higher Education identifying its program and student goals and activities  
25.11 implemented. A report must include, but not be limited to, information on:

25.12 (1) number of students served;

25.13 (2) course taking and grade point average of participating students;

25.14 (3) persistence and retention rates of participating students;

25.15 (4) postsecondary graduation rates of participating students;

25.16 (5) the number of students who required postsecondary academic remediation and  
25.17 number of remedial courses for each of those students and in the aggregate; and

25.18 (6) jobs and wage rates of students after postsecondary graduation.

25.19 To the extent possible, the report must breakdown outcomes by Pell grant qualification,  
25.20 race, and ethnicity.

25.21 Subd. 5. **Legislative report.** By January 15 of each year through 2021, the office  
25.22 shall submit a report to the chairs and ranking minority members of the committees in the  
25.23 house of representatives and the senate with jurisdiction over higher education finance  
25.24 regarding the grant recipients and their activities. The report shall include information  
25.25 about the students served, the organizations providing services, program activities,  
25.26 program goals and outcomes, and program revenue sources and funding levels.

## 25.27 **ARTICLE 2**

### 25.28 **AGRICULTURE**

25.29 Section 1. **APPROPRIATIONS.**

25.30 The sums shown in the columns marked "Appropriations" are added to the  
25.31 appropriations in Laws 2015, First Special Session chapter 4, or appropriated to the  
25.32 agencies and for the purposes specified in this article. The appropriations are from the  
25.33 general fund, or another named fund, and are available for the fiscal year indicated for  
25.34 each purpose. The figures "2016" and "2017" used in this article mean that the addition

26.1 to the appropriations listed under them are available for the fiscal year ending June 30,  
 26.2 2016, or June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second  
 26.3 year" is fiscal year 2017. Appropriations for fiscal year 2016 are effective the day  
 26.4 following final enactment.

26.5		<b><u>APPROPRIATIONS</u></b>	
26.6		<b><u>Available for the Year</u></b>	
26.7		<b><u>Ending June 30</u></b>	
26.8		<b><u>2016</u></b>	<b><u>2017</u></b>

26.9 Sec. 2. **DEPARTMENT OF AGRICULTURE**    \$                    **-0-** \$                    **4,433,000**

26.10 \$250,000 the second year is for the tractor  
 26.11 rollover protection pilot program under  
 26.12 Minnesota Statutes, section 17.119. This is a  
 26.13 onetime appropriation.

26.14 \$250,000 the second year is to administer  
 26.15 the industrial hemp pilot program under  
 26.16 Minnesota Statutes, section 18K.09. This is  
 26.17 a onetime appropriation.

26.18 \$1,000,000 the second year is for grants  
 26.19 to the Board of Regents of the University  
 26.20 of Minnesota to fund the Forever Green  
 26.21 Agriculture Initiative and to protect the  
 26.22 state's natural resources while increasing  
 26.23 the efficiency, profitability, and productivity  
 26.24 of Minnesota farmers by incorporating  
 26.25 perennial and winter annual crops into  
 26.26 existing agricultural practices. This is a  
 26.27 onetime appropriation and is available until  
 26.28 June 30, 2019. The appropriation in Laws  
 26.29 2015, First Special Session chapter 2, article  
 26.30 2, section 3, paragraph (i), is available until  
 26.31 June 30, 2018.

26.32 \$600,000 the second year is for a grant  
 26.33 to the Board of Regents of the University  
 26.34 of Minnesota to develop, in consultation  
 26.35 with the commissioner of agriculture and

27.1 the Board of Animal Health, a software  
27.2 tool or application through the Veterinary  
27.3 Diagnostic Laboratory that empowers  
27.4 veterinarians and producers to understand  
27.5 the movement of unique pathogen strains in  
27.6 livestock and poultry production systems,  
27.7 monitor antibiotic resistance, and implement  
27.8 effective biosecurity measures that promote  
27.9 animal health and limit production losses.  
27.10 The base for fiscal year 2020 is \$0.  
27.11 In addition to the amounts appropriated in  
27.12 Laws 2015, First Special Session chapter 4,  
27.13 article 1, section 2, subdivision 4:  
27.14 (1) \$450,000 the second year is appropriated  
27.15 for transfer to the Board of Regents of the  
27.16 University of Minnesota for the cultivated  
27.17 wild rice breeding project at the North  
27.18 Central Research and Outreach Center to  
27.19 include a tenure track/research associate  
27.20 plant breeder; and  
27.21 (2) \$350,000 the second year is appropriated  
27.22 for transfer to the Board of Regents of the  
27.23 University of Minnesota for potato breeding.  
27.24 \$283,000 the second year is for a grant to  
27.25 the Board of Regents of the University of  
27.26 Minnesota to maintain and increase animal  
27.27 disease testing capacity through the purchase  
27.28 of Veterinary Diagnostic Laboratory  
27.29 equipment. This is a onetime appropriation.  
27.30 \$250,000 the second year is appropriated  
27.31 for transfer to the good food access account  
27.32 created under Minnesota Statutes, section  
27.33 17.1017, subdivision 3. This is a onetime  
27.34 appropriation and is available until June 30,  
27.35 2019.

28.1 \$1,000,000 the second year is appropriated  
28.2 for transfer to the agricultural emergency  
28.3 account in the agricultural fund. This is a  
28.4 onetime transfer.

28.5 Sec. 3. **[17.041] AGRICULTURAL EMERGENCY ACCOUNT;**  
28.6 **APPROPRIATION.**

28.7 Subdivision 1. **Establishment; appropriation.** An agricultural emergency account  
28.8 is established in the agricultural fund. Money in the account, including interest, is  
28.9 appropriated to the commissioner for emergency response and preparedness activities  
28.10 for agricultural emergencies affecting producers of livestock, poultry, crops, or other  
28.11 agricultural products. Eligible uses include, but are not limited to, purchasing necessary  
28.12 equipment and reimbursing costs incurred by local units of government that are not  
28.13 eligible for reimbursement from other sources.

28.14 Subd. 2. **Transfer authorized.** The commissioner may transfer money in the  
28.15 account to the Board of Animal Health, other state agencies, or the University of  
28.16 Minnesota for purposes of subdivision 1.

28.17 Subd. 3. **Annual report.** No later than February 1 each year, the commissioner  
28.18 must report activities and expenditures under this section to the legislative committees  
28.19 and divisions with jurisdiction over agriculture finance.

28.20 Sec. 4. **[17.1017] GOOD FOOD ACCESS PROGRAM.**

28.21 Subdivision 1. **Definitions.** (a) For purposes of this section, unless the language  
28.22 or context indicates that a different meaning is intended, the following terms have the  
28.23 meanings given them.

28.24 (b) "Account" means the good food access account established in subdivision 3.

28.25 (c) "Commissioner" means the commissioner of agriculture.

28.26 (d) "Economic or community development financial institution (ECDFI)" means  
28.27 a lender, including but not limited to a community development financial institution  
28.28 (CDFI), an economic development district (EDD), a political subdivision of the state, a  
28.29 microenterprise firm, or a nonprofit community lending organization that has previous  
28.30 experience lending to a food retailer, producer, or another healthy food enterprise in an  
28.31 underserved community in a low-income or moderate-income area, as defined in this  
28.32 section; has been in existence and operating prior to January 1, 2014; has demonstrated  
28.33 the ability to raise matching capital and in-kind services to leverage appropriated money;  
28.34 has the demonstrated ability to underwrite loans and grants; and has partnered previously

29.1 with nonprofit healthy food access, public health, or related governmental departments or  
29.2 community organizations.

29.3 (e) "Farmers' market" means an association of three or more persons who assemble  
29.4 at a defined location that is open to the public for the purpose of selling directly to the  
29.5 consumer the products of a farm or garden occupied and cultivated by the person selling  
29.6 the product.

29.7 (f) "Financing" means loans, including low-interest loans, zero-interest loans,  
29.8 forgivable loans, and other types of financial assistance other than grants.

29.9 (g) "Food hub" means a centrally located facility with a business management  
29.10 structure that facilitates the aggregation, storage, processing, distribution, marketing, and  
29.11 sale of locally or regionally produced food products, and which may include a small-scale  
29.12 retail grocery operation.

29.13 (h) "Good Food Access Program Advisory Committee" means the Good Food  
29.14 Access Program Advisory Committee under section 17.1018.

29.15 (i) "Grocery store" means a for-profit, not-for-profit, or cooperative self-service retail  
29.16 establishment that sells primarily meat, fish, seafood, fruits, vegetables, dry groceries,  
29.17 and dairy products and may also sell household products, sundries, and other products.  
29.18 Grocery store includes a supermarket or a large-, mid-, or small-scale retail grocery  
29.19 establishment and may include a mobile food market or a delivery service operation.

29.20 (j) "Low-income area" means a census tract as reported in the most recently  
29.21 completed decennial census published by the United States Bureau of the Census that has  
29.22 a poverty rate of at least 20 percent or in which the median family income does not exceed  
29.23 80 percent of the greater of the statewide or metropolitan median family income.

29.24 (k) "Moderate-income area" means a census tract as reported in the most recently  
29.25 completed decennial census published by the United States Bureau of the Census in which  
29.26 the median family income is between 81 percent and 95 percent of the median family  
29.27 income for that area.

29.28 (l) "Mobile food market" means a self-contained for-profit, not-for-profit, or  
29.29 cooperative retail grocery operation located in a movable new or renovated truck, bus, or  
29.30 other vehicle that is used to store, prepare, display, and sell primarily meat, fish, seafood,  
29.31 fruits, vegetables, dry groceries, and dairy products and may also be used to sell a nominal  
29.32 supply of cooking utensils and equipment and other household products and sundries.

29.33 (m) "Program" means the good food access program established in this section.

29.34 (n) "Small food retailer" means a small-scale retail food outlet, other than a grocery  
29.35 store as defined in this section. Small food retailer includes, but is not limited to, a corner

30.1 store, convenience store, farmers' market, mobile food market, and a retail food outlet  
30.2 operated by an emergency food program or food hub.

30.3 (o) "Technical assistance" means needs-based project assistance provided through  
30.4 the program, including sustainability-focused individualized guidance, presentations,  
30.5 workshops, trainings, printed materials, mentorship opportunities, peer-to-peer  
30.6 opportunities, or other guidance and resources on relevant topics such as business  
30.7 planning, sales projections, cash flow, succession planning, financing, fund-raising,  
30.8 marketing, food preparation demonstrations, and workforce training.

30.9 (p) "Underserved community" means a census tract that is federally designated  
30.10 as a food desert by the United States Department of Agriculture, or a census tract in a  
30.11 low-income or moderate-income area that includes a substantial subpopulation such as  
30.12 the elderly or the disabled that has low supermarket access, regardless of distance, due  
30.13 to lack of transportation.

30.14 Subd. 2. **Program established.** (a) A good food access program is established within  
30.15 the Department of Agriculture to increase the availability of and access to affordable,  
30.16 nutritious, and culturally appropriate food, including fresh fruits and vegetables, for  
30.17 underserved communities in low-income and moderate-income areas by providing financial  
30.18 support and sustainable public-private projects to open, renovate, or expand the operations  
30.19 of grocery stores and small food retailers; expanding access to credit and reducing barriers  
30.20 to investment in underserved communities in low- and moderate-income areas; and to  
30.21 provide technical assistance, primarily for small food retailers with demonstrated need,  
30.22 to increase availability and sustainable sales of affordable, nutritious, and culturally  
30.23 appropriate food, including fresh fruits and vegetables, to underserved communities in  
30.24 low-income and moderate-income areas. The commissioner, in cooperation with public  
30.25 and private partners, shall establish and implement the program as provided in this section.

30.26 (b) The good food access program shall be comprised of state or private grants, loans,  
30.27 or other types of financial and technical assistance for the establishment, construction,  
30.28 expansion of operations, or renovation of grocery stores and small food retailers to increase  
30.29 the availability of and access to affordable fresh produce and other nutritious, culturally  
30.30 appropriate food to underserved communities in low-income and moderate-income areas.

30.31 Subd. 3. **Good food access account.** A good food access account is established in  
30.32 the agricultural fund. The account consists of money appropriated by the legislature to the  
30.33 commissioner, as provided by law, and any other money donated, allotted, transferred,  
30.34 or otherwise provided to the account. Money in the account, including interest, is  
30.35 appropriated to the commissioner for the purposes of this section, and shall be used, to

31.1 the extent practicable, to leverage other forms of public and private financing or financial  
31.2 assistance for the projects.

31.3 Subd. 4. **Program administration.** (a) The commissioner shall be the administrator  
31.4 of the account for auditing purposes and shall establish program requirements and a  
31.5 competitive process for projects applying for financial and technical assistance.

31.6 (b) The commissioner may receive money or other assets from any source, including  
31.7 but not limited to philanthropic foundations and financial investors, for deposit into the  
31.8 account.

31.9 (c) Through issuance of requests for proposals, the commissioner may contract  
31.10 with one or more qualified economic or community development financial institutions  
31.11 to manage the financing component of the program and with one or more qualified  
31.12 organizations or public agencies with financial or other program-related expertise to  
31.13 manage the provision of technical assistance to project grantees.

31.14 (d) Money in the account at the close of each fiscal year shall remain in the account  
31.15 and shall not cancel. In each biennium, the commissioner shall determine the appropriate  
31.16 proportion of money to be allocated to loans, grants, technical assistance, and any other  
31.17 types of financial assistance.

31.18 (e) To encourage public-private, cross-sector collaboration and investment in the  
31.19 account and program and to ensure that the program intent is maintained throughout  
31.20 implementation, the commissioner shall convene and maintain the Good Food Access  
31.21 Program Advisory Committee.

31.22 (f) The commissioner, in cooperation with the Good Food Access Program Advisory  
31.23 Committee, shall manage the program, establish program criteria, facilitate leveraging of  
31.24 additional public and private investment, and promote the program statewide.

31.25 (g) The commissioner, in cooperation with the Good Food Access Program Advisory  
31.26 Committee, shall establish annual monitoring and accountability mechanisms for all  
31.27 projects receiving financing or other financial or technical assistance through this program.

31.28 Subd. 5. **Eligible projects.** (a) The commissioner, in cooperation with the program  
31.29 partners and advisors, shall establish project eligibility guidelines and application  
31.30 processes to be used to review and select project applicants for financing or other financial  
31.31 or technical assistance. All projects must be located in an underserved community or must  
31.32 serve primarily underserved communities in low-income and moderate-income areas.

31.33 (b) Projects eligible for financing include, but are not limited to, new construction,  
31.34 renovations, expansions of operations, and infrastructure upgrades of grocery stores and  
31.35 small food retailers to improve the availability of and access to affordable, nutritious food,  
31.36 including fresh fruits and vegetables, and build capacity in areas of greatest need.

32.1 (c) Projects eligible for other types of financial assistance such as grants or  
32.2 technical assistance are primarily projects throughout the state, including, but not limited  
32.3 to, feasibility studies, new construction, renovations, expansion of operations, and  
32.4 infrastructure upgrades of small food retailers.

32.5 Subd. 6. **Qualifications for receipt of financing and other financial or technical**  
32.6 **assistance.** (a) An applicant for receipt of financing through an economic or community  
32.7 development financial institution, or an applicant for a grant or other financial or technical  
32.8 assistance, may be a for-profit or not-for-profit entity, including, but not limited to, a sole  
32.9 proprietorship, limited liability company, corporation, cooperative, nonprofit organization,  
32.10 or nonprofit community development organization. Each applicant must:

32.11 (1) demonstrate community engagement in and support for the project;

32.12 (2) demonstrate the capacity to successfully implement the project;

32.13 (3) demonstrate a viable plan for long-term sustainability, including the ability to  
32.14 increase the availability of and access to affordable, nutritious, and culturally appropriate  
32.15 food, including fresh fruits and vegetables, for underserved communities in low-income  
32.16 and moderate-income areas; and

32.17 (4) demonstrate the ability to repay the debt, to the extent that the financing requires  
32.18 repayment.

32.19 (b) Each applicant must also agree to comply with the following conditions for a  
32.20 period of at least five years, except as otherwise specified in this section:

32.21 (1) accept Supplemental Nutrition Assistance Program (SNAP) benefits;

32.22 (2) apply to accept Special Supplemental Nutrition Program for Women, Infants,  
32.23 and Children (WIC) benefits and, if approved, accept WIC benefits;

32.24 (3) allocate at least 30 percent of retail space for the sale of affordable, nutritious,  
32.25 and culturally appropriate foods, including fruits and vegetables, low-fat and nonfat  
32.26 dairy, fortified dairy substitute beverages such as soy-based or nut-based dairy substitute  
32.27 beverages, whole grain-rich staple foods, meats, poultry, fish, seafood, and other proteins,  
32.28 consistent with nutrition standards in national guidelines described in the current United  
32.29 States Department of Agriculture Dietary Guidelines for Americans;

32.30 (4) comply with all data collection and reporting requirements established by the  
32.31 commissioner; and

32.32 (5) promote the hiring, training, and retention of local or regional residents from  
32.33 low-income and moderate-income areas that reflect area demographics, including  
32.34 communities of color.

32.35 (c) A selected project that is a small food retailer is not subject to the allocation  
32.36 agreement under paragraph (b), clause (3), and may use financing, grants, or other financial

33.1 or technical assistance for refrigeration, displays, or onetime capital expenditures for the  
33.2 promotion and sale of perishable foods, including a combination of affordable, nutritious,  
33.3 and culturally appropriate fresh or frozen dairy, dairy substitute products, produce, meats,  
33.4 poultry, and fish, consistent with nutrition standards in national guidelines described in the  
33.5 current United States Department of Agriculture Dietary Guidelines for Americans.

33.6 Subd. 7. **Additional selection criteria.** In determining which qualified projects to  
33.7 finance, and in determining which qualified projects to provide with grants or other types  
33.8 of financial or technical assistance, the commissioner, in cooperation with any entities  
33.9 with which the commissioner contracts for those purposes and the Good Food Access  
33.10 Program Advisory Committee, shall also consider:

33.11 (1) the level of need in the area to be served;

33.12 (2) the degree to which the project requires an investment of public support, or  
33.13 technical assistance where applicable, to move forward, build capacity, create community  
33.14 impact, or be competitive;

33.15 (3) the likelihood that the project will have positive economic and health impacts on  
33.16 the underserved community, including creation and retention of jobs for local or regional  
33.17 residents from low-income and moderate-income areas that reflect area demographics,  
33.18 including communities of color;

33.19 (4) the degree to which the project will participate in state and local health department  
33.20 initiatives to educate consumers on nutrition, promote healthy eating and healthy weight,  
33.21 and support locally grown food products through programs such as Minnesota Grown; and

33.22 (5) any other criteria that the commissioner, in cooperation with public and private  
33.23 partners, determines to be consistent with the purposes of this chapter.

33.24 Subd. 8. **Eligible costs.** Financing for project loans, including low-interest,  
33.25 zero-interest, and forgivable loans, grants, and other financial or technical assistance, may  
33.26 be used to support one or more of the following purposes:

33.27 (1) site acquisition and preparation;

33.28 (2) predevelopment costs, including but not limited to feasibility studies, market  
33.29 studies, and appraisals;

33.30 (3) construction and build-out costs;

33.31 (4) equipment and furnishings;

33.32 (5) workforce or retailer training; and

33.33 (6) working capital.

33.34 Subd. 9. **Legislative report.** The commissioner, in cooperation with any economic  
33.35 or community development financial institution and any other entity with which it  
33.36 contracts, shall submit an annual report on the good food access program by January 15 of

34.1 each year to the chairs and ranking minority members of the house of representatives and  
 34.2 senate committees and divisions with jurisdiction over agriculture policy and finance. The  
 34.3 annual report shall include, but not be limited to, a summary of the following metrics:

- 34.4 (1) the number and types of projects financed;  
 34.5 (2) the amount of dollars leveraged or matched per project;  
 34.6 (3) the geographic distribution of financed projects;  
 34.7 (4) the number and types of technical assistance recipients;  
 34.8 (5) any market or commodity expansion associated with increased access;  
 34.9 (6) the demographics of the areas served;  
 34.10 (7) the costs of the program;  
 34.11 (8) the number of SNAP and WIC dollars spent;  
 34.12 (9) any increase in retail square footage;  
 34.13 (10) the number of loans or grants to minority-owned or female-owned businesses;

34.14 and

- 34.15 (11) measurable economic and health outcomes, including, but not limited to,  
 34.16 increases in sales and consumption of locally sourced and other fresh fruits and vegetables,  
 34.17 the number of construction and retail jobs retained or created, and any health initiatives  
 34.18 associated with the program.

34.19 **Sec. 5. [17.1018] GOOD FOOD ACCESS PROGRAM ADVISORY**  
 34.20 **COMMITTEE.**

34.21 Subdivision 1. **Definitions.** As used in this section, the following terms have the  
 34.22 meanings given them:

- 34.23 (1) "program" means the good food access program under section 17.1017; and  
 34.24 (2) "commissioner" means the commissioner of agriculture.

34.25 Subd. 2. **Creation.** The Good Food Access Program Advisory Committee consists  
 34.26 of the following members, appointed by the commissioner of agriculture, unless otherwise  
 34.27 specified:

- 34.28 (1) the commissioners of health, employment and economic development, and  
 34.29 human services, or their respective designees;  
 34.30 (2) one person representing the grocery industry;  
 34.31 (3) two people representing economic or community development, one rural  
 34.32 member and one urban or suburban member;  
 34.33 (4) two people representing political subdivisions of the state;  
 34.34 (5) one person designated by the Council for Minnesotans of African Heritage;  
 34.35 (6) one person designated by the Minnesota Indian Affairs Council;

- 35.1 (7) one person designated by the Council on Asian Pacific Minnesotans;  
 35.2 (8) one person designated by the Chicano Latino Affairs Council;  
 35.3 (9) one person designated by the Minnesota Farmers Union;  
 35.4 (10) one person representing public health experts;  
 35.5 (11) one person representing philanthropic foundations;  
 35.6 (12) one person representing economic or community development financial  
 35.7 institutions;  
 35.8 (13) one person representing the University of Minnesota Regional Sustainable  
 35.9 Development Partnerships;  
 35.10 (14) two people representing organizations engaged in addressing food security,  
 35.11 one representative from a statewide hunger relief organization and one from a  
 35.12 community-based organization;  
 35.13 (15) one person representing immigrant farmer-led organizations;  
 35.14 (16) one person representing small business technical assistance with experience  
 35.15 in food retail; and  
 35.16 (17) up to four additional members with economic development, health equity,  
 35.17 financial, or other relevant expertise.

35.18 At least half of the members must reside in or their organizations must serve rural  
 35.19 Minnesota. The commissioner may remove members and fill vacancies as provided in  
 35.20 section 15.059, subdivision 4.

35.21 Subd. 3. **Duties.** The advisory committee must advise the commissioner of  
 35.22 agriculture on managing the program, establishing program criteria, establishing project  
 35.23 eligibility guidelines, establishing application processes and additional selection criteria,  
 35.24 establishing annual monitoring and accountability mechanisms, facilitating leveraging of  
 35.25 additional public and private investments, and promoting the program statewide.

35.26 Subd. 4. **Meetings.** The commissioner must convene the advisory committee at  
 35.27 least two times per year to achieve the committee's duties.

35.28 Subd. 5. **Administrative support.** The commissioner of agriculture must provide  
 35.29 staffing, meeting space, and administrative services for the advisory committee.

35.30 Subd. 6. **Chair.** The commissioner of agriculture or the commissioner's designee  
 35.31 shall serve as chair of the committee.

35.32 Subd. 7. **Compensation.** The public members of the advisory committee serve  
 35.33 without compensation or payment of expenses.

35.34 Subd. 8. **Expiration.** The advisory committee does not expire.

35.35 Sec. 6. Minnesota Statutes 2014, section 17.117, subdivision 4, is amended to read:

36.1 Subd. 4. **Definitions.** (a) For the purposes of this section, the terms defined in this  
36.2 subdivision have the meanings given them.

36.3 (b) "Agricultural and environmental revolving accounts" means accounts in the  
36.4 agricultural fund, controlled by the commissioner, which hold funds available to the  
36.5 program.

36.6 (c) "Agriculture supply business" means a person, partnership, joint venture,  
36.7 corporation, limited liability company, association, firm, public service company,  
36.8 or cooperative that provides materials, equipment, or services to farmers or  
36.9 agriculture-related enterprises.

36.10 (d) "Allocation" means the funds awarded to an applicant for implementation of best  
36.11 management practices through a competitive or noncompetitive application process.

36.12 (e) "Applicant" means a local unit of government eligible to participate in this  
36.13 program that requests an allocation of funds as provided in subdivision 6b.

36.14 (f) "Best management practices" has the meaning given in sections 103F.711,  
36.15 subdivision 3, and 103H.151, subdivision 2, ~~or~~. Best management practices also means  
36.16 other practices, techniques, and measures that have been demonstrated to the satisfaction  
36.17 of the commissioner: (1) to prevent or reduce adverse environmental impacts by using  
36.18 the most effective and practicable means of achieving environmental goals; or (2) to  
36.19 achieve drinking water quality standards under chapter 103H or under Code of Federal  
36.20 Regulations, title 40, parts 141 and 143, as amended.

36.21 (g) "Borrower" means a farmer, an agriculture supply business, or a rural landowner  
36.22 applying for a low-interest loan.

36.23 (h) "Commissioner" means the commissioner of agriculture, including when the  
36.24 commissioner is acting in the capacity of chair of the Rural Finance Authority, or the  
36.25 designee of the commissioner.

36.26 (i) "Committed project" means an eligible project scheduled to be implemented at  
36.27 a future date:

36.28 (1) that has been approved and certified by the local government unit; and

36.29 (2) for which a local lender has obligated itself to offer a loan.

36.30 (j) "Comprehensive water management plan" means a state approved and locally  
36.31 adopted plan authorized under section 103B.231, 103B.255, 103B.311, 103C.331,  
36.32 103D.401, or 103D.405.

36.33 (k) "Cost incurred" means expenses for implementation of a project accrued because  
36.34 the borrower has agreed to purchase equipment or is obligated to pay for services or  
36.35 materials already provided as a result of implementing an approved eligible project.

37.1 (l) "Farmer" means a person, partnership, joint venture, corporation, limited liability  
 37.2 company, association, firm, public service company, or cooperative that regularly  
 37.3 participates in physical labor or operations management of farming and files a Schedule F  
 37.4 as part of filing United States Internal Revenue Service Form 1040 or indicates farming as  
 37.5 the primary business activity under Schedule C, K, or S, or any other applicable report to  
 37.6 the United States Internal Revenue Service.

37.7 (m) "Lender agreement" means an agreement entered into between the commissioner  
 37.8 and a local lender which contains terms and conditions of participation in the program.

37.9 (n) "Local government unit" means a county, soil and water conservation district,  
 37.10 or an organization formed for the joint exercise of powers under section 471.59 with  
 37.11 the authority to participate in the program.

37.12 (o) "Local lender" means a local government unit as defined in paragraph (n), a state  
 37.13 or federally chartered bank, a savings association, a state or federal credit union, Agribank  
 37.14 and its affiliated organizations, or a nonprofit economic development organization or other  
 37.15 financial lending institution approved by the commissioner.

37.16 (p) "Local revolving loan account" means the account held by a local government unit  
 37.17 and a local lender into which principal repayments from borrowers are deposited and new  
 37.18 loans are issued in accordance with the requirements of the program and lender agreements.

37.19 (q) "Nonpoint source" has the meaning given in section 103F.711, subdivision 6.

37.20 (r) "Program" means the agriculture best management practices loan program  
 37.21 in this section.

37.22 (s) "Project" means one or more components or activities located within Minnesota  
 37.23 that are required by the local government unit to be implemented for satisfactory  
 37.24 completion of an eligible best management practice.

37.25 (t) "Rural landowner" means the owner of record of Minnesota real estate located  
 37.26 in an area determined by the local government unit to be rural after consideration of  
 37.27 local land use patterns, zoning regulations, jurisdictional boundaries, local community  
 37.28 definitions, historical uses, and other pertinent local factors.

37.29 (u) "Water-quality cooperative" has the meaning given in section 115.58, paragraph  
 37.30 (d), except as expressly limited in this section.

37.31 Sec. 7. Minnesota Statutes 2014, section 17.117, subdivision 11a, is amended to read:

37.32 Subd. 11a. **Eligible projects.** (a) All projects that remediate or mitigate adverse  
 37.33 environmental impacts are eligible if:

37.34 (1) the project is eligible under the an allocation agreement and ~~funding sources~~  
 37.35 ~~designated by the local government unit to finance the project; and.~~

38.1 (2) (b) A manure management projects remediate project is eligible if the project  
38.2 remediates or mitigate mitigates impacts from facilities with less than 1,000 animal units  
38.3 as defined in Minnesota Rules, chapter 7020, and otherwise meets the requirements of  
38.4 this section.

38.5 (c) A drinking water project is eligible if the project:

38.6 (1) remediates the adverse environmental impacts or presence of contaminants in  
38.7 private well water;

38.8 (2) implements best management practices to achieve drinking water standards; and

38.9 (3) otherwise meets the requirements of this section.

38.10 Sec. 8. **[17.119] TRACTOR ROLLOVER PROTECTION PILOT GRANT**  
38.11 **PROGRAM.**

38.12 Subdivision 1. **Grants; eligibility.** (a) The commissioner must award cost-share  
38.13 grants to Minnesota farmers who retrofit eligible tractors and Minnesota schools that  
38.14 retrofit eligible tractors with eligible rollover protective structures. Grants are limited to  
38.15 70 percent of the farmer's or school's documented cost to purchase, ship, and install an  
38.16 eligible rollover protective structure. The commissioner must increase the grant award  
38.17 amount over the 70 percent grant limitation requirement if necessary to limit a farmer's or  
38.18 school's cost per tractor to no more than \$500.

38.19 (b) A rollover protective structure is eligible if it meets or exceeds SAE International  
38.20 standard J2194.

38.21 (c) A tractor is eligible if the tractor was built before 1987.

38.22 Subd. 2. **Promotion; administration.** The commissioner may spend up to 20  
38.23 percent of total program dollars each fiscal year to promote and administer the program to  
38.24 Minnesota farmers and schools.

38.25 Subd. 3. **Nonstate sources; appropriation.** The commissioner must accept  
38.26 contributions from nonstate sources to supplement state appropriations for this program.  
38.27 Contributions received under this subdivision are appropriated to the commissioner for  
38.28 purposes of this section.

38.29 Subd. 4. **Expiration.** This section expires on June 30, 2019.

38.30 Sec. 9. Minnesota Statutes 2014, section 18B.26, subdivision 3, is amended to read:

38.31 **Subd. 3. **Registration application and gross sales fee.**** (a) For an agricultural  
38.32 pesticide, a registrant shall pay an annual registration application fee for each agricultural  
38.33 pesticide of \$350. The fee is due by December 31 preceding the year for which the  
38.34 application for registration is made. The fee is nonrefundable.

39.1 (b) For a nonagricultural pesticide, a registrant shall pay a minimum annual  
39.2 registration application fee for each nonagricultural pesticide of \$350. The fee is due by  
39.3 December 31 preceding the year for which the application for registration is made. The fee  
39.4 is nonrefundable. The If the registrant's annual gross sales of the nonagricultural pesticide  
39.5 exceeded \$70,000 in the previous calendar year, the registrant of a nonagricultural pesticide  
39.6 shall pay, in addition to the \$350 minimum fee, a fee of equal to 0.5 percent of that portion  
39.7 of the annual gross sales of the over \$70,000. For purposes of this subdivision, gross sales  
39.8 includes both nonagricultural pesticide sold in the state and the annual gross sales of the  
39.9 nonagricultural pesticide sold into the state for use in this state. No additional fee is  
39.10 required if the fee due amount based on percent of annual gross sales of a nonagricultural  
39.11 pesticide is less than \$10. The registrant shall secure sufficient sales information of  
39.12 nonagricultural pesticides distributed into this state from distributors and dealers,  
39.13 regardless of distributor location, to make a determination. Sales of nonagricultural  
39.14 pesticides in this state and sales of nonagricultural pesticides for use in this state by  
39.15 out-of-state distributors are not exempt and must be included in the registrant's annual  
39.16 report, as required under paragraph (g), and fees shall be paid by the registrant based upon  
39.17 those reported sales. Sales of nonagricultural pesticides in the state for use outside of  
39.18 the state are exempt from the gross sales fee in this paragraph if the registrant properly  
39.19 documents the sale location and distributors. A registrant paying more than the minimum  
39.20 fee shall pay the balance due by March 1 based on the gross sales of the nonagricultural  
39.21 pesticide by the registrant for the preceding calendar year. A pesticide determined by the  
39.22 commissioner to be a sanitizer or disinfectant is exempt from the gross sales fee.

39.23 (c) For agricultural pesticides, a licensed agricultural pesticide dealer or licensed  
39.24 pesticide dealer shall pay a gross sales fee of 0.55 percent of annual gross sales of the  
39.25 agricultural pesticide in the state and the annual gross sales of the agricultural pesticide  
39.26 sold into the state for use in this state.

39.27 (d) In those cases where a registrant first sells an agricultural pesticide in or into the  
39.28 state to a pesticide end user, the registrant must first obtain an agricultural pesticide dealer  
39.29 license and is responsible for payment of the annual gross sales fee under paragraph (c),  
39.30 record keeping under paragraph (i), and all other requirements of section 18B.316.

39.31 (e) If the total annual revenue from fees collected in fiscal year 2011, 2012, or 2013,  
39.32 by the commissioner on the registration and sale of pesticides is less than \$6,600,000, the  
39.33 commissioner, after a public hearing, may increase proportionally the pesticide sales and  
39.34 product registration fees under this chapter by the amount necessary to ensure this level  
39.35 of revenue is achieved. The authority under this section expires on June 30, 2014. The

40.1 commissioner shall report any fee increases under this paragraph 60 days before the fee  
40.2 change is effective to the senate and house of representatives agriculture budget divisions.

40.3 (f) An additional fee of 50 percent of the registration application fee must be paid by  
40.4 the applicant for each pesticide to be registered if the application is a renewal application  
40.5 that is submitted after December 31.

40.6 (g) A registrant must annually report to the commissioner the amount, type and  
40.7 annual gross sales of each registered nonagricultural pesticide sold, offered for sale, or  
40.8 otherwise distributed in the state. The report shall be filed by March 1 for the previous  
40.9 year's registration. The commissioner shall specify the form of the report or approve  
40.10 the method for submittal of the report and may require additional information deemed  
40.11 necessary to determine the amount and type of nonagricultural pesticide annually  
40.12 distributed in the state. The information required shall include the brand name, United  
40.13 States Environmental Protection Agency registration number, and amount of each  
40.14 nonagricultural pesticide sold, offered for sale, or otherwise distributed in the state, but  
40.15 the information collected, if made public, shall be reported in a manner which does not  
40.16 identify a specific brand name in the report.

40.17 (h) A licensed agricultural pesticide dealer or licensed pesticide dealer must annually  
40.18 report to the commissioner the amount, type, and annual gross sales of each registered  
40.19 agricultural pesticide sold, offered for sale, or otherwise distributed in the state or into the  
40.20 state for use in the state. The report must be filed by January 31 for the previous year's  
40.21 sales. The commissioner shall specify the form, contents, and approved electronic method  
40.22 for submittal of the report and may require additional information deemed necessary to  
40.23 determine the amount and type of agricultural pesticide annually distributed within the  
40.24 state or into the state. The information required must include the brand name, United States  
40.25 Environmental Protection Agency registration number, and amount of each agricultural  
40.26 pesticide sold, offered for sale, or otherwise distributed in the state or into the state.

40.27 (i) A person who registers a pesticide with the commissioner under paragraph (b),  
40.28 or a registrant under paragraph (d), shall keep accurate records for five years detailing  
40.29 all distribution or sales transactions into the state or in the state and subject to a fee and  
40.30 surcharge under this section.

40.31 (j) The records are subject to inspection, copying, and audit by the commissioner  
40.32 and must clearly demonstrate proof of payment of all applicable fees and surcharges  
40.33 for each registered pesticide product sold for use in this state. A person who is located  
40.34 outside of this state must maintain and make available records required by this subdivision  
40.35 in this state or pay all costs incurred by the commissioner in the inspecting, copying, or  
40.36 auditing of the records.

41.1 (k) The commissioner may adopt by rule regulations that require persons subject  
 41.2 to audit under this section to provide information determined by the commissioner to be  
 41.3 necessary to enable the commissioner to perform the audit.

41.4 (l) A registrant who is required to pay more than the minimum fee for any pesticide  
 41.5 under paragraph (b) must pay a late fee penalty of \$100 for each pesticide application fee  
 41.6 paid after March 1 in the year for which the license is to be issued.

41.7 Sec. 10. Minnesota Statutes 2014, section 41A.12, subdivision 2, is amended to read:

41.8 Subd. 2. **Activities authorized.** For the purposes of this program, the commissioner  
 41.9 may issue grants, loans, or other forms of financial assistance. Eligible activities include,  
 41.10 but are not limited to, grants to livestock producers under the livestock investment grant  
 41.11 program under section 17.118, bioenergy awards ~~made by the NextGen Energy Board~~  
 41.12 ~~under section 41A.105~~, cost-share grants for the installation of biofuel blender pumps, and  
 41.13 financial assistance to support other rural economic infrastructure activities.

41.14 Sec. 11. Minnesota Statutes 2015 Supplement, section 41A.14, is amended to read:

41.15 **41A.14 AGRICULTURE RESEARCH, EDUCATION, EXTENSION, AND**  
 41.16 **TECHNOLOGY TRANSFER GRANT PROGRAM.**

41.17 Subdivision 1. **Duties; grants.** The agriculture research, education, extension, and  
 41.18 technology transfer grant program is created. The purpose of the grant program is to  
 41.19 provide investments that will most efficiently achieve long-term agricultural productivity  
 41.20 increases through improved infrastructure, vision, and accountability. The scope and  
 41.21 intent of the grants, to the extent possible, shall provide for a long-term base funding  
 41.22 that allows the ~~research~~ grantee to continue the functions of the research, education, and  
 41.23 ~~extension, and technology transfer~~ efforts to a practical conclusion. Priority for grants  
 41.24 shall be given to human infrastructure. The commissioner shall provide grants for:

41.25 (1) agricultural research, extension, and technology transfer needs ~~and recipients~~  
 41.26 ~~including agricultural research and extension at the University of Minnesota, research and~~  
 41.27 ~~outreach centers, the College of Food, Agricultural and Natural Resource Sciences, the~~  
 41.28 ~~Minnesota Agricultural Experiment Station, University of Minnesota Extension Service,~~  
 41.29 ~~the University of Minnesota Veterinary School, the Veterinary Diagnostic Laboratory,~~  
 41.30 ~~the Stakman-Borlaug Center, and the Minnesota Agriculture Fertilizer Research and~~  
 41.31 ~~Education Council; for use by any of the following:~~

41.32 (i) the College of Food, Agricultural and Natural Resource Sciences;

41.33 (ii) the Minnesota Agricultural Experiment Station;

41.34 (iii) the University of Minnesota Extension Service;

- 42.1 (iv) the University of Minnesota Veterinary School;  
 42.2 (v) the Veterinary Diagnostic Laboratory; or  
 42.3 (vi) the Stakman-Borlaug Center;  
 42.4 (2) agriculture rapid response for plant and animal diseases and pests; and  
 42.5 (3) agricultural education including but not limited to the Minnesota Agriculture  
 42.6 Education Leadership Council, farm business management, mentoring programs, graduate  
 42.7 debt forgiveness, and high school programs.

42.8 Subd. 2. **Advisory panel.** (a) In awarding grants under this section, the  
 42.9 commissioner and a representative of the College of Food, Agricultural and Natural  
 42.10 Resource Sciences at the University of Minnesota must consult with an advisory panel  
 42.11 consisting of the following stakeholders:

- 42.12 ~~(1) a representative of the College of Food, Agricultural and Natural Resource~~  
 42.13 ~~Sciences at the University of Minnesota;~~  
 42.14 ~~(2)~~ (1) a representative of the Minnesota State Colleges and Universities system;  
 42.15 ~~(3)~~ (2) a representative of the Minnesota Farm Bureau;  
 42.16 ~~(4)~~ (3) a representative of the Minnesota Farmers Union;  
 42.17 ~~(5)~~ (4) a person representing agriculture industry statewide;  
 42.18 ~~(6)~~ (5) a representative of each of the state commodity councils organized under  
 42.19 section 17.54 and the Minnesota Pork Board;  
 42.20 ~~(7)~~ (6) a person representing an association of primary manufacturers of forest  
 42.21 products;  
 42.22 ~~(8)~~ (7) a person representing organic or sustainable agriculture; and  
 42.23 ~~(9)~~ (8) a person representing statewide environment and natural resource  
 42.24 conservation organizations.

42.25 (b) Members under paragraph (a), clauses (1) to (3) and (5), shall be chosen by their  
 42.26 respective organizations.

42.27 Subd. 3. **Account.** An agriculture research, education, extension, and technology  
 42.28 transfer account is created in the agricultural fund in the state treasury. The account  
 42.29 consists of money received in the form of gifts, grants, reimbursement, or appropriations  
 42.30 from any source for any of the purposes provided in subdivision 1, and any interest or  
 42.31 earnings of the account. Money in the account is appropriated to the commissioner of  
 42.32 agriculture for the purposes under subdivision 1.

42.33 **EFFECTIVE DATE.** This section is effective the day following final enactment.

42.34 Sec. 12. Minnesota Statutes 2015 Supplement, section 41A.15, is amended by adding a  
 42.35 subdivision to read:

43.1            Subd. 2a. **Biobased content.** "Biobased content" means a chemical, polymer,  
43.2 monomer, or plastic that is not sold primarily for use as food, feed, or fuel and that has a  
43.3 biobased percentage of at least 51 percent as determined by testing representative samples  
43.4 using American Society for Testing and Materials specification D6866.

43.5            Sec. 13. Minnesota Statutes 2015 Supplement, section 41A.15, is amended by adding a  
43.6 subdivision to read:

43.7            Subd. 2b. **Biobased formulated product.** "Biobased formulated product" means  
43.8 a product that is not sold primarily for use as food, feed, or fuel and that has a biobased  
43.9 content percentage of at least ten percent as determined by testing representative samples  
43.10 using American Society for Testing and Materials specification D6866, or that contains  
43.11 a biobased chemical constituent that displaces a known hazardous or toxic constituent  
43.12 previously used in the product formulation.

43.13            Sec. 14. Minnesota Statutes 2015 Supplement, section 41A.15, is amended by adding a  
43.14 subdivision to read:

43.15            Subd. 2c. **Biobutanol.** "Biobutanol" means fermentation isobutyl alcohol that is  
43.16 derived from agricultural products, including potatoes, cereal grains, cheese whey, and  
43.17 sugar beets; forest products; or other renewable resources, including residue and waste  
43.18 generated from the production, processing, and marketing of agricultural products, forest  
43.19 products, and other renewable resources.

43.20            Sec. 15. Minnesota Statutes 2015 Supplement, section 41A.15, is amended by adding a  
43.21 subdivision to read:

43.22            Subd. 2d. **Biobutanol facility.** "Biobutanol facility" means a facility at which  
43.23 biobutanol is produced.

43.24            Sec. 16. Minnesota Statutes 2015 Supplement, section 41A.15, is amended by adding a  
43.25 subdivision to read:

43.26            Subd. 9a. **Quarterly.** "Quarterly" means any of the following three-month intervals  
43.27 in a calendar year: January through March, April through June, July through September,  
43.28 or October through December.

43.29            Sec. 17. Minnesota Statutes 2015 Supplement, section 41A.15, subdivision 10, is  
43.30 amended to read:

44.1 Subd. 10. **Renewable chemical.** "Renewable chemical" means a chemical with  
44.2 biobased content as defined in section 41A.105, subdivision 1a.

44.3 Sec. 18. Minnesota Statutes 2015 Supplement, section 41A.16, subdivision 1, is  
44.4 amended to read:

44.5 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must  
44.6 source at least 80 percent raw materials from Minnesota. If a facility is sited 50 miles or  
44.7 less from the state border, raw materials may be sourced from within a 100-mile radius.  
44.8 Raw materials must be from agricultural or forestry sources or from solid waste. The  
44.9 facility must be located in Minnesota, must begin production at a specific location by June  
44.10 30, 2025, and must not begin operating above ~~95,000~~ 23,750 MMbtu of ~~annual~~ quarterly  
44.11 biofuel production before July 1, 2015. Eligible facilities include existing companies and  
44.12 facilities that are adding advanced biofuel production capacity, or retrofitting existing  
44.13 capacity, as well as new companies and facilities. Production of conventional corn ethanol  
44.14 and conventional biodiesel is not eligible. Eligible advanced biofuel facilities must  
44.15 produce at least ~~95,000~~ 23,750 MMbtu ~~a year~~ of biofuel quarterly.

44.16 (b) No payments shall be made for advanced biofuel production that occurs after  
44.17 June 30, 2035, for those eligible biofuel producers under paragraph (a).

44.18 (c) An eligible producer of advanced biofuel shall not transfer the producer's  
44.19 eligibility for payments under this section to an advanced biofuel facility at a different  
44.20 location.

44.21 (d) A producer that ceases production for any reason is ineligible to receive  
44.22 payments under this section until the producer resumes production.

44.23 (e) Renewable chemical production for which payment has been received under  
44.24 section 41A.17, and biomass thermal production for which payment has been received  
44.25 under section 41A.18, are not eligible for payment under this section.

44.26 (f) Biobutanol is eligible under this section.

44.27 Sec. 19. Minnesota Statutes 2015 Supplement, section 41A.17, subdivision 1, is  
44.28 amended to read:

44.29 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this program  
44.30 must source at least 80 percent biobased content, ~~as defined in section 41A.105,~~  
44.31 ~~subdivision 1a, clause (1),~~ from Minnesota. If a facility is sited 50 miles or less from the  
44.32 state border, biobased content must be sourced from within a 100-mile radius. Biobased  
44.33 content must be from agricultural or forestry sources or from solid waste. The facility must  
44.34 be located in Minnesota, must begin production at a specific location by June 30, 2025, and

45.1 must not begin production of ~~3,000,000~~ 750,000 pounds of chemicals ~~annually~~ quarterly  
45.2 before January 1, 2015. Eligible facilities include existing companies and facilities that are  
45.3 adding production capacity, or retrofitting existing capacity, as well as new companies and  
45.4 facilities. Eligible renewable chemical facilities must produce at least ~~3,000,000~~ 750,000  
45.5 pounds ~~per year~~ of renewable chemicals quarterly. Renewable chemicals produced  
45.6 through processes that are fully commercial before January 1, 2000, are not eligible.

45.7 (b) No payments shall be made for renewable chemical production that occurs after  
45.8 June 30, 2035, for those eligible renewable chemical producers under paragraph (a).

45.9 (c) An eligible producer of renewable chemicals shall not transfer the producer's  
45.10 eligibility for payments under this section to a renewable chemical facility at a different  
45.11 location.

45.12 (d) A producer that ceases production for any reason is ineligible to receive  
45.13 payments under this section until the producer resumes production.

45.14 (e) Advanced biofuel production for which payment has been received under section  
45.15 41A.16, and biomass thermal production for which payment has been received under  
45.16 section 41A.18, are not eligible for payment under this section.

45.17 Sec. 20. Minnesota Statutes 2015 Supplement, section 41A.17, subdivision 2, is  
45.18 amended to read:

45.19 Subd. 2. **Payment amounts; bonus; limits.** (a) The commissioner shall make  
45.20 payments to eligible producers of renewable chemicals located in the state. The amount of  
45.21 the payment for each producer's annual production is \$0.03 per pound of sugar-derived  
45.22 renewable chemical, \$0.03 per pound of cellulosic sugar, and \$0.06 per pound of  
45.23 cellulosic-derived renewable chemical produced at a specific location for ten years after  
45.24 the start of production.

45.25 (b) An eligible facility producing renewable chemicals using agricultural cellulosic  
45.26 biomass is eligible for a 20 percent bonus payment for each ~~MMBtu~~ pound produced from  
45.27 agricultural biomass that is derived from perennial crop or cover crop biomass.

45.28 (c) Total payments under this section to an eligible renewable chemical producer in  
45.29 a fiscal year may not exceed the amount necessary for 99,999,999 pounds of renewable  
45.30 chemical production. Total payments under this section to all eligible renewable chemical  
45.31 producers in a fiscal year may not exceed the amount necessary for 599,999,999 pounds of  
45.32 renewable chemical production. The commissioner shall award payments on a first-come,  
45.33 first-served basis within the limits of available funding.

45.34 (d) For purposes of this section, an entity that holds a controlling interest in more  
45.35 than one renewable chemical production facility is considered a single eligible producer.

46.1 Sec. 21. Minnesota Statutes 2015 Supplement, section 41A.18, subdivision 1, is  
46.2 amended to read:

46.3 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must  
46.4 source at least 80 percent raw materials from Minnesota. If a facility is sited 50 miles or  
46.5 less from the state border, raw materials should be sourced from within a 100-mile radius.  
46.6 Raw materials must be from agricultural or forestry sources. The facility must be located  
46.7 in Minnesota, must have begun production at a specific location by June 30, 2025, and  
46.8 must not begin before July 1, 2015. Eligible facilities include existing companies and  
46.9 facilities that are adding production capacity, or retrofitting existing capacity, as well as  
46.10 new companies and facilities. Eligible biomass thermal production facilities must produce  
46.11 at least ~~1,000~~ 250 MMBtu ~~per year~~ of biomass thermal quarterly.

46.12 (b) No payments shall be made for biomass thermal production that occurs after June  
46.13 30, 2035, for those eligible biomass thermal producers under paragraph (a).

46.14 (c) An eligible producer of biomass thermal production shall not transfer the  
46.15 producer's eligibility for payments under this section to a biomass thermal production  
46.16 facility at a different location.

46.17 (d) A producer that ceases production for any reason is ineligible to receive  
46.18 payments under this section until the producer resumes production.

46.19 (e) Biofuel production for which payment has been received under section 41A.16,  
46.20 and renewable chemical production for which payment has been received under section  
46.21 41A.17, are not eligible for payment under this section.

46.22 Sec. 22. **[41A.20] SIDING PRODUCTION INCENTIVE.**

46.23 Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms defined in  
46.24 this subdivision have the meanings given them.

46.25 (b) "Commissioner" means the commissioner of agriculture.

46.26 (c) "Forest resources" means raw wood logs and material primarily made up of  
46.27 cellulose, hemicellulose, or lignin, or a combination of those ingredients.

46.28 Subd. 2. **Eligibility.** (a) A facility eligible for payment under this section must  
46.29 source at least 80 percent raw materials from Minnesota. If a facility is sited 50 miles  
46.30 or less from the state border, raw materials may be sourced from within a 100-mile  
46.31 radius. Raw materials must be from forest resources. The facility must be located in  
46.32 Minnesota, must begin production at a specific location by June 30, 2025, and must not  
46.33 begin operating before July 1, 2017. Eligible facilities include existing companies and  
46.34 facilities that are adding siding production capacity, or retrofitting existing capacity, as

47.1 well as new companies and facilities. Eligible siding production facilities must produce at  
47.2 least 200,000,000 siding square feet on a 3/8 inch nominal basis of siding each year.

47.3 (b) No payments shall be made for siding production that occurs after June 30, 2035,  
47.4 for those eligible producers under paragraph (a).

47.5 (c) An eligible producer of siding shall not transfer the producer's eligibility for  
47.6 payments under this section to a facility at a different location.

47.7 (d) A producer that ceases production for any reason is ineligible to receive  
47.8 payments under this section until the producer resumes production.

47.9 Subd. 3. **Payment amounts; limits.** (a) The commissioner shall make payments  
47.10 to eligible producers of siding. The amount of the payment for each eligible producer's  
47.11 annual production is \$7.50 per 1,000 siding square feet on a 3/8 inch nominal basis of  
47.12 siding produced at a specific location for ten years after the start of production.

47.13 (b) Total payments under this section to an eligible siding producer in a fiscal year  
47.14 may not exceed the amount necessary for 400,000,000 siding square feet on a 3/8 inch  
47.15 nominal basis of siding produced. Total payments under this section to all eligible siding  
47.16 producers in a fiscal year may not exceed the amount necessary for 400,000,000 siding  
47.17 square feet on a 3/8 inch nominal basis of siding produced. The commissioner shall award  
47.18 payments on a first-come, first-served basis within the limits of available funding.

47.19 (c) For purposes of this section, an entity that holds a controlling interest in more  
47.20 than one siding facility is considered a single eligible producer.

47.21 Subd. 4. **Forest resources requirements.** Forest resources that come from land  
47.22 parcels greater than 160 acres must be certified by the Forest Stewardship Council,  
47.23 Sustainable Forestry Initiative, or American Tree Farm System. Uncertified land from  
47.24 parcels of 160 acres or less and federal land must be harvested by a logger who has  
47.25 completed training from the Minnesota logger education program or the equivalent, and  
47.26 have a forest stewardship plan.

47.27 Subd. 5. **Claims.** (a) By the last day of October, January, April, and July, each  
47.28 eligible siding producer shall file a claim for payment for siding production during the  
47.29 preceding three calendar months. An eligible siding producer that files a claim under this  
47.30 subdivision shall include a statement of the eligible producer's total board feet of siding  
47.31 produced during the quarter covered by the claim. For each claim and statement of total  
47.32 board feet of siding filed under this subdivision, the board feet of siding produced must  
47.33 be examined by a certified public accounting firm with a valid permit to practice under  
47.34 chapter 326A, in accordance with Statements on Standards for Attestation Engagements  
47.35 established by the American Institute of Certified Public Accountants.

48.1 (b) The commissioner must issue payments by November 15, February 15, May 15,  
48.2 and August 15. A separate payment must be made for each claim filed.

48.3 Subd. 6. **Appropriation.** A sum sufficient to make the payments required by this  
48.4 section, not to exceed \$3,000,000 in a fiscal year, is annually appropriated from the  
48.5 general fund to the commissioner.

48.6 Sec. 23. Minnesota Statutes 2015 Supplement, section 116D.04, subdivision 2a,  
48.7 is amended to read:

48.8 Subd. 2a. **When prepared.** Where there is potential for significant environmental  
48.9 effects resulting from any major governmental action, the action shall be preceded by a  
48.10 detailed environmental impact statement prepared by the responsible governmental unit.  
48.11 The environmental impact statement shall be an analytical rather than an encyclopedic  
48.12 document which describes the proposed action in detail, analyzes its significant  
48.13 environmental impacts, discusses appropriate alternatives to the proposed action and  
48.14 their impacts, and explores methods by which adverse environmental impacts of an  
48.15 action could be mitigated. The environmental impact statement shall also analyze those  
48.16 economic, employment, and sociological effects that cannot be avoided should the action  
48.17 be implemented. To ensure its use in the decision-making process, the environmental  
48.18 impact statement shall be prepared as early as practical in the formulation of an action.

48.19 (a) The board shall by rule establish categories of actions for which environmental  
48.20 impact statements and for which environmental assessment worksheets shall be prepared  
48.21 as well as categories of actions for which no environmental review is required under this  
48.22 section. A mandatory environmental assessment worksheet shall not be required for the  
48.23 expansion of an ethanol plant, as defined in section 41A.09, subdivision 2a, paragraph  
48.24 (b), or the conversion of an ethanol plant to a biobutanol facility or the expansion of a  
48.25 biobutanol facility as defined in section ~~41A.105~~ 41A.15, subdivision ~~4a~~ 2d, based on  
48.26 the capacity of the expanded or converted facility to produce alcohol fuel, but must be  
48.27 required if the ethanol plant or biobutanol facility meets or exceeds thresholds of other  
48.28 categories of actions for which environmental assessment worksheets must be prepared.  
48.29 The responsible governmental unit for an ethanol plant or biobutanol facility project for  
48.30 which an environmental assessment worksheet is prepared shall be the state agency with  
48.31 the greatest responsibility for supervising or approving the project as a whole.

48.32 A mandatory environmental impact statement shall not be required for a facility  
48.33 or plant located outside the seven-county metropolitan area that produces less than  
48.34 125,000,000 gallons of ethanol, biobutanol, or cellulosic biofuel annually, or produces less  
48.35 than 400,000 tons of chemicals annually, if the facility or plant is: an ethanol plant, as

49.1 defined in section 41A.09, subdivision 2a, paragraph (b); a biobutanol facility, as defined  
49.2 in section ~~41A.105~~ 41A.15, subdivision ~~1a~~, ~~clause (1)~~ 2d; or a cellulosic biofuel facility.  
49.3 A facility or plant that only uses a cellulosic feedstock to produce chemical products for  
49.4 use by another facility as a feedstock shall not be considered a fuel conversion facility as  
49.5 used in rules adopted under this chapter.

49.6 (b) The responsible governmental unit shall promptly publish notice of the  
49.7 completion of an environmental assessment worksheet by publishing the notice in at least  
49.8 one newspaper of general circulation in the geographic area where the project is proposed,  
49.9 by posting the notice on a Web site that has been designated as the official publication site  
49.10 for publication of proceedings, public notices, and summaries of a political subdivision in  
49.11 which the project is proposed, or in any other manner determined by the board and shall  
49.12 provide copies of the environmental assessment worksheet to the board and its member  
49.13 agencies. Comments on the need for an environmental impact statement may be submitted  
49.14 to the responsible governmental unit during a 30-day period following publication of the  
49.15 notice that an environmental assessment worksheet has been completed. The responsible  
49.16 governmental unit's decision on the need for an environmental impact statement shall be  
49.17 based on the environmental assessment worksheet and the comments received during the  
49.18 comment period, and shall be made within 15 days after the close of the comment period.  
49.19 The board's chair may extend the 15-day period by not more than 15 additional days upon  
49.20 the request of the responsible governmental unit.

49.21 (c) An environmental assessment worksheet shall also be prepared for a proposed  
49.22 action whenever material evidence accompanying a petition by not less than 100  
49.23 individuals who reside or own property in the state, submitted before the proposed  
49.24 project has received final approval by the appropriate governmental units, demonstrates  
49.25 that, because of the nature or location of a proposed action, there may be potential for  
49.26 significant environmental effects. Petitions requesting the preparation of an environmental  
49.27 assessment worksheet shall be submitted to the board. The chair of the board shall  
49.28 determine the appropriate responsible governmental unit and forward the petition to it.  
49.29 A decision on the need for an environmental assessment worksheet shall be made by  
49.30 the responsible governmental unit within 15 days after the petition is received by the  
49.31 responsible governmental unit. The board's chair may extend the 15-day period by not  
49.32 more than 15 additional days upon request of the responsible governmental unit.

49.33 (d) Except in an environmentally sensitive location where Minnesota Rules, part  
49.34 4410.4300, subpart 29, item B, applies, the proposed action is exempt from environmental  
49.35 review under this chapter and rules of the board, if:

49.36 (1) the proposed action is:

50.1 (i) an animal feedlot facility with a capacity of less than 1,000 animal units; or  
50.2 (ii) an expansion of an existing animal feedlot facility with a total cumulative  
50.3 capacity of less than 1,000 animal units;

50.4 (2) the application for the animal feedlot facility includes a written commitment by  
50.5 the proposer to design, construct, and operate the facility in full compliance with Pollution  
50.6 Control Agency feedlot rules; and

50.7 (3) the county board holds a public meeting for citizen input at least ten business  
50.8 days prior to the Pollution Control Agency or county issuing a feedlot permit for the  
50.9 animal feedlot facility unless another public meeting for citizen input has been held with  
50.10 regard to the feedlot facility to be permitted. The exemption in this paragraph is in  
50.11 addition to other exemptions provided under other law and rules of the board.

50.12 (e) The board may, prior to final approval of a proposed project, require preparation  
50.13 of an environmental assessment worksheet by a responsible governmental unit selected  
50.14 by the board for any action where environmental review under this section has not been  
50.15 specifically provided for by rule or otherwise initiated.

50.16 (f) An early and open process shall be utilized to limit the scope of the environmental  
50.17 impact statement to a discussion of those impacts, which, because of the nature or location  
50.18 of the project, have the potential for significant environmental effects. The same process  
50.19 shall be utilized to determine the form, content and level of detail of the statement as well  
50.20 as the alternatives which are appropriate for consideration in the statement. In addition,  
50.21 the permits which will be required for the proposed action shall be identified during the  
50.22 scoping process. Further, the process shall identify those permits for which information  
50.23 will be developed concurrently with the environmental impact statement. The board  
50.24 shall provide in its rules for the expeditious completion of the scoping process. The  
50.25 determinations reached in the process shall be incorporated into the order requiring the  
50.26 preparation of an environmental impact statement.

50.27 (g) The responsible governmental unit shall, to the extent practicable, avoid  
50.28 duplication and ensure coordination between state and federal environmental review  
50.29 and between environmental review and environmental permitting. Whenever practical,  
50.30 information needed by a governmental unit for making final decisions on permits  
50.31 or other actions required for a proposed project shall be developed in conjunction  
50.32 with the preparation of an environmental impact statement. When an environmental  
50.33 impact statement is prepared for a project requiring multiple permits for which two or  
50.34 more agencies' decision processes include either mandatory or discretionary hearings  
50.35 before a hearing officer prior to the agencies' decision on the permit, the agencies  
50.36 may, notwithstanding any law or rule to the contrary, conduct the hearings in a single

51.1 consolidated hearing process if requested by the proposer. All agencies having jurisdiction  
 51.2 over a permit that is included in the consolidated hearing shall participate. The responsible  
 51.3 governmental unit shall establish appropriate procedures for the consolidated hearing  
 51.4 process, including procedures to ensure that the consolidated hearing process is consistent  
 51.5 with the applicable requirements for each permit regarding the rights and duties of parties to  
 51.6 the hearing, and shall utilize the earliest applicable hearing procedure to initiate the hearing.

51.7 (h) An environmental impact statement shall be prepared and its adequacy  
 51.8 determined within 280 days after notice of its preparation unless the time is extended by  
 51.9 consent of the parties or by the governor for good cause. The responsible governmental  
 51.10 unit shall determine the adequacy of an environmental impact statement, unless within 60  
 51.11 days after notice is published that an environmental impact statement will be prepared,  
 51.12 the board chooses to determine the adequacy of an environmental impact statement. If an  
 51.13 environmental impact statement is found to be inadequate, the responsible governmental  
 51.14 unit shall have 60 days to prepare an adequate environmental impact statement.

51.15 (i) The proposer of a specific action may include in the information submitted to the  
 51.16 responsible governmental unit a preliminary draft environmental impact statement under  
 51.17 this section on that action for review, modification, and determination of completeness and  
 51.18 adequacy by the responsible governmental unit. A preliminary draft environmental impact  
 51.19 statement prepared by the project proposer and submitted to the responsible governmental  
 51.20 unit shall identify or include as an appendix all studies and other sources of information  
 51.21 used to substantiate the analysis contained in the preliminary draft environmental impact  
 51.22 statement. The responsible governmental unit shall require additional studies, if needed,  
 51.23 and obtain from the project proposer all additional studies and information necessary for  
 51.24 the responsible governmental unit to perform its responsibility to review, modify, and  
 51.25 determine the completeness and adequacy of the environmental impact statement.

51.26 Sec. 24. Minnesota Statutes 2015 Supplement, section 583.215, is amended to read:

51.27 **583.215 EXPIRATION.**

51.28 Sections 336.9-601, subsections (h) and (i); 550.365; 559.209; 582.039; and 583.20  
 51.29 to 583.32, expire June 30, ~~2016~~ 2018.

51.30 **EFFECTIVE DATE.** This section is effective the day following final enactment.

51.31 Sec. 25. Laws 2015, First Special Session chapter 4, article 1, section 2, subdivision 2,  
 51.32 is amended to read:

51.33 Subd. 2. <b>Protection Services</b>	16,452,000	16,402,000
---	------------	------------

52.1	Appropriations by Fund		
52.2		2016	2017
52.3	General	15,874,000	15,824,000
52.4	Agricultural	190,000	190,000
52.5	Remediation	388,000	388,000

52.6 \$25,000 the first year and \$25,000 the second  
 52.7 year are to develop and maintain cottage  
 52.8 food license exemption outreach and training  
 52.9 materials.

52.10 \$75,000 the first year is for the commissioner,  
 52.11 in consultation with the Northeast Regional  
 52.12 Corrections Center and the United Food  
 52.13 and Commercial Workers, to study and  
 52.14 provide recommendations for upgrading the  
 52.15 existing processing facility on the campus of  
 52.16 the Northeast Regional Corrections Center  
 52.17 into a USDA-certified food processing  
 52.18 facility. The commissioner shall report these  
 52.19 recommendations to the chairs of the house  
 52.20 of representatives and senate committees  
 52.21 with jurisdiction over agriculture finance by  
 52.22 March 15, 2016.

52.23 \$75,000 the second year is ~~for a coordinator~~  
 52.24 ~~for~~ to coordinate the correctional facility  
 52.25 vocational training pilot program and to assist  
 52.26 entities that have explored the feasibility of  
 52.27 establishing a USDA-certified or state "equal  
 52.28 to" food processing facility within 30 miles of  
 52.29 the Northeast Regional Corrections Center.

52.30 \$388,000 the first year and \$388,000 the  
 52.31 second year are from the remediation fund  
 52.32 for administrative funding for the voluntary  
 52.33 cleanup program.

52.34 \$225,000 the first year and \$175,000  
 52.35 the second year are for compensation

53.1 for destroyed or crippled animals under  
53.2 Minnesota Statutes, section 3.737. This  
53.3 appropriation may be spent to compensate  
53.4 for animals that were destroyed or crippled  
53.5 during fiscal years 2014 and 2015. If the  
53.6 amount in the first year is insufficient, the  
53.7 amount in the second year is available in the  
53.8 first year.

53.9 \$125,000 the first year and \$125,000 the  
53.10 second year are for compensation for crop  
53.11 damage under Minnesota Statutes, section  
53.12 3.7371. If the amount in the first year is  
53.13 insufficient, the amount in the second year is  
53.14 available in the first year.

53.15 If the commissioner determines that claims  
53.16 made under Minnesota Statutes, section  
53.17 3.737 or 3.7371, are unusually high, amounts  
53.18 appropriated for either program may be  
53.19 transferred to the appropriation for the other  
53.20 program.

53.21 \$70,000 the first year and \$70,000 the second  
53.22 year are for additional cannery inspections.

53.23 \$100,000 the first year and \$100,000 the  
53.24 second year are for increased oversight of  
53.25 delegated local health boards.

53.26 \$100,000 the first year and \$100,000 the  
53.27 second year are to decrease the turnaround  
53.28 time for retail food handler plan reviews.

53.29 \$1,024,000 the first year and \$1,024,000 the  
53.30 second year are to streamline the retail food  
53.31 safety regulatory and licensing experience  
53.32 for regulated businesses and to decrease the  
53.33 inspection delinquency rate.

54.1 \$1,350,000 the first year and \$1,350,000 the  
 54.2 second year are for additional inspections of  
 54.3 food manufacturers and wholesalers.

54.4 \$150,000 the first year and \$150,000 the  
 54.5 second year are for additional funding for  
 54.6 dairy inspection services.

54.7 \$150,000 the first year and \$150,000 the  
 54.8 second year are for additional funding for  
 54.9 laboratory services operations.

54.10 \$250,000 the first year and \$250,000  
 54.11 the second year are for additional meat  
 54.12 inspection services, including inspections  
 54.13 provided under the correctional facility  
 54.14 vocational training pilot program.

54.15 Notwithstanding Minnesota Statutes, section  
 54.16 18B.05, \$90,000 the first year and \$90,000  
 54.17 the second year are from the pesticide  
 54.18 regulatory account in the agricultural fund  
 54.19 for an increase in the operating budget for  
 54.20 the Laboratory Services Division.

54.21 \$100,000 the first year and \$100,000 the  
 54.22 second year are from the pesticide regulatory  
 54.23 account in the agricultural fund to update  
 54.24 and modify applicator education and training  
 54.25 materials.

54.26 Sec. 26. Laws 2015, First Special Session chapter 4, article 1, section 2, subdivision 4,  
 54.27 is amended to read:

54.28 **Subd. 4. Agriculture, Bioenergy, and**  
 54.29 **Bioproduct Advancement**

14,993,000

19,010,000

54.30 \$4,483,000 the first year and \$8,500,000 the  
 54.31 second year are for transfer to the agriculture  
 54.32 research, education, extension, and  
 54.33 technology transfer account under Minnesota  
 54.34 Statutes, section 41A.14, subdivision 3.

55.1 The transfer in this paragraph includes  
55.2 money for plant breeders at the University  
55.3 of Minnesota for wild rice, potatoes, and  
55.4 grapes. Of these amounts, at least \$600,000  
55.5 each year is for ~~agriculture rapid response~~  
55.6 the Minnesota Agricultural Experiment  
55.7 Station's Agriculture Rapid Response Fund  
55.8 under Minnesota Statutes, section 41A.14,  
55.9 subdivision 1, clause (2). Of the amount  
55.10 appropriated in this paragraph, \$1,000,000  
55.11 each year is for transfer to the Board of  
55.12 Regents of the University of Minnesota for  
55.13 research to determine (1) what is causing  
55.14 avian influenza, (2) why some fowl are more  
55.15 susceptible, and (3) prevention measures that  
55.16 can be taken. Of the amount appropriated  
55.17 in this paragraph, \$2,000,000 each year  
55.18 is for grants to the Minnesota Agriculture  
55.19 Education Leadership Council to enhance  
55.20 agricultural education with priority given  
55.21 to Farm Business Management challenge  
55.22 grants. The commissioner shall transfer the  
55.23 remaining grant funds in this appropriation  
55.24 each year to the Board of Regents of the  
55.25 University of Minnesota for purposes of  
55.26 Minnesota Statutes, section 41A.14.

55.27 To the extent practicable, funds expended  
55.28 under Minnesota Statutes, section 41A.14,  
55.29 subdivision 1, clauses (1) and (2), must  
55.30 supplement and not supplant existing sources  
55.31 and levels of funding. The commissioner may  
55.32 use up to 4.5 percent of this appropriation  
55.33 for costs incurred to administer the program.  
55.34 Any unencumbered balance does not cancel  
55.35 at the end of the first year and is available for  
55.36 the second year.

56.1 \$10,235,000 the first year and \$10,235,000  
56.2 the second year are for the agricultural  
56.3 growth, research, and innovation program  
56.4 in Minnesota Statutes, section 41A.12. No  
56.5 later than February 1, 2016, and February  
56.6 1, 2017, the commissioner must report to  
56.7 the legislative committees with jurisdiction  
56.8 over agriculture policy and finance regarding  
56.9 the commissioner's accomplishments  
56.10 and anticipated accomplishments in  
56.11 the following areas: facilitating the  
56.12 start-up, modernization, or expansion of  
56.13 livestock operations including beginning  
56.14 and transitioning livestock operations;  
56.15 developing new markets for Minnesota  
56.16 farmers by providing more fruits, vegetables,  
56.17 meat, grain, and dairy for Minnesota school  
56.18 children; assisting value-added agricultural  
56.19 businesses to begin or expand, access new  
56.20 markets, or diversify products; developing  
56.21 urban agriculture; facilitating the start-up,  
56.22 modernization, or expansion of other  
56.23 beginning and transitioning farms including  
56.24 loans under Minnesota Statutes, section  
56.25 41B.056; sustainable agriculture on farm  
56.26 research and demonstration; development or  
56.27 expansion of food hubs and other alternative  
56.28 community-based food distribution systems;  
56.29 and research on bioenergy, biobased content,  
56.30 or biobased formulated products and other  
56.31 renewable energy development. The  
56.32 commissioner may use up to 4.5 percent  
56.33 of this appropriation for costs incurred to  
56.34 administer the program. Any unencumbered  
56.35 balance does not cancel at the end of the first  
56.36 year and is available for the second year.

57.1 Notwithstanding Minnesota Statutes, section  
57.2 16A.28, the appropriations encumbered  
57.3 under contract on or before June 30, 2017, for  
57.4 agricultural growth, research, and innovation  
57.5 grants are available until June 30, 2019.

57.6 The commissioner may use funds  
57.7 appropriated for the agricultural growth,  
57.8 research, and innovation program as provided  
57.9 in this paragraph. The commissioner may  
57.10 award grants to owners of Minnesota  
57.11 facilities producing bioenergy, biobased  
57.12 content, or a biobased formulated product;  
57.13 to organizations that provide for on-station,  
57.14 on-farm field scale research and outreach to  
57.15 develop and test the agronomic and economic  
57.16 requirements of diverse strands of prairie  
57.17 plants and other perennials for bioenergy  
57.18 systems; or to certain nongovernmental  
57.19 entities. For the purposes of this paragraph,  
57.20 "bioenergy" includes transportation fuels  
57.21 derived from cellulosic material, as well as  
57.22 the generation of energy for commercial heat,  
57.23 industrial process heat, or electrical power  
57.24 from cellulosic materials via gasification or  
57.25 other processes. Grants are limited to 50  
57.26 percent of the cost of research, technical  
57.27 assistance, or equipment related to bioenergy,  
57.28 biobased content, or biobased formulated  
57.29 product production or \$500,000, whichever  
57.30 is less. Grants to nongovernmental entities  
57.31 for the development of business plans and  
57.32 structures related to community ownership  
57.33 of eligible bioenergy facilities together may  
57.34 not exceed \$150,000. The commissioner  
57.35 shall make a good-faith effort to select  
57.36 projects that have merit and, when taken

58.1 together, represent a variety of bioenergy  
58.2 technologies, biomass feedstocks, and  
58.3 geographic regions of the state. Projects  
58.4 must have a qualified engineer provide  
58.5 certification on the technology and fuel  
58.6 source. Grantees must provide reports at the  
58.7 request of the commissioner.

58.8 Of the amount appropriated for the  
58.9 agricultural growth, research, and innovation  
58.10 program in this subdivision, \$1,000,000 the  
58.11 first year and \$1,000,000 the second year  
58.12 are for distribution in equal amounts to each  
58.13 of the state's county fairs to preserve and  
58.14 promote Minnesota agriculture.

58.15 Of the amount appropriated for the  
58.16 agricultural growth, research, and innovation  
58.17 program in this subdivision, \$500,000 in  
58.18 fiscal year 2016 and \$1,500,000 in fiscal  
58.19 year 2017 are for incentive payments  
58.20 under Minnesota Statutes, sections 41A.16,  
58.21 41A.17, and 41A.18. If the appropriation  
58.22 exceeds the total amount for which all  
58.23 producers are eligible in a fiscal year, the  
58.24 balance of the appropriation is available  
58.25 to the commissioner for the agricultural  
58.26 growth, research, and innovation program.

58.27 Notwithstanding Minnesota Statutes,  
58.28 section 16A.28, the first year appropriation  
58.29 is available until June 30, 2017, and the  
58.30 second year appropriation is available until  
58.31 June 30, 2018. The commissioner may use  
58.32 up to 4.5 percent of the appropriation for  
58.33 administration of the incentive payment  
58.34 programs.

59.1 Of the amount appropriated for the  
59.2 agricultural growth, research, and innovation  
59.3 program in this subdivision, \$250,000  
59.4 the first year is for grants to communities  
59.5 to develop or expand food hubs and  
59.6 other alternative community-based food  
59.7 distribution systems. Of this amount,  
59.8 \$50,000 is for the commissioner to consult  
59.9 with existing food hubs, alternative  
59.10 community-based food distribution systems,  
59.11 and University of Minnesota Extension  
59.12 to identify best practices for use by other  
59.13 Minnesota communities. No later than  
59.14 December 15, 2015, the commissioner must  
59.15 report to the legislative committees with  
59.16 jurisdiction over agriculture and health  
59.17 regarding the status of emerging alternative  
59.18 community-based food distribution systems  
59.19 in the state along with recommendations  
59.20 to eliminate any barriers to success. Any  
59.21 unencumbered balance does not cancel at the  
59.22 end of the first year and is available for the  
59.23 second year. This is a onetime appropriation.  
59.24 \$250,000 the first year and \$250,000 the  
59.25 second year are for grants that enable  
59.26 retail petroleum dispensers to dispense  
59.27 biofuels to the public in accordance with the  
59.28 biofuel replacement goals established under  
59.29 Minnesota Statutes, section 239.7911. A  
59.30 retail petroleum dispenser selling petroleum  
59.31 for use in spark ignition engines for vehicle  
59.32 model years after 2000 is eligible for grant  
59.33 money under this paragraph if the retail  
59.34 petroleum dispenser has no more than 15  
59.35 retail petroleum dispensing sites and each  
59.36 site is located in Minnesota. The grant

60.1 money received under this paragraph must  
60.2 be used for the installation of appropriate  
60.3 technology that uses fuel dispensing  
60.4 equipment appropriate for at least one fuel  
60.5 dispensing site to dispense gasoline that is  
60.6 blended with 15 percent of agriculturally  
60.7 derived, denatured ethanol, by volume, and  
60.8 appropriate technical assistance related to  
60.9 the installation. A grant award must not  
60.10 exceed 85 percent of the cost of the technical  
60.11 assistance and appropriate technology,  
60.12 including remetering of and retrofits for  
60.13 retail petroleum dispensers and replacement  
60.14 of petroleum dispenser projects. The  
60.15 commissioner may use up to \$35,000 of this  
60.16 appropriation for administrative expenses.  
60.17 The commissioner shall cooperate with  
60.18 biofuel stakeholders in the implementation  
60.19 of the grant program. The commissioner  
60.20 must report to the legislative committees  
60.21 with jurisdiction over agriculture policy and  
60.22 finance by February 1 each year, detailing  
60.23 the number of grants awarded under this  
60.24 paragraph and the projected effect of the grant  
60.25 program on meeting the biofuel replacement  
60.26 goals under Minnesota Statutes, section  
60.27 239.7911. These are onetime appropriations.  
60.28 \$25,000 the first year and \$25,000 the second  
60.29 year are for grants to the Southern Minnesota  
60.30 Initiative Foundation to promote local foods  
60.31 through an annual event that raises public  
60.32 awareness of local foods and connects local  
60.33 food producers and processors with potential  
60.34 buyers.

60.35 **EFFECTIVE DATE.** This section is effective the day following final enactment.

61.1 Sec. 27. Laws 2015, First Special Session chapter 4, article 1, section 5, is amended to  
61.2 read:

61.3 Sec. 5. **AVIAN INFLUENZA RESPONSE ACTIVITIES; EMERGENCY**  
61.4 **PREPAREDNESS; APPROPRIATIONS AND TRANSFERS.**

61.5 (a) ~~\$3,619,000~~ \$519,000 is appropriated from the general fund in fiscal year 2016 to  
61.6 the commissioner of agriculture for avian influenza emergency response activities. The  
61.7 commissioner may use money appropriated under this paragraph to purchase necessary  
61.8 euthanasia and composting equipment and to reimburse costs incurred by local units of  
61.9 government directly related to avian influenza emergency response activities that are not  
61.10 eligible for federal reimbursement. This appropriation is available the day following final  
61.11 enactment until June 30, 2017.

61.12 (b) \$1,853,000 is appropriated from the general fund in fiscal year 2016 to the  
61.13 Board of Animal Health for ~~avian influenza emergency response activities. The Board~~  
61.14 ~~may use money appropriated under this paragraph to purchase necessary euthanasia and~~  
61.15 ~~composting equipment.~~ any animal disease emergency response or planning activity,  
61.16 including but not limited to:

61.17 (1) the retention of staff trained in disease response;

61.18 (2) costs associated with the relocation and expansion of the Minnesota Poultry  
61.19 Testing Laboratory;

61.20 (3) the identification of risk factors for disease transmission; and

61.21 (4) the implementation of strategies to prevent or reduce the risk of disease  
61.22 introduction and transmission.

61.23 This appropriation is available the day following final enactment until June 30, ~~2017~~ 2019.

61.24 (c) \$103,000 is appropriated from the general fund in fiscal year 2016 to the  
61.25 commissioner of health for avian influenza emergency response activities. This  
61.26 appropriation is available the day following final enactment until June 30, 2017.

61.27 (d) \$350,000 is appropriated from the general fund in fiscal year 2016 to the  
61.28 commissioner of natural resources for sampling wild animals to detect and monitor the  
61.29 avian influenza virus. This appropriation may also be used to conduct serology sampling,  
61.30 in consultation with the Board of Animal Health and the University of Minnesota Pomeroy  
61.31 Chair in Avian Health, from birds within a control zone and outside of a control zone.  
61.32 This appropriation is available the day following final enactment until June 30, 2017.

61.33 (e) \$544,000 is appropriated from the general fund in fiscal year 2016 to the  
61.34 commissioner of public safety to operate the State Emergency Operation Center in  
61.35 coordination with the statewide avian influenza response activities. Appropriations  
61.36 under this paragraph may also be used to support a staff person at the state's agricultural

62.1 incident command post in Willmar. This appropriation is available the day following final  
62.2 enactment until June 30, 2017.

62.3 (f) The commissioner of management and budget may transfer unexpended balances  
62.4 from the appropriations in this section to any state agency for operating expenses related  
62.5 to avian influenza emergency response activities. The commissioner of management and  
62.6 budget must report each transfer to the chairs and ranking minority members of the senate  
62.7 Committee on Finance and the house of representatives Committee on Ways and Means.

62.8 (g) In addition to the transfers required under Laws 2015, chapter 65, article 1,  
62.9 section 17, no later than September 30, 2015, the commissioner of management and  
62.10 budget must transfer \$4,400,000 from the fiscal year 2015 closing balance in the general  
62.11 fund to the disaster assistance contingency account in Minnesota Statutes, section 12.221,  
62.12 subdivision 6. This amount is available for ~~avian influenza emergency response~~ eligible  
62.13 activities as provided in Laws 2015, chapter 65, article 1, section 18, as amended.

62.14 **EFFECTIVE DATE.** This section is effective the day following final enactment.

62.15 Sec. 28. **GOOD FOOD ACCESS ADVISORY COMMITTEE.**

62.16 The commissioner of agriculture and designating authorities must make their initial  
62.17 appointments and designations by July 1, 2016, for the Good Food Access Advisory  
62.18 Committee established under Minnesota Statutes, section 17.1018. The commissioner of  
62.19 agriculture or the commissioner's designee must convene the first meeting of the Good  
62.20 Food Access Advisory Committee by September 1, 2016.

62.21 Sec. 29. **FARMER-LENDER MEDIATION TASK FORCE.**

62.22 The commissioner of agriculture must convene an advisory task force to provide  
62.23 recommendations to the legislature regarding the state's Farmer-Lender Mediation Act.  
62.24 The task force must be comprised of 14 members, including the commissioner or the  
62.25 commissioner's designee, one farm advocate appointed by the commissioner who is  
62.26 responsible for mediating debt between farmers and lenders, one adult farm business  
62.27 management instructor appointed by the commissioner, and three farmers appointed by  
62.28 the commissioner, at least one of whom is a beginning or nontraditional farmer and at  
62.29 least one of whom has personal experience with the farmer-lender mediation program.  
62.30 The remaining membership of the task force consists of one member appointed by each  
62.31 of the following entities:

62.32 (1) Minnesota Farm Bureau;

62.33 (2) Minnesota Farmers Union;

62.34 (3) Minnesota Bankers Association;

- 63.1 (4) Independent Community Bankers of Minnesota;
- 63.2 (5) Farm Credit Services - Minnesota State Federation;
- 63.3 (6) Minnesota Credit Union Network;
- 63.4 (7) Minnesota-South Dakota Equipment Dealers Association; and
- 63.5 (8) University of Minnesota Extension.

63.6 No later than February 1, 2017, the commissioner must report the task force's  
 63.7 recommendations to the legislative committees with jurisdiction over agriculture policy  
 63.8 and finance.

63.9 **EFFECTIVE DATE.** This section is effective the day following final enactment.

63.10 Sec. 30. **TRANSFER REQUIRED.**

63.11 Of the amount appropriated from the general fund to the commissioner of agriculture  
 63.12 for transfer to the rural finance authority revolving loan account in Laws 2015, First Special  
 63.13 Session chapter 4, article 2, section 6, the commissioner of management and budget must  
 63.14 transfer \$7,713,000 back to the general fund in fiscal year 2016. This is a onetime transfer.

63.15 Sec. 31. **REPEALER.**

63.16 Laws 2015, First Special Session chapter 4, article 2, section 81, is repealed.

63.17 **EFFECTIVE DATE.** This section is effective the day following final enactment.

63.18 **ARTICLE 3**

63.19 **ENVIRONMENT AND NATURAL RESOURCES**

63.20 Section 1. **APPROPRIATIONS.**

63.21 The sums shown in the columns marked "Appropriations" are added to the  
 63.22 appropriations in Laws 2015, First Special Session chapter 4, or appropriated to the  
 63.23 agencies and for the purposes specified in this article. The appropriations are from the  
 63.24 general fund, or another named fund, and are available for the fiscal year indicated for  
 63.25 each purpose. The figures "2016" and "2017" used in this article mean that the addition  
 63.26 to the appropriations listed under them are available for the fiscal year ending June 30,  
 63.27 2016, or June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second  
 63.28 year" is fiscal year 2017. Appropriations for fiscal year 2016 are effective the day  
 63.29 following final enactment.

63.30 **APPROPRIATIONS**  
 63.31 **Available for the Year**





66.1 over environment and natural resources  
 66.2 and education policy and finance on the  
 66.3 Department of Natural Resources' progress in  
 66.4 developing a valuation process, a description  
 66.5 of the process to identify representative  
 66.6 sample valuations, and the results of the  
 66.7 representative valuations of school trust  
 66.8 lands identified for compensation. This is a  
 66.9 onetime appropriation.

66.10 Subd. 3. **Ecological and Water Resources** -0- 612,000

66.11 \$187,000 the second year is for a grant to the  
 66.12 Middle-Snake-Tamarac Rivers Watershed  
 66.13 District to match equal funds from the North  
 66.14 Dakota State Water Commission and North  
 66.15 Dakota water boards to conduct hydraulic  
 66.16 modeling of alternative floodway options  
 66.17 for the reach including and upstream and  
 66.18 downstream of the Minnesota and North  
 66.19 Dakota agricultural levies in the vicinity  
 66.20 of Oslo, Minnesota. The modeling must  
 66.21 include evaluating removal of floodway  
 66.22 flow obstructions, channel obstructions,  
 66.23 transportation access, and equalization of  
 66.24 agricultural levy protection. The project must  
 66.25 be conducted in partnership with the border  
 66.26 township association group representing four  
 66.27 Minnesota townships and the city of Oslo  
 66.28 and the three adjacent townships in North  
 66.29 Dakota. This is a onetime appropriation and  
 66.30 is available until June 30, 2018.

66.31 \$200,000 the second year is for a grant to  
 66.32 the Koronis Lake Association for purposes  
 66.33 of removing and preventing aquatic invasive  
 66.34 species. This is a onetime appropriation.

67.1 \$225,000 the second year is from the water  
 67.2 management account in the natural resources  
 67.3 fund for water appropriation monitoring,  
 67.4 modeling, and reporting for the Cold Spring  
 67.5 Creek area as required under this act. This  
 67.6 is a onetime appropriation and is available  
 67.7 until June 30, 2022.

67.8 **Subd. 4. Forest Management** -0- 3,500,000

67.9 \$2,500,000 the second year is for private  
 67.10 forest management assistance. The agency  
 67.11 base is increased by \$2,000,000 in fiscal year  
 67.12 2018 and thereafter.

67.13 \$1,000,000 the second year is from the  
 67.14 forest management investment account in the  
 67.15 natural resources fund for reforestation on  
 67.16 state lands. This is a onetime appropriation.

67.17 **Subd. 5. Parks and Trails Management** -0- 6,459,000

67.18	<u>Appropriations by Fund</u>		
67.19		<u>2016</u>	<u>2017</u>
67.20	<u>General</u>	<u>-0-</u>	<u>2,929,000</u>
67.21	<u>Natural Resources</u>	<u>-0-</u>	<u>3,530,000</u>

67.22 \$2,800,000 the second year is a onetime  
 67.23 appropriation.

67.24 \$2,300,000 the second year is from the state  
 67.25 parks account in the natural resources fund.  
 67.26 Of this amount, \$1,300,000 is onetime,  
 67.27 of which \$1,150,000 is for strategic park  
 67.28 acquisition.

67.29 \$20,000 the second year is from the natural  
 67.30 resources fund to design and erect signs  
 67.31 marking the David Dill trail designated in  
 67.32 this act. Of this amount, \$10,000 is from the  
 67.33 snowmobile trails and enforcement account  
 67.34 and \$10,000 is from the all-terrain vehicle  
 67.35 account. This is a onetime appropriation.

68.1 \$100,000 the second year is for the  
68.2 improvement of the infrastructure for  
68.3 sanitary sewer service at the Woodenfrog  
68.4 Campground in Kabetogama State Forest.  
68.5 This is a onetime appropriation.

68.6 \$29,000 the second year is for computer  
68.7 programming related to the transfer-on-death  
68.8 title changes for watercraft. This is a onetime  
68.9 appropriation.

68.10 \$210,000 the first year is from the water  
68.11 recreation account in the natural resources  
68.12 fund for implementation of Minnesota  
68.13 Statutes, section 86B.532, established in this  
68.14 act. This is a onetime appropriation. The  
68.15 commissioner of natural resources shall seek  
68.16 federal and other nonstate funds to reimburse  
68.17 the department for the initial costs of  
68.18 producing and distributing carbon monoxide  
68.19 boat warning labels. All amounts collected  
68.20 under this paragraph shall be deposited into  
68.21 the water recreation account.

68.22 \$1,000,000 the second year is from the  
68.23 natural resources fund for a grant to Lake  
68.24 County for construction, including bridges,  
68.25 of the Prospectors ATV Trail System  
68.26 linking the communities of Ely, Babbitt,  
68.27 Embarrass, and Tower; Bear Head Lake  
68.28 and Lake Vermilion-Soudan Underground  
68.29 Mine State Parks; the Taconite State Trail;  
68.30 and the Lake County Regional ATV Trail  
68.31 System. Of this amount, \$900,000 is from  
68.32 the all-terrain vehicle account, \$50,000 is  
68.33 from the off-highway motorcycle account,  
68.34 and \$50,000 is from the off-road vehicle  
68.35 account. This is a onetime appropriation.

69.1	<u>Subd. 6. Fish and Wildlife Management</u>	<u>-0-</u>	<u>50,000</u>
69.2	<u>\$50,000 the second year is from the game</u>		
69.3	<u>and fish fund for fish virus surveillance,</u>		
69.4	<u>including fish testing in high-risk waters used</u>		
69.5	<u>for bait production, to ensure the availability</u>		
69.6	<u>of safe bait. This is a onetime appropriation.</u>		
69.7	<u>Subd. 7. Enforcement</u>	<u>670,000</u>	<u>-0-</u>
69.8	<u>\$670,000 the first year is from the game and</u>		
69.9	<u>fish fund for aviation services. This is a</u>		
69.10	<u>onetime appropriation.</u>		
69.11	<u>Subd. 8. Operations Support</u>	<u>1,599,000</u>	<u>3,611,000</u>
69.12	<u>Appropriations by Fund</u>		
69.13		<u>2016</u>	<u>2017</u>
69.14	<u>General</u>	<u>1,599,000</u>	<u>3,551,000</u>
69.15	<u>Game and Fish</u>	<u>-0-</u>	<u>60,000</u>
69.16	<u>\$1,599,000 the first year and \$2,801,000</u>		
69.17	<u>the second year are for legal costs related</u>		
69.18	<u>to the NorthMet mining project. Of this</u>		
69.19	<u>amount, up to \$1,289,000 the second year</u>		
69.20	<u>may be transferred to other agencies for legal</u>		
69.21	<u>costs associated with the NorthMet mining</u>		
69.22	<u>project. This is a onetime appropriation and</u>		
69.23	<u>is available until June 30, 2019.</u>		
69.24	<u>\$750,000 the second year is for a grant to</u>		
69.25	<u>Wolf Ridge Environmental Learning Center</u>		
69.26	<u>to construct a new dormitory, renovate an old</u>		
69.27	<u>dormitory, construct a maintenance building,</u>		
69.28	<u>and construct a small classroom building</u>		
69.29	<u>with parking. The grant is not available</u>		
69.30	<u>until the commissioner of management</u>		
69.31	<u>and budget determines that an amount</u>		
69.32	<u>sufficient to complete the project is available</u>		
69.33	<u>from nonstate sources. This is a onetime</u>		

70.1 appropriation and is available until June 30,  
 70.2 2019.  
 70.3 \$60,000 the second year is from the  
 70.4 heritage enhancement account for the  
 70.5 department's Southeast Asian unit to  
 70.6 conduct outreach efforts to the Southeast  
 70.7 Asian community in Minnesota, including  
 70.8 outreach efforts to refugees from Burma, to  
 70.9 encourage participation in outdoor education  
 70.10 opportunities and activities. This is a onetime  
 70.11 appropriation.

70.12	Sec. 4. <b><u>BOARD OF WATER AND SOIL</u></b>			
70.13	<b><u>RESOURCES</u></b>	<b><u>\$</u></b>	<b><u>-0-</u></b>	<b><u>\$</u></b>
				<b><u>479,000</u></b>

70.14 \$479,000 the second year is for the  
 70.15 development of a detailed plan to implement  
 70.16 a working lands watershed restoration  
 70.17 program to incentivise the establishment and  
 70.18 maintenance of perennial crops that includes  
 70.19 the following:  
 70.20 (1) a process for selecting pilot watersheds  
 70.21 that are expected to result in the greatest  
 70.22 water quality improvements and exhibit  
 70.23 readiness to participate in the program;  
 70.24 (2) an assessment of the quantity of  
 70.25 agricultural land that is expected to be  
 70.26 eligible for the program in each watershed;  
 70.27 (3) an assessment of landowner interest in  
 70.28 participating in the program;  
 70.29 (4) an assessment of the contract terms and  
 70.30 any recommendations for changes to the  
 70.31 terms, including consideration of variable  
 70.32 payment rates for lands of different priority  
 70.33 or type;

71.1 (5) an assessment of the opportunity to  
71.2 leverage federal funds through the program  
71.3 and recommendations on how to maximize  
71.4 the use of federal funds for assistance to  
71.5 establish perennial crops;

71.6 (6) an assessment of how other state  
71.7 programs could complement the program;

71.8 (7) an estimate of water quality improvements  
71.9 expected to result from implementation in  
71.10 pilot watersheds;

71.11 (8) an assessment of how to best integrate  
71.12 program implementation with existing  
71.13 conservation requirements and develop  
71.14 recommendations on harvest practices and  
71.15 timing to benefit wildlife production;

71.16 (9) an assessment of the potential viability  
71.17 and water quality benefit of cover crops used  
71.18 in biomass processing facilities;

71.19 (10) a timeline for implementation,  
71.20 coordinated to the extent possible with  
71.21 proposed biomass processing facilities; and

71.22 (11) a projection of funding sources needed  
71.23 to complete implementation.

71.24 This is a onetime appropriation and is  
71.25 available until June 30, 2018.

71.26 The board shall coordinate development of  
71.27 the working lands watershed restoration plan  
71.28 with stakeholders and the commissioners  
71.29 of natural resources, agriculture, and the  
71.30 Pollution Control Agency. The board must  
71.31 submit an interim report by October 15,  
71.32 2017, and the feasibility study and program  
71.33 plan by February 1, 2018, to the chairs and  
71.34 ranking minority members of the legislative

72.1 committees and divisions with jurisdiction  
 72.2 over agriculture, natural resources, and  
 72.3 environment policy and finance and to the  
 72.4 Clean Water Council.

72.5 Sec. 5. **LEGISLATURE** **\$** **25,000** **\$** **-0-**

72.6 \$25,000 the first year is from the Minnesota  
 72.7 future resources fund to the Legislative  
 72.8 Coordinating Commission for the Aggregate  
 72.9 Resources Task Force established in this  
 72.10 act. This is a onetime appropriation and is  
 72.11 available until June 30, 2018.

72.12 Sec. 6. **ADMINISTRATION** **\$** **250,000** **\$** **-0-**

72.13 \$250,000 the first year is from the state forest  
 72.14 suspense account in the permanent school  
 72.15 fund for the school trust lands director to  
 72.16 initiate real estate development projects  
 72.17 on school trust lands as determined by the  
 72.18 school trust lands director. This is a onetime  
 72.19 appropriation.

72.20 Sec. 7. Minnesota Statutes 2014, section 17.4982, subdivision 18a, is amended to read:

72.21 Subd. 18a. **Nonindigenous species.** "Nonindigenous species" means a species of  
 72.22 fish or other aquatic life that is:

- 72.23 (1) not known to have been historically present in the state;
- 72.24 (2) not known to be naturally occurring in a particular part of the state; or
- 72.25 (3) ~~listed~~ designated by rule as a prohibited or regulated invasive species.

72.26 Sec. 8. Minnesota Statutes 2014, section 84.027, subdivision 13, is amended to read:

72.27 Subd. 13. **Game and fish rules.** (a) The commissioner of natural resources may  
 72.28 adopt rules under sections 97A.0451 to 97A.0459 and this subdivision that are authorized  
 72.29 under:

- 72.30 (1) chapters 97A, 97B, and 97C to set open seasons and areas, to close seasons and
- 72.31 areas, to select hunters for areas, to provide for tagging and registration of game and fish, to
- 72.32 prohibit or allow taking of wild animals to protect a species, to prevent or control wildlife

73.1 disease, to open or close bodies of water or portions of bodies of water for night bow  
73.2 fishing, and to prohibit or allow importation, transportation, or possession of a wild animal;

73.3 (2) sections 84.093, 84.15, and 84.152 to set seasons for harvesting wild ginseng  
73.4 roots and wild rice and to restrict or prohibit harvesting in designated areas; and

73.5 (3) section 84D.12 to ~~list~~ designate prohibited invasive species, regulated invasive  
73.6 species, and unregulated nonnative species; and to list infested waters.

73.7 (b) If conditions exist that do not allow the commissioner to comply with sections  
73.8 97A.0451 to 97A.0459, including the need to adjust season variables on an annual basis  
73.9 based upon current biological and harvest data, the commissioner may adopt a rule  
73.10 under this subdivision by submitting the rule to the attorney general for review under  
73.11 section 97A.0455, publishing a notice in the State Register and filing the rule with the  
73.12 secretary of state and the Legislative Coordinating Commission, and complying with  
73.13 section 97A.0459, and including a statement of the conditions and a copy of the rule in the  
73.14 notice. The conditions for opening a water body or portion of a water body for night bow  
73.15 fishing under this section may include the need to temporarily open the area to evaluate  
73.16 compatibility of the activity on that body of water prior to permanent rulemaking. The  
73.17 notice may be published after it is received from the attorney general or five business days  
73.18 after it is submitted to the attorney general, whichever is earlier.

73.19 (c) Rules adopted under paragraph (b) are effective upon publishing in the State  
73.20 Register and may be effective up to seven days before publishing and filing under  
73.21 paragraph (b), if:

73.22 (1) the commissioner of natural resources determines that an emergency exists;

73.23 (2) the attorney general approves the rule; and

73.24 (3) for a rule that affects more than three counties the commissioner publishes the  
73.25 rule once in a legal newspaper published in Minneapolis, St. Paul, and Duluth, or for a  
73.26 rule that affects three or fewer counties the commissioner publishes the rule once in a legal  
73.27 newspaper in each of the affected counties.

73.28 (d) Except as provided in paragraph (e), a rule published under paragraph (c), clause  
73.29 (3), may not be effective earlier than seven days after publication.

73.30 (e) A rule published under paragraph (c), clause (3), may be effective the day the  
73.31 rule is published if the commissioner gives notice and holds a public hearing on the rule  
73.32 within 15 days before publication.

73.33 (f) The commissioner shall attempt to notify persons or groups of persons affected  
73.34 by rules adopted under paragraphs (b) and (c) by public announcements, posting, and  
73.35 other appropriate means as determined by the commissioner.

74.1 (g) Notwithstanding section 97A.0458, a rule adopted under this subdivision is  
74.2 effective for the period stated in the notice but not longer than 18 months after the rule is  
74.3 effective.

74.4 Sec. 9. Minnesota Statutes 2015 Supplement, section 84.027, subdivision 13a, is  
74.5 amended to read:

74.6 Subd. 13a. **Game and fish expedited permanent rules.** (a) In addition to the  
74.7 authority granted in subdivision 13, the commissioner of natural resources may adopt rules  
74.8 under section 14.389 that are authorized under:

74.9 (1) chapters 97A, 97B, and 97C to describe zone or permit area boundaries, to  
74.10 designate fish spawning beds or fish preserves, to select hunters or anglers for areas,  
74.11 to provide for registration of game or fish, to prevent or control wildlife disease, or to  
74.12 correct errors or omissions in rules that do not have a substantive effect on the intent or  
74.13 application of the original rule; or

74.14 (2) section 84D.12 to ~~list~~ designate prohibited invasive species, regulated invasive  
74.15 species, and unregulated nonnative species.

74.16 (b) The commissioner of natural resources may adopt rules under section 14.389  
74.17 that are authorized under chapters 97A, 97B, and 97C, for purposes in addition to those  
74.18 listed in paragraph (a), clause (1), subject to the notice and public hearing provisions  
74.19 of section 14.389, subdivision 5.

74.20 Sec. 10. Minnesota Statutes 2014, section 84.091, subdivision 2, is amended to read:

74.21 Subd. 2. **License required; ~~exception~~ exemptions.** (a) Except as provided in  
74.22 ~~paragraph (b) this subdivision~~, a person may not harvest, buy, sell, transport, or possess  
74.23 aquatic plants without a license required under this chapter. A license shall be issued in  
74.24 the same manner as provided under the game and fish laws.

74.25 (b) A resident under the age of 18 years may harvest wild rice without a license, if  
74.26 accompanied by a person with a wild rice license.

74.27 (c) Tribal band members who possess a valid tribal identification card from a  
74.28 federally recognized tribe located in Minnesota are deemed to have a license to harvest  
74.29 wild rice under this section.

74.30 Sec. 11. Minnesota Statutes 2014, section 84.798, subdivision 2, is amended to read:

74.31 Subd. 2. **Exemptions.** Registration is not required for an off-road vehicle that is:

74.32 (1) owned and used by the United States, an Indian tribal government, the state,  
74.33 another state, or a political subdivision; or

- 75.1 (2) registered in another state or country and has not been in this state for more than  
75.2 30 consecutive days; or  
75.3 (3) operated with a valid state trail pass according to section 84.8035.

75.4 **EFFECTIVE DATE.** This section is effective January 1, 2017.

75.5 Sec. 12. Minnesota Statutes 2014, section 84.8035, is amended to read:

75.6 **84.8035 NONRESIDENT OFF-ROAD VEHICLE STATE TRAIL PASS.**

75.7 Subdivision 1. **Pass required; fee.** (a) Except as provided under paragraph (c), a  
75.8 nonresident person may not operate an off-road vehicle on a state or grant-in-aid off-road  
75.9 vehicle trail or use area unless the vehicle displays a nonresident an off-road vehicle state  
75.10 trail pass sticker issued according to this section. The pass must be viewable by a peace  
75.11 officer, a conservation officer, or an employee designated under section 84.0835.

75.12 (b) ~~The fee for an annual pass is \$20. The pass is valid from January 1 through~~  
75.13 ~~December 31. The fee for a three-year pass is \$30.~~ The commissioner of natural resources  
75.14 shall issue a pass upon application and payment of the fee. Fees collected under this  
75.15 section, except for the issuing fee for licensing agents, shall be deposited in the state  
75.16 treasury and credited to the off-road vehicle account in the natural resources fund and,  
75.17 except for the electronic licensing system commission established by the commissioner  
75.18 under section 84.027, subdivision 15, must be used for grants-in-aid to counties and  
75.19 municipalities for off-road vehicle organizations to construct and maintain off-road  
75.20 vehicle trails and use areas.

75.21 (c) ~~A nonresident~~ An off-road vehicle state trail pass is not required for:

75.22 (1) an off-road vehicle that is owned and used by the United States, another state,  
75.23 or a political subdivision thereof that is exempt from registration under section 84.798,  
75.24 subdivision 2;

75.25 (2) a person operating an off-road vehicle only on the portion of a trail that is owned  
75.26 by the person or the person's spouse, child, or parent; or

75.27 (3) a nonresident person operating an off-road vehicle that is registered according  
75.28 to section 84.798.

75.29 (d) The fee for an annual nonresident off-road vehicle state trail pass is \$20. The  
75.30 nonresident pass is valid from January 1 through December 31. The fee for a nonresident  
75.31 three-year pass is \$30.

75.32 (e) The fee for a resident off-road vehicle state trail pass is \$20. The resident pass is  
75.33 valid for 30 consecutive days after the date of issuance.

76.1 Subd. 2. **License agents.** The commissioner may appoint agents to issue and  
76.2 sell ~~nonresident~~ off-road vehicle state trail passes. The commissioner may revoke the  
76.3 appointment of an agent at any time. The commissioner may adopt additional rules as  
76.4 provided in section 97A.485, subdivision 11. An agent shall observe all rules adopted  
76.5 by the commissioner for accounting and handling of passes pursuant to section 97A.485,  
76.6 subdivision 11. An agent shall promptly deposit and remit all money received from the  
76.7 sale of the passes, exclusive of the issuing fee, to the commissioner.

76.8 Subd. 3. **Issuance of passes.** The commissioner and agents shall issue and sell  
76.9 ~~nonresident~~ off-road vehicle state trail passes. The commissioner shall also make the  
76.10 passes available through the electronic licensing system established under section 84.027,  
76.11 subdivision 15.

76.12 Subd. 4. **Agent's fee.** In addition to the fee for a pass, an issuing fee of \$1 per pass  
76.13 shall be charged. The issuing fee may be retained by the seller of the pass. Issuing fees for  
76.14 passes issued by the commissioner shall be deposited in the off-road vehicle account in the  
76.15 natural resources fund and retained for the operation of the electronic licensing system.

76.16 Subd. 5. **Duplicate passes.** The commissioner and agents shall issue a duplicate  
76.17 pass to persons whose pass is lost or destroyed using the process established under section  
76.18 97A.405, subdivision 3, and rules adopted thereunder. The fee for a duplicate ~~nonresident~~  
76.19 off-road vehicle state trail pass is \$4, with an issuing fee of 50 cents.

76.20 **EFFECTIVE DATE.** This section is effective January 1, 2017.

76.21 Sec. 13. Minnesota Statutes 2014, section 84D.01, subdivision 2, is amended to read:

76.22 Subd. 2. **Aquatic macrophyte.** "Aquatic macrophyte" means macro algae or a  
76.23 macroscopic nonwoody plant, either a submerged, floating leafed, floating, or emergent  
76.24 plant that naturally grows in water.

76.25 Sec. 14. Minnesota Statutes 2014, section 84D.05, subdivision 1, is amended to read:

76.26 Subdivision 1. **Prohibited activities.** A person may not possess, import, purchase,  
76.27 sell, propagate, transport, or introduce a prohibited invasive species, except:

76.28 (1) under a permit issued by the commissioner under section 84D.11;

76.29 (2) in the case of purple loosestrife, as provided by sections 18.75 to 18.88;

76.30 (3) under a restricted species permit issued under section 17.457;

76.31 (4) when being transported to the department, or another destination as the  
76.32 commissioner may direct, in a sealed container for purposes of identifying the species  
76.33 or reporting the presence of the species;

77.1 (5) when being transported for disposal as part of a harvest or control activity  
 77.2 when specifically authorized under a permit issued by the commissioner according to  
 77.3 section 103G.615, when being transported for disposal as specified under a commercial  
 77.4 fishing license issued by the commissioner according to section 97A.418, 97C.801,  
 77.5 97C.811, 97C.825, 97C.831, or 97C.835, or when being transported as specified by the  
 77.6 commissioner;

77.7 ~~(6) when the specimen has been lawfully acquired dead and, in the case of plant~~  
 77.8 ~~species, all seeds are removed or are otherwise secured in a sealed container;~~

77.9 ~~(7) in the form of herbaria or other preserved specimens;~~

77.10 ~~(8)~~ (6) when being removed from watercraft and equipment, or caught while angling,  
 77.11 and immediately returned to the water from which they came; or

77.12 ~~(9)~~ (7) as the commissioner may otherwise prescribe by rule.

77.13 Sec. 15. **[84D.075] NONNATIVE SPECIES, AQUATIC PLANTS, AND**  
 77.14 **AQUATIC MACROPHYTES; PARTS AND LIFE STAGE.**

77.15 A law relating to a nonnative species, aquatic plant, or aquatic macrophyte applies in  
 77.16 the same manner to a part of a nonnative species, aquatic plant, or aquatic macrophyte,  
 77.17 whether alive or dead, and to any life stage or form.

77.18 Sec. 16. Minnesota Statutes 2014, section 84D.09, subdivision 2, is amended to read:

77.19 Subd. 2. **Exceptions.** Unless otherwise prohibited by law, a person may transport  
 77.20 aquatic macrophytes:

77.21 (1) that are duckweeds in the family Lemnaceae;

77.22 (2) for purposes of constructing shooting or observation blinds in amounts sufficient  
 77.23 for that purpose, provided that the aquatic macrophytes are emergent and cut above the  
 77.24 waterline;

77.25 (3) when legally purchased or traded by or from commercial or hobbyist sources for  
 77.26 aquarium, wetland or lakeshore restoration, or ornamental purposes;

77.27 (4) when harvested for personal or commercial use if in a motor vehicle;

77.28 (5) to the department, or another destination as the commissioner may direct, in a  
 77.29 sealed container for purposes of identifying a species or reporting the presence of a species;

77.30 (6) that are wild rice harvested under section 84.091;

77.31 (7) in the form of fragments of emergent aquatic macrophytes incidentally transported  
 77.32 in or on watercraft or decoys used for waterfowl hunting during the waterfowl season; or

77.33 (8) when removing water-related equipment from waters of the state for purposes of  
 77.34 cleaning off aquatic macrophytes before leaving a water access site; or

78.1           (9) when being transported from riparian property to a legal disposal site that is at  
78.2 least 100 feet from any surface water, ditch, or seasonally flooded land, provided the  
78.3 aquatic macrophytes are in a covered commercial vehicle specifically designed and used  
78.4 for hauling trash.

78.5           Sec. 17. Minnesota Statutes 2014, section 84D.10, subdivision 4, is amended to read:

78.6           Subd. 4. **Persons transporting water-related equipment.** (a) When leaving  
78.7 ~~waters~~ a water of the state, a person must drain water-related equipment holding water  
78.8 and live wells and bilges by removing the drain plug before transporting the water-related  
78.9 equipment ~~off the water access site or riparian property.~~ For the purposes of this  
78.10 paragraph, "transporting" includes moving water-related equipment over land between  
78.11 connected or unconnected water bodies, but does not include moving water-related  
78.12 equipment within the immediate area required for loading and preparing the water-related  
78.13 equipment for transport over land.

78.14           (b) Drain plugs, bailers, valves, or other devices used to control the draining of water  
78.15 from ballast tanks, bilges, and live wells must be removed or opened while transporting  
78.16 water-related equipment.

78.17           (c) Emergency response vehicles and equipment may be transported on a public road  
78.18 with the drain plug or other similar device replaced only after all water has been drained  
78.19 from the equipment upon leaving the water body.

78.20           (d) Portable bait containers used by licensed aquatic farms, portable bait containers  
78.21 when fishing through the ice except on waters listed infested for viral hemorrhagic  
78.22 septicemia, and marine sanitary systems are exempt from this subdivision.

78.23           (e) A person must not dispose of bait in waters of the state.

78.24           (f) A boat lift, dock, swim raft, or associated equipment that has been removed  
78.25 from any water body may not be placed in another water body until a minimum of 21  
78.26 days have passed.

78.27           (g) A person who transports water that is appropriated from noninfested surface  
78.28 water bodies and that is transported by a commercial vehicle, excluding watercraft, or  
78.29 commercial trailer, which vehicle or trailer is specifically designed and used for water  
78.30 hauling, is exempt from paragraphs (a) and (b), provided that the person does not discharge  
78.31 the transported water to other surface waters or within 100 feet of a surface water body.

78.32           (h) A person transporting water from noninfested surface water bodies for  
78.33 firefighting or emergencies that threaten human safety or property is exempt from  
78.34 paragraphs (a) and (b).

79.1 Sec. 18. Minnesota Statutes 2014, section 84D.108, is amended by adding a  
79.2 subdivision to read:

79.3 Subd. 2a. **Lake Minnetonka pilot study.** (a) The commissioner may issue an  
79.4 additional permit to service providers to return to Lake Minnetonka water-related  
79.5 equipment with zebra mussels attached after the equipment has been seasonally  
79.6 stored, serviced, or repaired. The permit must include verification and documentation  
79.7 requirements and any other conditions the commissioner deems necessary.

79.8 (b) Water-related equipment with zebra mussels attached may be returned only  
79.9 to Lake Minnetonka (DNR Division of Waters number 27-0133) by service providers  
79.10 permitted under subdivision 1.

79.11 (c) The service provider's place of business must be within the Lake Minnetonka  
79.12 Conservation District as established according to sections 103B.601 to 103B.645.

79.13 (d) A service provider applying for a permit under this subdivision must, if approved  
79.14 for a permit and before the permit is valid, furnish a corporate surety bond in favor of the  
79.15 state for \$50,000 payable upon violation of this chapter.

79.16 (e) This subdivision expires December 1, 2018.

79.17 Sec. 19. Minnesota Statutes 2015 Supplement, section 84D.11, subdivision 1, is  
79.18 amended to read:

79.19 Subdivision 1. **Prohibited invasive species.** (a) The commissioner may issue a  
79.20 permit for the propagation, possession, importation, purchase, or transport of a prohibited  
79.21 invasive species for the purposes of disposal, decontamination, control, research, or  
79.22 education.

79.23 (b) The commissioner may issue a permit as provided under section 84D.108,  
79.24 subdivision 2a, to a service provider to allow water-related equipment to be placed back  
79.25 into the same body of water after being seasonally stored, serviced, or repaired by the  
79.26 service provider. This paragraph expires December 1, 2018.

79.27 Sec. 20. Minnesota Statutes 2014, section 84D.13, subdivision 4, is amended to read:

79.28 Subd. 4. **Warnings; civil citations.** After appropriate training, conservation  
79.29 officers, other licensed peace officers, and other department personnel designated by the  
79.30 commissioner may issue warnings or citations to a person who:

79.31 (1) unlawfully transports prohibited invasive species or aquatic macrophytes;

79.32 (2) unlawfully places or attempts to place into waters of the state water-related  
79.33 equipment that has aquatic macrophytes or prohibited invasive species attached;

80.1 (3) intentionally damages, moves, removes, or sinks a buoy marking, as prescribed  
80.2 by rule, Eurasian watermilfoil;

80.3 (4) fails to remove plugs, open valves, and drain water from water-related equipment  
80.4 before leaving waters of the state or when transporting water-related equipment as  
80.5 provided in section 84D.10, subdivision 4; ~~or~~

80.6 (5) transports infested water, in violation of rule, off riparian property;~~;~~

80.7 (6) fails to comply with a decontamination order when a decontamination unit  
80.8 is available on site;

80.9 (7) fails to complete decontamination of water-related equipment or to remove  
80.10 invasive species from water-related equipment by the date specified on a tagging notice  
80.11 and order; or

80.12 (8) fails to complete the aquatic invasive species offender training course required  
80.13 under section 86B.13.

80.14 Sec. 21. Minnesota Statutes 2015 Supplement, section 84D.13, subdivision 5, is  
80.15 amended to read:

80.16 Subd. 5. **Civil penalties.** (a) A civil citation issued under this section must impose  
80.17 the following penalty amounts:

80.18 (1) for transporting aquatic macrophytes in violation of section 84D.09, \$100;

80.19 (2) for placing or attempting to place into waters of the state water-related equipment  
80.20 that has aquatic macrophytes attached, \$200;

80.21 (3) for unlawfully possessing or transporting a prohibited invasive species other  
80.22 than an aquatic macrophyte, \$500;

80.23 (4) for placing or attempting to place into waters of the state water-related equipment  
80.24 that has prohibited invasive species attached when the waters are not listed by the  
80.25 commissioner as being infested with that invasive species, \$500;

80.26 (5) for intentionally damaging, moving, removing, or sinking a buoy marking, as  
80.27 prescribed by rule, Eurasian watermilfoil, \$100;

80.28 (6) for failing to have drain plugs or similar devices removed or opened while  
80.29 transporting water-related equipment or for failing to remove plugs, open valves, and  
80.30 drain water from water-related equipment, other than marine sanitary systems, before  
80.31 leaving waters of the state, \$100;

80.32 (7) for transporting infested water off riparian property without a permit as required  
80.33 by rule, \$200; ~~and~~

80.34 (8) for failing to have aquatic invasive species affirmation displayed or available for  
80.35 inspection as provided in sections 86B.401 and 97C.301, subdivision 2a, \$25;~~;~~

81.1 (9) for failing to comply with a decontamination order when a decontamination unit  
 81.2 is available on site, \$250;

81.3 (10) for failing to complete decontamination of water-related equipment or to  
 81.4 remove invasive species from water-related equipment by the date specified on a tagging  
 81.5 notice and order, \$250; and

81.6 (11) for failing to complete the aquatic invasive species offender training course  
 81.7 required under section 86B.13, \$25.

81.8 (b) A civil citation that is issued to a person who has one or more prior convictions  
 81.9 or final orders for violations of this chapter is subject to twice the penalty amounts listed  
 81.10 in paragraph (a).

81.11 Sec. 22. Minnesota Statutes 2014, section 85.015, subdivision 13, is amended to read:

81.12 Subd. 13. **Arrowhead Region Trails, Cook, Lake, St. Louis, Pine, Carlton,**  
 81.13 **Koochiching, and Itasca Counties.** (a)(1) The Taconite Trail shall originate at Ely in St.  
 81.14 Louis County and extend southwesterly to Tower in St. Louis County, thence westerly to  
 81.15 McCarthy Beach State Park in St. Louis County, thence southwesterly to Grand Rapids in  
 81.16 Itasca County and there terminate;

81.17 (2) the C. J. Ramstad/Northshore Trail shall originate in Duluth in St. Louis County  
 81.18 and extend northeasterly to Two Harbors in Lake County, thence northeasterly to Grand  
 81.19 Marais in Cook County, thence northeasterly to the international boundary in the vicinity  
 81.20 of the north shore of Lake Superior, and there terminate;

81.21 ~~(3) The Grand Marais to International Falls Trail shall originate in Grand Marais~~  
 81.22 ~~in Cook County and extend northwesterly, outside of the Boundary Waters Canoe Area,~~  
 81.23 ~~to Ely in St. Louis County, thence southwesterly along the route of the Taconite Trail to~~  
 81.24 ~~Tower in St. Louis County, thence northwesterly through the Pelican Lake area in St.~~  
 81.25 ~~Louis County to International Falls in Koochiching County, and there terminate~~ the David  
 81.26 Dill/Arrowhead Trail shall originate at International Falls in Koochiching County and  
 81.27 extend southeasterly through the Pelican Lake area in St. Louis County, intersecting with  
 81.28 the Taconite Trail west of Tower; then the David Dill/Taconite Trail continues easterly  
 81.29 to Ely in St. Louis County; then the David Dill/Tomahawk Trail extends southeasterly,  
 81.30 outside the Boundary Waters Canoe Area, to the area of Little Marais in Lake County and  
 81.31 there terminates at the intersection with the C. J. Ramstad/Northshore Trail; and

81.32 (4) the Matthew Lourey Trail shall originate in Duluth in St. Louis County and  
 81.33 extend southerly to Chengwatana State Forest in Pine County.

81.34 (b) The trails shall be developed primarily for riding and hiking.

82.1 (c) In addition to the authority granted in subdivision 1, lands and interests in lands  
82.2 for the Arrowhead Region trails may be acquired by eminent domain. Before acquiring  
82.3 any land or interest in land by eminent domain the commissioner of administration shall  
82.4 obtain the approval of the governor. The governor shall consult with the Legislative  
82.5 Advisory Commission before granting approval. Recommendations of the Legislative  
82.6 Advisory Commission shall be advisory only. Failure or refusal of the commission to  
82.7 make a recommendation shall be deemed a negative recommendation.

82.8 Sec. 23. Minnesota Statutes 2014, section 86B.005, is amended by adding a  
82.9 subdivision to read:

82.10 Subd. 4a. **Enclosed accommodation compartment.** "Enclosed accommodation  
82.11 compartment" means one contiguous space, surrounded by boat structure that contains  
82.12 all of the following:

82.13 (1) designated sleeping accommodations;

82.14 (2) a galley area with sink; and

82.15 (3) a head compartment.

82.16 Sec. 24. Minnesota Statutes 2014, section 86B.005, is amended by adding a  
82.17 subdivision to read:

82.18 Subd. 4b. **Enclosed occupancy compartment.** "Enclosed occupancy compartment"  
82.19 means one contiguous enclosed space surrounded by boat structure that may be occupied  
82.20 by a person.

82.21 Sec. 25. Minnesota Statutes 2014, section 86B.005, is amended by adding a  
82.22 subdivision to read:

82.23 Subd. 8a. **Marine carbon monoxide detection system.** "Marine carbon monoxide  
82.24 detection system" means a device or system that meets the requirements of the American  
82.25 Boat and Yacht Council Standard A-24, July, 2015, for carbon monoxide detection systems.

82.26 Sec. 26. **[86B.532] CARBON MONOXIDE DETECTION DEVICE**  
82.27 **REQUIREMENTS.**

82.28 Subdivision 1. **Requirements.** (a) No motorboat that has an enclosed  
82.29 accommodation compartment may be operated on any waters of the state unless the  
82.30 motorboat is equipped with a functioning marine carbon monoxide detection system  
82.31 installed according to the manufacturer's instructions.

83.1 (b) After the effective date of this section, no new motorboat that has an enclosed  
83.2 accommodation compartment may be sold or offered for sale in Minnesota unless the  
83.3 motorboat is equipped with a new functioning marine carbon monoxide detection system  
83.4 installed according to the manufacturer's instructions.

83.5 Subd. 2. **Boating safety courses.** All state-sponsored boating safety courses and all  
83.6 boating safety courses that require state approval by the commissioner must incorporate  
83.7 information about the dangers of being overcome by carbon monoxide poisoning while on  
83.8 or behind a motorboat and how to prevent that poisoning.

83.9 Subd. 3. **Carbon monoxide poisoning warning labels.** (a) No gasoline-powered  
83.10 motorboat that has an enclosed occupancy compartment may be operated on any waters  
83.11 of the state unless labels warning of carbon monoxide dangers are affixed in the vicinity  
83.12 of: the aft reboarding/stern area, the steering station, and in or at the entrance to any  
83.13 enclosed occupancy compartment.

83.14 (b) For a motorboat sold by a dealer, the dealer must ensure that specified warning  
83.15 labels have been affixed before completion of the transaction.

83.16 (c) Warning labels approved by the American Boat and Yacht Council, National  
83.17 Marine Manufacturers Association, or the commissioner satisfy the requirements of this  
83.18 section when installed as specified.

83.19 Subd. 4. **License agents; distribution.** The commissioner shall mail the  
83.20 information and labels to all owners of motorboats that are 19 feet and greater in length  
83.21 the first year. The commissioner must also provide license agents with informational  
83.22 brochures and warning labels about the dangers of carbon monoxide poisoning while  
83.23 boating. A license agent must make the brochure and labels available to motorboat owners  
83.24 and make efforts to inform new owners of the requirement. The commissioner shall  
83.25 highlight the new requirements on the watercraft renewal reminder postcard for three  
83.26 consecutive three-year license cycles and in the Minnesota Boating Guide. The brochure  
83.27 must instruct motorboat owners to place the labels according to subdivision 3, and inform  
83.28 motorboat owners of carbon monoxide dangers of gasoline-powered generators.

83.29 Subd. 5. **Safety warning.** A first violation of this section shall not result in a  
83.30 penalty, but is punishable only by a safety warning. A second or subsequent violation  
83.31 is a petty misdemeanor.

83.32 **EFFECTIVE DATE.** This section is effective May 1, 2017.

83.33 Sec. 27. **[86B.841] TRANSFER-ON-DEATH TITLE TO WATERCRAFT.**

83.34 Subdivision 1. **Titled as transfer-on-death.** A natural person who is the owner of a  
83.35 watercraft may have the watercraft titled in transfer-on-death or TOD form by including in

84.1 the application for the certificate of title a designation of a beneficiary or beneficiaries to  
84.2 whom the watercraft must be transferred on death of the owner or the last survivor of joint  
84.3 owners with rights of survivorship, subject to the rights of secured parties.

84.4 Subd. 2. **Designation of beneficiary.** A watercraft is registered in transfer-on-death  
84.5 form by designating on the certificate of title the name of the owner and the names  
84.6 of joint owners with identification of rights of survivorship, followed by the words  
84.7 "transfer-on-death to (name of beneficiary or beneficiaries)." The designation "TOD" may  
84.8 be used instead of "transfer-on-death." A title in transfer-on-death form is not required  
84.9 to be supported by consideration, and the certificate of title in which the designation  
84.10 is made is not required to be delivered to the beneficiary or beneficiaries in order for  
84.11 the designation to be effective.

84.12 Subd. 3. **Interest of beneficiary.** The transfer-on-death beneficiary or beneficiaries  
84.13 have no interest in the watercraft until the death of the owner or the last survivor of joint  
84.14 owners with rights of survivorship. A beneficiary designation may be changed at any time  
84.15 by the owner or by all joint owners with rights of survivorship, without the consent of the  
84.16 beneficiary or beneficiaries, by filing an application for a new certificate of title.

84.17 Subd. 4. **Vesting of ownership in beneficiary.** Ownership of a watercraft titled in  
84.18 transfer-on-death form vests in the designated beneficiary or beneficiaries on the death of  
84.19 the owner or the last of the joint owners with rights of survivorship, subject to the rights of  
84.20 secured parties. The transfer-on-death beneficiary or beneficiaries who survive the owner  
84.21 may apply for a new certificate of title to the watercraft upon submitting a certified death  
84.22 record of the owner of the watercraft. If no transfer-on-death beneficiary or beneficiaries  
84.23 survive the owner of a watercraft, the watercraft must be included in the probate estate  
84.24 of the deceased owner. A transfer of a watercraft to a transfer-on-death beneficiary or  
84.25 beneficiaries is not a testamentary transfer.

84.26 Subd. 5. **Rights of creditors.** (a) This section does not limit the rights of any  
84.27 secured party or creditor of the owner of a watercraft against a transfer-on-death  
84.28 beneficiary or beneficiaries.

84.29 (b) The state or a county agency with a claim or lien authorized by section 246.53,  
84.30 256B.15, 261.04, or 270C.63, is a creditor for purposes of this subdivision. A claim  
84.31 or lien under those sections continues to apply against the designated beneficiary or  
84.32 beneficiaries after the transfer under this section if other assets of the deceased owner's  
84.33 estate are insufficient to pay the amount of the claim. The claim or lien continues to apply  
84.34 to the watercraft until the designated beneficiary sells or transfers it to a person against  
84.35 whom the claim or lien does not apply and who did not have actual notice or knowledge  
84.36 of the claim or lien.

85.1 Sec. 28. Minnesota Statutes 2014, section 88.01, is amended by adding a subdivision  
85.2 to read:

85.3 Subd. 28. **Prescribed burn.** "Prescribed burn" means a fire that is intentionally  
85.4 ignited, managed, and controlled by an entity meeting certification requirements established  
85.5 by the commissioner for the purpose of managing vegetation. A prescribed burn that has  
85.6 exceeded its prescribed boundaries and requires suppression action is considered a wildfire.

85.7 Sec. 29. Minnesota Statutes 2014, section 88.22, subdivision 1, is amended to read:

85.8 Subdivision 1. **Imposition of restrictions.** (a) **Road closure.** When the  
85.9 commissioner of natural resources shall determine that conditions conducive to wildfire  
85.10 hazards exist in the wildfire areas of the state and that the presence of persons in the  
85.11 wildlife areas tends to aggravate wildfire hazards, render forest trails impassable by  
85.12 driving thereon during wet seasons and hampers the effective enforcement of state timber  
85.13 trespass and game laws, the commissioner may by written order, close any road or trail  
85.14 leading into any land used for any conservation purposes, to all modes of travel except  
85.15 that considered essential such as residents traveling to and from their homes or in other  
85.16 cases to be determined by the authorized forest officers assigned to guard the area.

85.17 (b) **Burning ban.** The commissioner may also, upon such determination, by written  
85.18 order, suspend the issuance of permits for open fires or prescribed burns, revoke or suspend  
85.19 the operation of a permit previously issued and, to the extent the commissioner deems  
85.20 necessary, prohibit the building of all or some kinds of open fires or prescribed burns in all  
85.21 or any part of a wildfire area regardless of whether a permit is otherwise required; and the  
85.22 commissioner also may, by written order, prohibit smoking except at places of habitation  
85.23 or automobiles or other enclosed vehicles properly equipped with an efficient ash tray.

85.24 Sec. 30. Minnesota Statutes 2014, section 89.0385, is amended to read:

85.25 **89.0385 FOREST MANAGEMENT INVESTMENT ACCOUNT; COST**  
85.26 **CERTIFICATION.**

85.27 (a) The commissioner shall certify the total costs incurred for forest management,  
85.28 forest improvement, and road improvement on state-managed lands during each fiscal  
85.29 year. The commissioner shall distribute forest management receipts credited to various  
85.30 accounts according to this section.

85.31 (b) The amount of the certified costs incurred for forest management activities on  
85.32 state lands shall be transferred from the account where receipts are deposited to the forest  
85.33 management investment account in the natural resources fund, except for those costs  
85.34 certified under section 16A.125. Transfers may occur quarterly, based on quarterly cost and

86.1 revenue reports, throughout the fiscal year, with final certification and reconciliation after  
86.2 each fiscal year. Transfers in a fiscal year cannot exceed receipts credited to the account.

86.3 (c) The amount of the certified costs incurred for forest management activities  
86.4 on nonstate lands managed under a good neighbor or joint powers agreement must be  
86.5 transferred from the account where receipts are deposited to the forest management  
86.6 investment account in the natural resources fund. Transfers for costs incurred may occur  
86.7 after projects or timber permits are finalized.

86.8 Sec. 31. Minnesota Statutes 2014, section 93.0015, subdivision 3, is amended to read:

86.9 Subd. 3. **Expiration.** The committee expires June 30, ~~2016~~ 2026.

86.10 Sec. 32. Minnesota Statutes 2014, section 93.2236, is amended to read:

86.11 **93.2236 MINERALS MANAGEMENT ACCOUNT.**

86.12 (a) The minerals management account is created as an account in the natural  
86.13 resources fund. Interest earned on money in the account accrues to the account. Money in  
86.14 the account may be spent or distributed only as provided in paragraphs (b) and (c).

86.15 (b) If the balance in the minerals management account exceeds \$3,000,000 on March  
86.16 31, June 30, September 30, or December 31, the amount exceeding \$3,000,000 must  
86.17 be distributed to the permanent school fund, the permanent university fund, and taxing  
86.18 districts as provided in section 93.22, subdivision 1, paragraph (c). The amount distributed  
86.19 to each fund must be in the same proportion as the total mineral lease revenue received  
86.20 in the previous biennium from school trust lands, university lands, and lands held by the  
86.21 state in trust for taxing districts.

86.22 (c) Subject to appropriation by the legislature, money in the minerals management  
86.23 account may be spent by the commissioner of natural resources for mineral resource  
86.24 management and projects to enhance future mineral income and promote new mineral  
86.25 resource opportunities.

86.26 Sec. 33. Minnesota Statutes 2014, section 94.3495, subdivision 2, is amended to read:

86.27 Subd. 2. **Classes of land; definitions.** (a) The classes of public land that may be  
86.28 involved in an expedited exchange under this section are:

86.29 (1) Class 1 land, which for the purpose of this section is Class A land as defined in  
86.30 section 94.342, subdivision 1, ~~except for:~~

86.31 ~~(i) school trust land as defined in section 92.025; and~~

86.32 ~~(ii) university land granted to the state by acts of Congress;~~

87.1 (2) Class 2 land, which for the purpose of this section is Class B land as defined in  
87.2 section 94.342, subdivision 2; and

87.3 (3) Class 3 land, which for the purpose of this section is all land owned in fee by  
87.4 a governmental subdivision of the state.

87.5 (b) "School trust land" has the meaning given in section 92.025.

87.6 (c) "University land" means land granted to the state by acts of Congress for  
87.7 university purposes.

87.8 Sec. 34. Minnesota Statutes 2014, section 94.3495, subdivision 3, is amended to read:

87.9 Subd. 3. **Valuation of land.** (a) In an exchange of Class 1 land for Class 2 or 3 land,  
87.10 the value of all the land shall be determined by the commissioner of natural resources,  
87.11 but the county board must approve the value determined for the Class 2 land, and the  
87.12 governmental subdivision of the state must approve the value determined for the Class 3  
87.13 land. In an exchange of Class 2 land for Class 3 land, the value of all the land shall be  
87.14 determined by the county board of the county in which the land lies, but the governmental  
87.15 subdivision of the state must approve the value determined for the Class 3 land.

87.16 (b) To determine the value of the land, the parties to the exchange may either (1)  
87.17 cause the land to be appraised, utilize the valuation process provided under section  
87.18 84.0272, subdivision 3, or obtain a market analysis from a qualified real estate broker or  
87.19 (2) determine the value for each 40-acre tract or lot, or a portion thereof, using the most  
87.20 current township or county assessment schedules for similar land types from the county  
87.21 assessor of the county in which the lands are located. Merchantable timber value ~~must~~  
87.22 should be determined and considered in finalizing valuation of the lands.

87.23 ~~(b) All~~ (c) Except for school trust lands and university lands, the lands exchanged  
87.24 under this section shall be exchanged only for lands of at least substantially equal value.  
87.25 For the purposes of this subdivision, "substantially equal value" has the meaning given  
87.26 under section 94.343, subdivision 3, paragraph (b). No payment is due either party if the  
87.27 lands, other than school trust lands or university lands, are of substantially equal value but  
87.28 are not of the same value.

87.29 (d) School trust lands and university lands exchanged under this section must be  
87.30 exchanged only for lands of equal or greater value.

87.31 Sec. 35. Minnesota Statutes 2014, section 94.3495, subdivision 7, is amended to read:

87.32 Subd. 7. **Reversionary interest; Mineral and water power rights and other**  
87.33 **reservations.** (a) ~~All deeds conveying land given in an expedited land exchange under~~

88.1 ~~this section shall include a reverter that provides that title to the land automatically reverts~~  
88.2 ~~to the conveying governmental unit if:~~

88.3 ~~(1) the receiving governmental unit sells, exchanges, or otherwise transfers title of~~  
88.4 ~~the land within 40 years of the date of the deed conveying ownership; and~~

88.5 ~~(2) there is no prior written approval for the transfer from the conveying~~  
88.6 ~~governmental unit. The authority for granting approval is the commissioner of natural~~  
88.7 ~~resources for former Class 1 land, the county board for former Class 2 land, and the~~  
88.8 ~~governing body for former Class 3 land.~~

88.9 ~~(b) Class 1 land given in exchange is subject to the reservation provisions of section~~  
88.10 ~~94.343, subdivision 4. Class 2 land given in exchange is subject to the reservation~~  
88.11 ~~provisions of section 94.344, subdivision 4. County fee land given in exchange is subject~~  
88.12 ~~to the reservation provisions of section 373.01, subdivision 1, paragraph (g).~~

88.13 Sec. 36. Minnesota Statutes 2014, section 97A.075, subdivision 7, is amended to read:

88.14 Subd. 7. **Wolf licenses; account established.** (a) For purposes of this subdivision,  
88.15 "wolf license" means a license or permit issued under section 97A.475, subdivision 2,  
88.16 clause (20); 3, paragraph (a), clause (16); or 20, paragraph (b).

88.17 (b) A wolf management and monitoring account is created in the game and fish fund.  
88.18 Revenue from wolf licenses must be credited to the wolf management and monitoring  
88.19 account and is appropriated to the commissioner only for wolf management, research,  
88.20 damage control, enforcement, and education. Notwithstanding any other law to the  
88.21 contrary, money credited to the account may not be used to pay indirect costs or agency  
88.22 shared services.

88.23 Sec. 37. Minnesota Statutes 2014, section 97A.405, subdivision 2, is amended to read:

88.24 Subd. 2. **Personal possession.** (a) A person acting under a license or traveling from  
88.25 an area where a licensed activity was performed must have in personal possession either:  
88.26 (1) the proper license, if the license has been issued to and received by the person; (2) a  
88.27 driver's license or Minnesota identification card that bears a valid designation of the proper  
88.28 lifetime license, as provided under section 171.07, subdivision 19; or (2) (3) the proper  
88.29 license identification number or stamp validation, if the license has been sold to the person  
88.30 by electronic means but the actual license has not been issued and received.

88.31 (b) If possession of a license or a license identification number is required, a person  
88.32 must exhibit, as requested by a conservation officer or peace officer, either: (1) the  
88.33 proper license if the license has been issued to and received by the person; (2) a driver's  
88.34 license or Minnesota identification card that bears a valid designation of the proper

89.1 lifetime license, as provided under section 171.07, subdivision 19; or (2) (3) the proper  
89.2 license identification number or stamp validation and a valid state driver's license, state  
89.3 identification card, or other form of identification provided by the commissioner, if the  
89.4 license has been sold to the person by electronic means but the actual license has not been  
89.5 issued and received. A person charged with violating the license possession requirement  
89.6 shall not be convicted if the person produces in court or the office of the arresting officer,  
89.7 the actual license previously issued to that person, which was valid at the time of arrest,  
89.8 or satisfactory proof that at the time of the arrest the person was validly licensed. Upon  
89.9 request of a conservation officer or peace officer, a licensee shall write the licensee's name  
89.10 in the presence of the officer to determine the identity of the licensee.

89.11 (c) Except as provided in paragraph (a), clause (2), if the actual license has been  
89.12 issued and received, a receipt for license fees, a copy of a license, or evidence showing the  
89.13 issuance of a license, including the license identification number or stamp validation, does  
89.14 not entitle a licensee to exercise the rights or privileges conferred by a license.

89.15 (d) A license issued electronically and not immediately provided to the licensee shall  
89.16 be mailed to the licensee within 30 days of purchase of the license. A pictorial migratory  
89.17 waterfowl, pheasant, trout and salmon, or walleye stamp shall be provided to the licensee  
89.18 after purchase of a stamp validation only if the licensee pays an additional fee that covers  
89.19 the costs of producing and mailing a pictorial stamp. A pictorial turkey stamp may be  
89.20 purchased for a fee that covers the costs of producing and mailing the pictorial stamp.  
89.21 Notwithstanding section 16A.1283, the commissioner may, by written order published in  
89.22 the State Register, establish fees for providing the pictorial stamps. The fees must be set in  
89.23 an amount that does not recover significantly more or less than the cost of producing and  
89.24 mailing the stamps. The fees are not subject to the rulemaking provisions of chapter 14,  
89.25 and section 14.386 does not apply.

89.26 **EFFECTIVE DATE.** This section is effective January 1, 2018, or on the date  
89.27 the Department of Public Safety implements the Minnesota Licensing and Registration  
89.28 System (MNLARS), whichever occurs first.

89.29 Sec. 38. Minnesota Statutes 2014, section 97A.465, is amended by adding a  
89.30 subdivision to read:

89.31 **Subd. 8. Nonresident active members of National Guard.** A nonresident that is  
89.32 an active member of the state's National Guard may obtain a resident license to take fish or  
89.33 game. This subdivision does not apply to the taking of moose or elk.

90.1 Sec. 39. Minnesota Statutes 2014, section 171.07, is amended by adding a subdivision  
90.2 to read:

90.3 Subd. 19. Resident lifetime game and fish license. (a) The department shall  
90.4 maintain in its records information transmitted electronically from the commissioner of  
90.5 natural resources identifying each person to whom the commissioner has issued a resident  
90.6 lifetime license under section 97A.473. The records transmitted from the Department of  
90.7 Natural Resources must contain:

90.8 (1) the full name and date of birth as required for the driver's license or identification  
90.9 card;

90.10 (2) the person's driver's license or identification card number;

90.11 (3) the category of lifetime license issued under section 97A.473; and

90.12 (4) the Department of Natural Resources customer identification number.

90.13 (b) The department may delete records described in paragraph (a) if they have not  
90.14 been matched to a driver's license or identification card record within seven years after  
90.15 transmission to the department.

90.16 (c) Except as provided in paragraph (b), the department shall include, on all drivers'  
90.17 licenses or Minnesota identification cards issued to a person who holds a lifetime license,  
90.18 a graphic or written designation of the lifetime license, and the category of the lifetime  
90.19 license.

90.20 (d) If a person with a lifetime license under section 97A.473 applies for a driver's  
90.21 license or Minnesota identification card before that information has been transmitted to the  
90.22 department, the department may accept a copy of the license issued under section 97A.473  
90.23 as proof of its issuance and shall then follow the procedures in paragraph (c).

90.24 **EFFECTIVE DATE.** This section is effective January 1, 2018, or on the date  
90.25 the Department of Public Safety implements the Minnesota Licensing and Registration  
90.26 System (MNLARS), whichever occurs first.

90.27 Sec. 40. Laws 2014, chapter 312, article 12, section 6, subdivision 5, as amended by  
90.28 Laws 2015, First Special Session chapter 4, article 3, section 11, is amended to read:

90.29 **Subd. 5. Fish and Wildlife**  
90.30 **Management**

-0- 2,412,000

90.31 \$3,000 in 2015 is from the heritage  
90.32 enhancement account in the game and fish  
90.33 fund for a report on aquatic plant management  
90.34 permitting policies for the management  
90.35 of narrow-leaved and hybrid cattail in a

91.1 range of basin types across the state. The  
91.2 report shall be submitted to the chairs and  
91.3 ranking minority members of the house of  
91.4 representatives and senate committees with  
91.5 jurisdiction over environment and natural  
91.6 resources by December 15, 2014, and include  
91.7 recommendations for any necessary changes  
91.8 in statutes, rules, or permitting procedures.

91.9 This is a onetime appropriation.

91.10 \$9,000 in 2015 is from the game and fish  
91.11 fund for the commissioner, in consultation  
91.12 with interested parties, agencies, and other  
91.13 states, to develop a detailed restoration plan  
91.14 to recover the historical native population of  
91.15 bobwhite quail in Minnesota for its ecological  
91.16 and recreational benefits to the citizens of the  
91.17 state. The commissioner shall conduct public  
91.18 meetings in developing the plan. No later  
91.19 than January 15, 2015, the commissioner  
91.20 must report on the plan's progress to the  
91.21 legislative committees with jurisdiction over  
91.22 environment and natural resources policy  
91.23 and finance. This is a onetime appropriation.

91.24 \$2,000,000 in 2015 is from the game and  
91.25 fish fund for shooting sports facility grants  
91.26 under Minnesota Statutes, section 87A.10.  
91.27 The commissioner may spend up to \$50,000  
91.28 of this appropriation to administer the grant.  
91.29 This is a onetime appropriation and is  
91.30 available until June 30, 2017.

91.31 \$400,000 in 2015 is from the heritage  
91.32 enhancement account in the game and fish  
91.33 fund for hunter and angler recruitment  
91.34 and retention activities and grants to local  
91.35 chapters of Let's Go Fishing of Minnesota

92.1 to provide community outreach to senior  
 92.2 citizens, youth, and veterans and for the costs  
 92.3 associated with establishing and recruiting  
 92.4 new chapters. The grants must be matched  
 92.5 with cash or in-kind contributions from  
 92.6 nonstate sources. Of this amount, \$25,000  
 92.7 is for Asian ~~Outdoor Heritage~~ for youth  
 92.8 fishing recruitment efforts and outreach in  
 92.9 the metropolitan area. The commissioner  
 92.10 shall establish a grant application process  
 92.11 that includes a standard for ownership  
 92.12 of equipment purchased under the grant  
 92.13 program and contract requirements that  
 92.14 cover the disposition of purchased equipment  
 92.15 if the grantee no longer exists. Any  
 92.16 equipment purchased with state grant money  
 92.17 must be specified on the grant application  
 92.18 and approved by the commissioner. The  
 92.19 commissioner may spend up to three percent  
 92.20 of the appropriation to administer the grant.  
 92.21 This is a onetime appropriation and is  
 92.22 available until June 30, ~~2016~~ 2017.

92.23 Sec. 41. Laws 2015, First Special Session chapter 4, article 3, section 3, subdivision 2,  
 92.24 is amended to read:

92.25 **Subd. 2. Land and Mineral Resources**  
 92.26 **Management**

6,461,000 5,521,000

92.27 Appropriations by Fund			
	92.28 2016	92.28 2017	
92.29 General	1,585,000	1,585,000	
92.30 Natural Resources	3,332,000	3,392,000	
92.31 Game and Fish	344,000	344,000	
92.32 Remediation	1,000,000	-0-	
92.33 Permanent School	200,000	200,000	

92.34 \$68,000 the first year and \$68,000 the  
 92.35 second year are for minerals cooperative  
 92.36 environmental research, ~~of which \$34,000~~

93.1 ~~the first year and \$34,000 the second year are~~  
93.2 ~~available only as matched by \$1 of nonstate~~  
93.3 ~~money for each \$1 of state money. The~~  
93.4 ~~match may be cash or in-kind.~~

93.5 \$251,000 the first year and \$251,000 the  
93.6 second year are for iron ore cooperative  
93.7 research. Of this amount, \$200,000 each year  
93.8 is from the minerals management account  
93.9 in the natural resources fund. ~~\$175,000 the~~  
93.10 ~~first year and \$175,000 the second year are~~  
93.11 ~~available only as matched by \$1 of nonstate~~  
93.12 ~~money for each \$1 of state money. The match~~  
93.13 ~~may be cash or in-kind.~~ Any unencumbered  
93.14 balance from the first year does not cancel  
93.15 and is available in the second year.

93.16 \$2,755,000 the first year and \$2,815,000  
93.17 the second year are from the minerals  
93.18 management account in the natural resources  
93.19 fund for use as provided in Minnesota  
93.20 Statutes, section 93.2236, paragraph (c),  
93.21 for mineral resource management, projects  
93.22 to enhance future mineral income, and  
93.23 projects to promote new mineral resource  
93.24 opportunities.

93.25 \$200,000 the first year and \$200,000 the  
93.26 second year are from the state forest suspense  
93.27 account in the permanent school fund to  
93.28 accelerate land exchanges, land sales, and  
93.29 commercial leasing of school trust lands and  
93.30 to identify, evaluate, and lease construction  
93.31 aggregate located on school trust lands. This  
93.32 appropriation is to be used for securing  
93.33 long-term economic return from the  
93.34 school trust lands consistent with fiduciary

94.1 responsibilities and sound natural resources  
 94.2 conservation and management principles.  
 94.3 Notwithstanding Minnesota Statutes, section  
 94.4 115B.20, \$1,000,000 the first year is from  
 94.5 the dedicated account within the remediation  
 94.6 fund for the purposes of Minnesota Statutes,  
 94.7 section 115B.20, subdivision 2, clause (4),  
 94.8 to acquire salt lands as described under  
 94.9 Minnesota Statutes, section 92.05, within  
 94.10 Bear Head Lake State Park. This is a onetime  
 94.11 appropriation and is available until June 30,  
 94.12 2018.

94.13 Sec. 42. Laws 2015, First Special Session chapter 4, article 3, section 3, subdivision 5,  
 94.14 is amended to read:

94.15 Subd. 5. **Parks and Trails Management** 74,064,000 73,650,000

94.16	Appropriations by Fund		
94.17		2016	2017
94.18	General	24,967,000	24,427,000
94.19	Natural Resources	46,831,000	46,950,000
94.20	Game and Fish	2,266,000	2,273,000

94.21 \$1,075,000 the first year and \$1,075,000 the  
 94.22 second year are from the water recreation  
 94.23 account in the natural resources fund for  
 94.24 enhancing public water access facilities.

94.25 \$5,740,000 the first year and \$5,740,000 the  
 94.26 second year are from the natural resources  
 94.27 fund for state trail, park, and recreation area  
 94.28 operations. This appropriation is from the  
 94.29 revenue deposited in the natural resources  
 94.30 fund under Minnesota Statutes, section  
 94.31 297A.94, paragraph (e), clause (2).

94.32 \$1,005,000 the first year and \$1,005,000 the  
 94.33 second year are from the natural resources  
 94.34 fund for park and trail grants to local units of

95.1 government on land to be maintained for at  
95.2 least 20 years for the purposes of the grants.  
95.3 This appropriation is from the revenue  
95.4 deposited in the natural resources fund  
95.5 under Minnesota Statutes, section 297A.94,  
95.6 paragraph (e), clause (4). Any unencumbered  
95.7 balance does not cancel at the end of the first  
95.8 year and is available for the second year. Up  
95.9 to 2.5 percent of this appropriation may be  
95.10 used to administer the grants.  
95.11 \$8,424,000 the first year and \$8,424,000  
95.12 the second year are from the snowmobile  
95.13 trails and enforcement account in the  
95.14 natural resources fund for the snowmobile  
95.15 grants-in-aid program. Any unencumbered  
95.16 balance does not cancel at the end of the first  
95.17 year and is available for the second year.  
95.18 \$1,360,000 the first year and \$1,360,000  
95.19 the second year are from the natural  
95.20 resources fund for the off-highway vehicle  
95.21 grants-in-aid program. Of this amount,  
95.22 \$1,210,000 each year is from the all-terrain  
95.23 vehicle account; and \$150,000 each year is  
95.24 from the off-highway motorcycle account.  
95.25 Any unencumbered balance does not cancel  
95.26 at the end of the first year and is available for  
95.27 the second year.  
95.28 \$75,000 the first year and \$75,000 the second  
95.29 year are from the cross-country ski account  
95.30 in the natural resources fund for grooming  
95.31 and maintaining cross-country ski trails in  
95.32 state parks, trails, and recreation areas.  
95.33 \$250,000 the first year and \$250,000 the  
95.34 second year are from the state land and  
95.35 water conservation account (LAWCON)

96.1 in the natural resources fund for priorities  
96.2 established by the commissioner for eligible  
96.3 state projects and administrative and  
96.4 planning activities consistent with Minnesota  
96.5 Statutes, section 84.0264, and the federal  
96.6 Land and Water Conservation Fund Act.  
96.7 Any unencumbered balance does not cancel  
96.8 at the end of the first year and is available for  
96.9 the second year.

96.10 \$968,000 the first year and \$968,000 the  
96.11 second year are from the off-road vehicle  
96.12 account in the natural resources fund. Of  
96.13 this amount, \$568,000 each year is for parks  
96.14 and trails management for off-road vehicle  
96.15 purposes; \$325,000 each year is for the  
96.16 off-road vehicle grant in aid program; and  
96.17 \$75,000 each year is for a new full-time  
96.18 employee position or contract in northern  
96.19 Minnesota to work in conjunction with the  
96.20 Minnesota Four-Wheel Drive Association  
96.21 to address off-road vehicle touring routes  
96.22 and other issues related to off-road vehicle  
96.23 activities. Of this appropriation, the \$325,000  
96.24 each year is onetime.

96.25 \$65,000 the first year is from the water  
96.26 recreation account in the natural resources  
96.27 fund to cooperate with local units of  
96.28 government in marking routes and  
96.29 designating river accesses and campsites  
96.30 under Minnesota Statutes, section 85.32.  
96.31 This is a onetime appropriation and is  
96.32 available until June 30, 2019.

96.33 \$190,000 the first year is for a grant to the  
96.34 city of Virginia for the additional cost of  
96.35 supporting a trail due to the rerouting of

97.1 U.S. Highway No. 53. This is a onetime  
97.2 appropriation and is available until June 30,  
97.3 2019.

97.4 \$50,000 the first year is for development of  
97.5 a master plan for the Mississippi Blufflands  
97.6 Trail, including work on possible extensions  
97.7 or connections to other state or regional  
97.8 trails. This is a onetime appropriation that is  
97.9 available until June 30, 2017.

97.10 \$61,000 from the natural resources fund the  
97.11 first year is for a grant to the city of East  
97.12 Grand Forks for payment under a reciprocity  
97.13 agreement for the Red River State Recreation  
97.14 Area.

97.15 \$500,000 the first year is for restoration or  
97.16 replacement of a historic trestle bridge in  
97.17 Blackduck. This is a onetime appropriation  
97.18 and is available until June 30, 2019.

97.19 The base for parks and trails operations in  
97.20 the natural resources fund in fiscal year 2018  
97.21 and thereafter is \$46,450,000.

97.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

97.23 Sec. 43. Laws 2015, First Special Session chapter 4, article 4, section 131, is amended  
97.24 to read:

97.25 Sec. 131. **SURPLUS STATE LAND SALES.**

97.26 The school trust lands director shall identify, in consultation with the commissioner  
97.27 of natural resources, at least \$5,000,000 in state-owned lands suitable for sale or exchange  
97.28 with school trust lands. The lands identified shall not be within a unit of the outdoor  
97.29 recreation system under Minnesota Statutes, section 86A.05, an administrative site, or  
97.30 trust land. The commissioner shall sell or exchange at least \$3,000,000 worth of lands  
97.31 identified under this section by June 30, 2017. Land exchanged under this section may  
97.32 be exchanged in accordance with Minnesota Statutes, section 94.3495. The value of  
97.33 the surplus land exchanged shall serve as compensation to the permanent school fund  
97.34 as provided under Minnesota Statutes, section 84.027, subdivision 18, paragraph (b).

98.1 Notwithstanding the restrictions on sale of riparian land and the public sale provisions  
98.2 under Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner may  
98.3 offer the surplus land, including land bordering public water, for public or private sale.  
98.4 Notwithstanding Minnesota Statutes, section 94.16, subdivision 3, or any other law to the  
98.5 contrary, ~~the amount~~ an amount equal to 90 percent of the proceeds from the sale of lands  
98.6 that exceeds the actual expenses of selling the lands must be deposited in the school trust  
98.7 lands account and used to extinguish the school trust interest as provided under Minnesota  
98.8 Statutes, section 92.83, on school trust lands that have public water access sites or old  
98.9 growth forests located on them. Notwithstanding Minnesota Statutes, section 92.83, the  
98.10 remaining ten percent of the proceeds must be used to fund transactional and legal work  
98.11 associated with the Boundary Waters Canoe Area Wilderness land exchange and sale  
98.12 projects under Minnesota Statutes, sections 92.80 and 92.82.

98.13 Sec. 44. **COLD SPRING WATER APPROPRIATION PERMITS; REPORT.**

98.14 (a) The commissioner of natural resources shall amend the city of Cold Spring's  
98.15 water appropriation permit to allow an increase in the city's water withdrawal of 100  
98.16 million gallons per year from city wells 4, 5, and 6, provided a combined reduction of  
98.17 ten million gallons per year is made from city well 3 or water appropriations under any  
98.18 permits held by brewing companies in the Cold Spring Creek area. The city and any other  
98.19 permit holder with permit modifications made under this section must comply with all  
98.20 existing reporting requirements and demonstrate that increased pumping does not result in  
98.21 violations of the Safe Drinking Water Act. The increases under this section are available  
98.22 on an interim basis, not to exceed five years, to allow the city to establish a long-term  
98.23 water supply solution for the city and area businesses.

98.24 (b) The commissioner must conduct necessary monitoring of stream flow and water  
98.25 levels and develop a groundwater model to determine the amount of water that can be  
98.26 sustainably pumped in the area of Cold Spring Creek for area businesses, agriculture, and  
98.27 city needs. Beginning July 1, 2017, the commissioner must submit an annual progress  
98.28 report to the chairs and ranking minority members of the house of representatives and  
98.29 senate committees and divisions with jurisdiction over environment and natural resources.  
98.30 The commissioner must submit a final report by January 15, 2022.

98.31 Sec. 45. **MARINE CARBON MONOXIDE DETECTORS; REPORT.**

98.32 The commissioner of natural resources shall submit a report to the legislature  
98.33 by November 1, 2017. The report must outline any issues encountered relating  
98.34 to implementation of Minnesota Statutes, section 86B.532, any changes to marine

99.1 manufacturing industry standards relating to carbon monoxide, the availability of plug-in  
99.2 or battery-powered marine certified carbon monoxide detectors, and best practices in  
99.3 preventing carbon monoxide poisoning relating to motorboat operation, including the  
99.4 feasibility of requiring carbon monoxide detectors that are more sensitive in measuring  
99.5 carbon monoxide than required in this act.

99.6 **Sec. 46. PRESCRIBED BURN REQUIREMENTS; REPORT.**

99.7 The commissioner of natural resources, in cooperation with prescribed burning  
99.8 professionals, nongovernmental organizations, and local and federal governments, must  
99.9 develop criteria for certifying an entity to conduct a prescribed burn under a general  
99.10 permit. The certification requirements must include training, equipment, and experience  
99.11 requirements and include an apprentice program to allow entities without experience to  
99.12 become certified. The commissioner must establish provisions for decertifying entities.  
99.13 The commissioner must not require additional certification or requirements for burns  
99.14 conducted as part of normal agricultural practices not currently subject to prescribed burn  
99.15 specifications. The commissioner must submit a report with recommendations and any  
99.16 legislative changes needed to the chairs and ranking minority members of the house of  
99.17 representatives and senate committees and divisions with jurisdiction over environment  
99.18 and natural resources by January 15, 2017.

99.19 **Sec. 47. SAND DUNES STATE FOREST; REPORT.**

99.20 (a) Until July 1, 2017, the commissioner of natural resources shall not log, enter into  
99.21 a logging contract, or otherwise remove trees for purposes of creating oak savanna in the  
99.22 Sand Dunes State Forest. This paragraph does not prohibit work done under contracts  
99.23 entered into before the effective date of this section or work on school trust lands.

99.24 (b) By January 15, 2017, the commissioner must submit a report, prepared by  
99.25 the Division of Forestry, to the chairs and ranking minority members of the house of  
99.26 representatives and senate committees and divisions with jurisdiction over environment  
99.27 and natural resources with the Division of Forestry's progress on collaborating with local  
99.28 citizens and other stakeholders over the past year when making decisions that impact  
99.29 the landscape, including forest conversions and other clear-cutting activities, and the  
99.30 division's progress on other citizen engagement activities.

99.31 **EFFECTIVE DATE.** This section is effective the day following final enactment.

99.32 **Sec. 48. LAKE SERVICE PROVIDER FEASIBILITY REPORT.**

100.1 The commissioner of natural resources shall report to the chairs of the house of  
100.2 representatives and senate committees with jurisdiction over natural resources by January  
100.3 15, 2019, regarding the feasibility of expanding permitting to service providers as  
100.4 described in Minnesota Statutes, section 84D.108, subdivision 2a, to other water bodies in  
100.5 the state. The report must:

100.6 (1) include recommendations for state and local resources needed to implement the  
100.7 program;

100.8 (2) assess local government inspection roles under Minnesota Statutes, section  
100.9 84D.105, subdivision 2, paragraph (g); and

100.10 (3) assess whether mechanisms to ensure that water-related equipment placed back  
100.11 into the same body of water from which it was removed can adequately protect other  
100.12 water bodies.

100.13 Sec. 49. **WORKERS' COMPENSATION FOR VOLUNTEERS; REPORT.**

100.14 By January 15, 2017, the commissioner of natural resources, in coordination with  
100.15 the commissioner of labor and industry and the Workers' Compensation Advisory Council,  
100.16 shall make recommendations to the chairs of the house of representatives and senate  
100.17 committees and divisions with jurisdiction over the environment and natural resources on  
100.18 how to clarify the state's liability for workers' compensation in relation to volunteers of  
100.19 nonprofit organizations assisting with providing public services on lands administered  
100.20 by the commissioner of natural resources subject to Minnesota Statutes, section 175.007,  
100.21 subdivision 2.

100.22 Sec. 50. **AGGREGATE RESOURCES TASK FORCE.**

100.23 Subdivision 1. **Creation; membership.** (a) The Aggregate Resources Task Force  
100.24 consists of eight members appointed as follows:

100.25 (1) the speaker of the house shall appoint four members of the house of representatives  
100.26 to include two members of the majority party and two members of the minority party, with  
100.27 one member being the chair of the committee with jurisdiction over aggregate mining; and

100.28 (2) the senate Subcommittee on Committees of the Committee on Rules and  
100.29 Administration shall appoint four members of the senate to include two members of the  
100.30 majority party and two members of the minority party, with one member being the chair of  
100.31 the committee or division with jurisdiction over natural resources finance.

100.32 (b) The appointing authorities must make their respective appointments no later  
100.33 than July 15, 2016.

101.1 (c) The first meeting of the task force must be convened by the chairs of the house  
101.2 of representatives and senate committees specified in paragraph (a) who will serve as  
101.3 cochairs of the task force.

101.4 Subd. 2. **Duties.** The task force must study and provide recommendations on:

101.5 (1) the Department of Natural Resources' and Metropolitan Council's aggregate  
101.6 mapping progress and needs;

101.7 (2) the effectiveness of recent aggregate tax legislation and the use of the revenues  
101.8 collected by counties;

101.9 (3) the use of state funds to preserve aggregate reserves; and

101.10 (4) local land use and permitting issues, environmental review requirements, and the  
101.11 impacts of other state regulations on aggregate reserves.

101.12 Subd. 3. **Report.** No later than January 15, 2018, the task force shall submit a  
101.13 report to the chairs of the house of representatives and senate committees and divisions  
101.14 with jurisdiction over aggregate mining and natural resources finance containing the  
101.15 findings of the study.

101.16 Subd. 4. **Expiration.** The Aggregate Resources Task Force expires 45 days after  
101.17 the report and recommendations are delivered to the legislature or on June 30, 2018,  
101.18 whichever date is earlier.

101.19 **EFFECTIVE DATE.** This section is effective the day following final enactment.

101.20 Sec. 51. **APPROPRIATION REALLOCATION.**

101.21 Notwithstanding Laws 2013, chapter 137, article 3, section 4, paragraph (o), and  
101.22 Laws 2015, First Special Session chapter 2, article 3, section 4, paragraph (b), the  
101.23 Minneapolis Park and Recreation Board may allocate its share of the distribution of fiscal  
101.24 years 2016 and 2017 funds under Minnesota Statutes, section 85.53, subdivision 3, to the  
101.25 Minneapolis Chain of Lakes, Mississippi Gorge, Above the Falls, and Central Mississippi  
101.26 Riverfront Regional Parks in accordance with the most recent priority rankings that the  
101.27 Minneapolis Park and Recreation Board has submitted to the Metropolitan Council. This  
101.28 reallocation of funds is anticipated to result in \$500,000 in federal funds to match extant  
101.29 parks and trails fund appropriations.

101.30 **EFFECTIVE DATE.** This section is effective the day following final enactment.

101.31 Sec. 52. **CITATION.**

101.32 Sections 23, 24, 25, 26, and 45 may be known and cited as "Sophia's Law."

102.1 Sec. 53. **REPEALER.**

102.2 Minnesota Statutes 2014, section 116P.13, is repealed.

102.3 **EFFECTIVE DATE.** This section is effective July 1, 2018, and any funds remaining  
102.4 in the Minnesota future resources fund on July 1, 2018, are transferred to the general fund.

102.5 **ARTICLE 4**

102.6 **PUBLIC SAFETY AND CORRECTIONS**

102.7 Section 1. **APPROPRIATIONS.**

102.8 The sums shown in the column under "Appropriations" are added to the  
102.9 appropriations in Laws 2015, chapter 65, article 1, to the agencies and for the purposes  
102.10 specified in this article. The appropriations are from the general fund, or another named  
102.11 fund, and are available for the fiscal years indicated for each purpose. The figures "2016"  
102.12 and "2017" used in this article mean that the addition to the appropriation listed under  
102.13 them is available for the fiscal year ending June 30, 2016, or June 30, 2017, respectively.  
102.14 Supplemental appropriations for the fiscal year ending June 30, 2016, are effective the  
102.15 day following final enactment.

102.16		<b><u>APPROPRIATIONS</u></b>	
102.17		<b><u>Available for the Year</u></b>	
102.18		<b><u>Ending June 30</u></b>	
102.19		<b><u>2016</u></b>	<b><u>2017</u></b>

102.20	Sec. 2. <b><u>SUPREME COURT</u></b>	<b><u>\$</u></b>	<b><u>-0-</u></b>	<b><u>\$</u></b>	<b><u>1,000,000</u></b>
--------	-------------------------------------	------------------	-------------------	------------------	-------------------------

102.21 For a competitive grant program established  
102.22 by the chief justice for the distribution of  
102.23 safe and secure courthouse fund grants to  
102.24 government entities responsible for providing  
102.25 or maintaining a courthouse or other facility  
102.26 where court proceedings are held. Grant  
102.27 recipients must provide a 50 percent nonstate  
102.28 match. This is a onetime appropriation and is  
102.29 available until June 30, 2019.

102.30	Sec. 3. <b><u>DISTRICT COURTS</u></b>	<b><u>\$</u></b>	<b><u>-0-</u></b>	<b><u>\$</u></b>	<b><u>1,547,000</u></b>
--------	---------------------------------------	------------------	-------------------	------------------	-------------------------

102.31 To increase the juror per diem to \$20 and the  
102.32 juror mileage reimbursement rate to 54 cents  
102.33 per mile.

103.1	Sec. 4. <b><u>GUARDIAN AD LITEM BOARD</u></b>	<b><u>\$</u></b>	<b><u>-0-</u></b>	<b><u>\$</u></b>	<b><u>878,000</u></b>
103.2	<u>To hire additional guardians ad litem to</u>				
103.3	<u>comply with federal and state mandates,</u>				
103.4	<u>and court orders for representing the best</u>				
103.5	<u>interests of children in juvenile and family</u>				
103.6	<u>court proceedings.</u>				
103.7	Sec. 5. <b><u>HUMAN RIGHTS</u></b>	<b><u>\$</u></b>	<b><u>-0-</u></b>	<b><u>\$</u></b>	<b><u>180,000</u></b>
103.8	<u>For a St. Cloud office.</u>				
103.9	Sec. 6. <b><u>CORRECTIONS</u></b>				
103.10	Subdivision 1. <b><u>Total Appropriation</u></b>	<b><u>\$</u></b>	<b><u>4,341,000</u></b>	<b><u>\$</u></b>	<b><u>15,426,000</u></b>
103.11	<u>The amounts that may be spent for each</u>				
103.12	<u>purpose are specified in the following</u>				
103.13	<u>subdivisions.</u>				
103.14	Subd. 2. <b><u>Correctional Institutions</u></b>		<b><u>4,037,000</u></b>		<b><u>10,671,000</u></b>
103.15	<b><u>(a) Employee Compensation</u></b>				
103.16	<u>\$1,427,000 in fiscal year 2016 and</u>				
103.17	<u>\$7,512,000 in fiscal year 2017 are for</u>				
103.18	<u>employee compensation.</u>				
103.19	<b><u>(b) Challenge Incarceration Expansion</u></b>				
103.20	<u>\$2,610,000 in fiscal year 2016 and \$2,757,000</u>				
103.21	<u>in fiscal year 2017 are to increase capacity</u>				
103.22	<u>in the challenge incarceration program. The</u>				
103.23	<u>base for this activity is \$3,263,000 in fiscal</u>				
103.24	<u>year 2018 and \$3,623,000 in fiscal year 2019.</u>				
103.25	<b><u>(c) 24-Hour Nursing</u></b>				
103.26	<u>\$375,000 in fiscal year 2017 is for 24-hour</u>				
103.27	<u>nursing coverage seven days a week at</u>				
103.28	<u>MCF-Shakopee.</u>				
103.29	Subd. 3. <b><u>Community Services</u></b>		<b><u>241,000</u></b>		<b><u>2,566,000</u></b>
103.30	<b><u>(a) Employee Compensation</u></b>				

104.1 \$241,000 in fiscal year 2016 and \$860,000  
 104.2 in fiscal year 2017 are for employee  
 104.3 compensation.

104.4 **(b) Challenge Incarceration Expansion**

104.5 \$406,000 in fiscal year 2017 is to increase  
 104.6 capacity in the challenge incarceration  
 104.7 program.

104.8 **(c) Reentry and Halfway Houses**

104.9 \$300,000 in fiscal year 2017 is for grants to  
 104.10 counties or groups of counties for reentry and  
 104.11 halfway house services. Eligible programs  
 104.12 must be proven to reduce recidivism. Grant  
 104.13 recipients must provide a 50 percent nonstate  
 104.14 match.

104.15 **(d) High-Risk Revocation Reduction**

104.16 **Program**

104.17 \$1,000,000 in fiscal year 2017 is to establish  
 104.18 a high-risk revocation reduction program in  
 104.19 the metropolitan area. The program shall  
 104.20 provide sustained case planning, housing  
 104.21 assistance, employment assistance, group  
 104.22 mentoring, life skills programming, and  
 104.23 transportation assistance to adult release  
 104.24 violators who are being released from prison.

104.25 **Subd. 4. Operations Support**

63,000

2,189,000

104.26 **(a) Employee Compensation**

104.27 \$63,000 in fiscal year 2016 and \$339,000  
 104.28 in fiscal year 2017 are for employee  
 104.29 compensation.

104.30 **(b) Information Technology Critical**

104.31 **Updates**

105.1 \$1,850,000 in fiscal year 2017 is for  
 105.2 information technology upgrades and  
 105.3 staffing. This is a onetime appropriation.

105.4 Sec. 7. **PUBLIC SAFETY** **\$** **-0-** **\$** **6,100,000**

105.5	<u>Appropriations by Fund</u>		
105.6	<u>General</u>	<u>-0-</u>	<u>1,600,000</u>
105.7	<u>Trunk Highway</u>	<u>-0-</u>	<u>4,500,000</u>

105.8 The amounts that may be spent for each  
 105.9 purpose are specified in the following  
 105.10 paragraphs.

105.11 **(a) DNA Laboratory**

105.12 \$630,000 is for the Bureau of Criminal  
 105.13 Apprehension DNA laboratory, including the  
 105.14 addition of six forensic scientists. The base  
 105.15 for this activity is \$1,000,000 in each of the  
 105.16 fiscal years 2018 and 2019 for eight forensic  
 105.17 scientists.

105.18 **(b) Children In Need of Services or in**  
 105.19 **Out-Of-Home Placement**

105.20 \$150,000 is for a grant to an organization  
 105.21 that provides legal representation to children  
 105.22 in need of protection or services and children  
 105.23 in out-of-home placement. The grant is  
 105.24 contingent upon a match in an equal amount  
 105.25 from nonstate funds. The match may be  
 105.26 in kind, including the value of volunteer  
 105.27 attorney time, or in cash, or in a combination  
 105.28 of the two.

105.29 **(c) Sex Trafficking**

105.30 \$820,000 is for grants to state and local units  
 105.31 of government for the following purposes:

106.1 (1) to support new or existing  
106.2 multijurisdictional entities to investigate sex  
106.3 trafficking crimes; and  
106.4 (2) to provide technical assistance for  
106.5 sex trafficking crimes, including training  
106.6 and case consultation, to law enforcement  
106.7 agencies statewide.  
106.8 **(d) State Patrol**  
106.9 \$4,500,000 is from the trunk highway fund  
106.10 to recruit, hire, train, and equip a State  
106.11 Patrol Academy. This amount is added to  
106.12 the appropriation in Laws 2015, chapter 75,  
106.13 article 1, section 5, subdivision 3. The base  
106.14 appropriation from the trunk highway fund  
106.15 for patrolling highways in each of fiscal  
106.16 years 2018 and 2019 is \$87,492,000, which  
106.17 includes \$4,500,000 each year for a State  
106.18 Patrol Academy.

106.19 Sec. 8. Minnesota Statutes 2014, section 171.07, subdivision 6, is amended to read:

106.20 Subd. 6. **Medical alert identifier.** Upon the written request of the applicant, the  
106.21 department shall issue a driver's license or Minnesota identification card bearing a graphic  
106.22 or written medical alert identifier. The applicant must request the medical alert identifier at  
106.23 the time the photograph or electronically produced image is taken. No specific medical  
106.24 information will be contained on the driver's license or Minnesota identification card.

106.25 Sec. 9. Minnesota Statutes 2014, section 171.07, subdivision 7, is amended to read:

106.26 Subd. 7. **Living Will/Health Care Directive designation.** (a) At the written request  
106.27 of the applicant and on payment of the required fee, the department shall issue, renew, or  
106.28 reissue a driver's license or Minnesota identification card bearing the graphic or written  
106.29 designation of a "Living Will/Health Care Directive" or an abbreviation thereof. The  
106.30 designation does not constitute delivery of a health care declaration under section 145B.05.

106.31 (b) On payment of the required fee, the department shall issue a replacement or  
106.32 renewal license or identification card without the designation if requested by the applicant.

107.1 (c) This subdivision does not impose any additional duty on a health care provider,  
107.2 as defined in section 145B.02, subdivision 6, or 145C.01, subdivision 6, beyond the duties  
107.3 imposed in chapter 145B or 145C.

107.4 (d) For the purposes of this subdivision:

107.5 (1) "living will" means a declaration made under section 145B.03; and

107.6 (2) "health care directive" means a durable power of attorney for health care under  
107.7 section 145C.02, or any other written advance health care directive of the applicant that is  
107.8 authorized by statute or not prohibited by law.

107.9 Sec. 10. Minnesota Statutes 2014, section 171.07, subdivision 15, is amended to read:

107.10 Subd. 15. **Veteran designation.** (a) At the request of an eligible applicant and on  
107.11 payment of the required fee, the department shall issue, renew, or reissue to the applicant a  
107.12 driver's license or Minnesota identification card bearing a graphic or written designation of:

107.13 (1) "Veteran"; or

107.14 (2) "Veteran 100% T&P."

107.15 (b) At the time of the initial application for the designation provided under this  
107.16 subdivision, the applicant must:

107.17 (1) be a veteran, as defined in section 197.447;

107.18 (2) have a certified copy of the veteran's discharge papers; and

107.19 (3) if the applicant is seeking the disability designation under paragraph (a), clause  
107.20 (2), provide satisfactory evidence of a 100 percent total and permanent service-connected  
107.21 disability as determined by the United States Department of Veterans Affairs.

107.22 (c) The commissioner of public safety is required to issue drivers' licenses and  
107.23 Minnesota identification cards with the veteran designation only after entering a new  
107.24 contract or in coordination with producing a new card design with modifications made  
107.25 as required by law.

107.26 Sec. 11. Minnesota Statutes 2014, section 243.166, subdivision 1b, is amended to read:

107.27 Subd. 1b. **Registration required.** (a) A person shall register under this section if:

107.28 (1) the person was charged with or petitioned for a felony violation of or attempt to  
107.29 violate, or aiding, abetting, or conspiracy to commit, any of the following, and convicted  
107.30 of or adjudicated delinquent for that offense or another offense arising out of the same  
107.31 set of circumstances:

107.32 (i) murder under section 609.185, paragraph (a), clause (2);

107.33 (ii) kidnapping under section 609.25;

108.1 (iii) criminal sexual conduct under section 609.342; 609.343; 609.344; 609.345;  
108.2 609.3451, subdivision 3; or 609.3453; or

108.3 (iv) indecent exposure under section 617.23, subdivision 3;

108.4 (2) the person was charged with or petitioned for a violation of, or attempt to  
108.5 violate, or aiding, abetting, or conspiring to commit criminal abuse in violation of section  
108.6 609.2325, subdivision 1, paragraph (b); false imprisonment in violation of section  
108.7 609.255, subdivision 2; solicitation, inducement, or promotion of the prostitution of a  
108.8 minor or engaging in the sex trafficking of a minor in violation of section 609.322; a  
108.9 prostitution offense ~~involving a minor under the age of 13 years~~ in violation of section  
108.10 609.324, subdivision 1, paragraph (a); soliciting a minor to engage in sexual conduct in  
108.11 violation of section 609.352, subdivision 2 or 2a, clause (1); using a minor in a sexual  
108.12 performance in violation of section 617.246; or possessing pornographic work involving a  
108.13 minor in violation of section 617.247, and convicted of or adjudicated delinquent for that  
108.14 offense or another offense arising out of the same set of circumstances;

108.15 (3) the person was sentenced as a patterned sex offender under section 609.3455,  
108.16 subdivision 3a; or

108.17 (4) the person was charged with or petitioned for, including pursuant to a court  
108.18 martial, violating a law of the United States, including the Uniform Code of Military Justice,  
108.19 similar to the offenses described in clause (1), (2), or (3), and convicted of or adjudicated  
108.20 delinquent for that offense or another offense arising out of the same set of circumstances.

108.21 (b) A person also shall register under this section if:

108.22 (1) the person was charged with or petitioned for an offense in another state that  
108.23 would be a violation of a law described in paragraph (a) if committed in this state and  
108.24 convicted of or adjudicated delinquent for that offense or another offense arising out  
108.25 of the same set of circumstances;

108.26 (2) the person enters this state to reside, work, or attend school, or enters this state  
108.27 and remains for 14 days or longer; and

108.28 (3) ten years have not elapsed since the person was released from confinement  
108.29 or, if the person was not confined, since the person was convicted of or adjudicated  
108.30 delinquent for the offense that triggers registration, unless the person is subject to a longer  
108.31 registration period under the laws of another state in which the person has been convicted  
108.32 or adjudicated, or is subject to lifetime registration.

108.33 If a person described in this paragraph is subject to a longer registration period  
108.34 in another state or is subject to lifetime registration, the person shall register for that  
108.35 time period regardless of when the person was released from confinement, convicted, or  
108.36 adjudicated delinquent.

109.1 (c) A person also shall register under this section if the person was committed  
109.2 pursuant to a court commitment order under Minnesota Statutes 2012, section 253B.185,  
109.3 chapter 253D, Minnesota Statutes 1992, section 526.10, or a similar law of another state  
109.4 or the United States, regardless of whether the person was convicted of any offense.

109.5 (d) A person also shall register under this section if:

109.6 (1) the person was charged with or petitioned for a felony violation or attempt to  
109.7 violate any of the offenses listed in paragraph (a), clause (1), or a similar law of another  
109.8 state or the United States, or the person was charged with or petitioned for a violation of  
109.9 any of the offenses listed in paragraph (a), clause (2), or a similar law of another state or  
109.10 the United States;

109.11 (2) the person was found not guilty by reason of mental illness or mental deficiency  
109.12 after a trial for that offense, or found guilty but mentally ill after a trial for that offense, in  
109.13 states with a guilty but mentally ill verdict; and

109.14 (3) the person was committed pursuant to a court commitment order under section  
109.15 253B.18 or a similar law of another state or the United States.

109.16 **EFFECTIVE DATE.** This section is effective August 1, 2016, and applies to crimes  
109.17 committed on or after that date.

109.18 Sec. 12. **[325E.041] SENSORY TESTING RESEARCH.**

109.19 **Subdivision 1. Definitions.** For purposes of this section, the following terms have  
109.20 the meanings given:

109.21 (1) "sensory testing firm" means a business that tests consumer reaction to physical  
109.22 aspects of products for a third-party client;

109.23 (2) "trained sensory assessors" means members of the public at least 21 years of age  
109.24 selected by sensory testing firms and trained for a minimum of one hour to test products;

109.25 (3) "sensory testing facility" means a facility specifically designed as a controlled  
109.26 environment for testing; and

109.27 (4) "department" means the Department of Public Safety.

109.28 **Subd. 2. Allowed activities.** Notwithstanding any law to the contrary, a sensory  
109.29 testing firm may possess and may purchase alcohol at retail or wholesale, and may allow  
109.30 consumption of that alcohol, by trained sensory assessors for testing purposes at their  
109.31 facility, provided that:

109.32 (1) the firm must comply with section 340A.409 and all other state laws that do not  
109.33 conflict with this section;

109.34 (2) firms choosing to serve alcohol must be licensed by the department, which may  
109.35 assess a fee sufficient to cover costs; and

110.1 (3) records of testing protocols must be retained by the firm for at least one year.

110.2 **EFFECTIVE DATE.** This section is effective the day following final enactment.

110.3 Sec. 13. Minnesota Statutes 2014, section 484.90, subdivision 6, is amended to read:

110.4 Subd. 6. **Allocation.** (a) In all cases prosecuted in district court by an attorney for a  
110.5 municipality or other subdivision of government within the county for violations of state  
110.6 statute, or of an ordinance; or charter provision, rule, or regulation of a city; all fines,  
110.7 penalties, and forfeitures collected shall be deposited in the state treasury and distributed  
110.8 according to this paragraph. For the purpose of this section, the county attorney shall be  
110.9 considered the attorney for any town in which a violation occurs. Except where a different  
110.10 disposition is provided by section 299D.03, subdivision 5, 484.841, 484.85, or other law,  
110.11 on or before the last day of each month, the courts shall pay over all fines, penalties, and  
110.12 forfeitures collected by the court administrator during the previous month as follows:

110.13 (1) 100 percent of all fines or penalties for parking violations for which complaints  
110.14 and warrants have not been issued to the treasurer of the city or town in which the offense  
110.15 was committed; and

110.16 (2) two-thirds of all other fines to the treasurer of the city or town in which the  
110.17 offense was committed and one-third credited to the state general fund.

110.18 All other fines, penalties, and forfeitures collected by the court administrator shall be  
110.19 distributed by the courts as provided by law.

110.20 (b) Fines, penalties, and forfeitures shall be distributed as provided in paragraph  
110.21 (a) when:

110.22 (1) a city contracts with the county attorney for prosecutorial services under section  
110.23 484.87, subdivision 3;

110.24 (2) a city has a population of 600 or less and has given the duty to prosecute cases to  
110.25 the county attorney under section 484.87; or

110.26 (3) the attorney general provides assistance to the county attorney as permitted by law.

110.27 Sec. 14. **[609.2233] FELONY ASSAULT MOTIVATED BY BIAS; INCREASED**  
110.28 **STATUTORY MAXIMUM SENTENCE.**

110.29 A person who violates section 609.221, 609.222, or 609.223 because of the victim's  
110.30 or another person's actual or perceived race, color, religion, sex, sexual orientation,  
110.31 disability as defined in section 363A.03, age, or national origin is subject to a statutory  
110.32 maximum penalty of 25 percent longer than the maximum penalty otherwise applicable.

111.1 **EFFECTIVE DATE.** This section is effective August 1, 2016, and applies to crimes  
111.2 committed on or after that date.

111.3 Sec. 15. Minnesota Statutes 2015 Supplement, section 609.324, subdivision 1, is  
111.4 amended to read:

111.5 Subdivision 1. **Engaging in, hiring, or agreeing to hire minor to engage in**  
111.6 **prostitution; penalties.** (a) Whoever intentionally does any of the following may be  
111.7 sentenced to imprisonment for not more than 20 years or to payment of a fine of not  
111.8 more than \$40,000, or both:

111.9 (1) engages in prostitution with an individual under the age of 13 years; ~~or~~

111.10 (2) hires or offers or agrees to hire an individual under the age of 13 years to engage  
111.11 in sexual penetration or sexual contact; or

111.12 (3) hires or offers or agrees to hire an individual who the actor reasonably believes  
111.13 to be under the age of 13 years to engage in sexual penetration or sexual contact.

111.14 (b) Whoever intentionally does any of the following may be sentenced to  
111.15 imprisonment for not more than ten years or to payment of a fine of not more than  
111.16 \$20,000, or both:

111.17 (1) engages in prostitution with an individual under the age of 16 years but at least  
111.18 13 years; ~~or~~

111.19 (2) hires or offers or agrees to hire an individual under the age of 16 years but at  
111.20 least 13 years to engage in sexual penetration or sexual contact; or

111.21 (3) hires or offers or agrees to hire an individual who the actor reasonably believes  
111.22 to be under the age of 16 years but at least 13 years to engage in sexual penetration or  
111.23 sexual contact.

111.24 (c) Whoever intentionally does any of the following may be sentenced to  
111.25 imprisonment for not more than five years or to payment of a fine of not more than  
111.26 \$10,000, or both:

111.27 (1) engages in prostitution with an individual under the age of 18 years but at least  
111.28 16 years;

111.29 (2) hires or offers or agrees to hire an individual under the age of 18 years but at  
111.30 least 16 years to engage in sexual penetration or sexual contact; or

111.31 (3) hires or offers or agrees to hire an individual who the actor reasonably believes  
111.32 to be under the age of 18 years but at least 16 years to engage in sexual penetration or  
111.33 sexual contact.

111.34 **EFFECTIVE DATE.** This section is effective August 1, 2016, and applies to crimes  
111.35 committed on or after that date.

112.1 Sec. 16. Laws 2015, chapter 65, article 1, section 18, is amended to read:

112.2 **Sec. 18. AVIAN INFLUENZA AND**  
 112.3 **AGRICULTURAL EMERGENCY**  
 112.4 **RESPONSE.**

112.5 Notwithstanding Minnesota Statutes, section  
 112.6 12.221, subdivision 6, ~~for fiscal years~~  
 112.7 ~~2016 and 2017~~ through June 30, 2019,  
 112.8 only, the disaster contingency account,  
 112.9 under Minnesota Statutes, section 12.221,  
 112.10 subdivision 6, may be used to pay for  
 112.11 costs of ~~eligible avian influenza~~ emergency  
 112.12 response activities for avian influenza and  
 112.13 any agricultural emergency. By January 15,  
 112.14 2018, and again by January 15, 2020, the  
 112.15 commissioner of management and budget  
 112.16 must report to the chairs and ranking minority  
 112.17 members of the senate Finance Committee  
 112.18 and the house of representatives Committee  
 112.19 on Ways and Means on any amount used  
 112.20 ~~for avian influenza~~ the purposes authorized  
 112.21 under this section.

112.22 **Sec. 17. ST. CLOUD STATE UNIVERSITY; SPECIAL LICENSE.**

112.23 Notwithstanding any other law, local ordinance, or charter provision to the contrary,  
 112.24 the city of St. Cloud may issue an on-sale wine and malt liquor intoxicating liquor license  
 112.25 to St. Cloud State University. A license authorized by this section may be issued for space  
 112.26 that is not compact and contiguous, provided that all the space is within the boundaries of  
 112.27 the campus of St. Cloud State University and is included in the description of the licensed  
 112.28 premises on the approved license application. The license under this section authorizes  
 112.29 sales on all days of the week to persons attending events at Herb Brooks National Hockey  
 112.30 Center, subject to the hours and days of sale restrictions in Minnesota Statutes, and any  
 112.31 reasonable license conditions or restrictions imposed by the licensing authority. All other  
 112.32 provisions of Minnesota Statutes not inconsistent with this section apply to the license  
 112.33 authorized under this section.

113.1 **EFFECTIVE DATE.** This section is effective upon approval by the St. Cloud City  
113.2 Council in the manner provided by Minnesota Statutes, section 645.021, subdivisions  
113.3 2 and 3.

113.4 Sec. 18. **INDIAFEST; SPECIAL LICENSE.**

113.5 Notwithstanding any other law, local ordinance, or charter provision to the contrary,  
113.6 the city of St. Paul may issue a temporary on-sale intoxicating liquor license to the India  
113.7 Association of Minnesota, a nonprofit 501(c)(3) organization, for Indiafest on the grounds  
113.8 of the State Capitol. The license may authorize only the sale of intoxicating malt liquor  
113.9 and wine. All provisions of Minnesota Statutes not inconsistent with this section apply  
113.10 to the license authorized by this section.

113.11 **EFFECTIVE DATE.** This section is effective upon approval by the St. Paul City  
113.12 Council and compliance with Minnesota Statutes, section 645.021.

113.13 Sec. 19. **MAJOR LEAGUE SOCCER STADIUM; SPECIAL LICENSE.**

113.14 Notwithstanding any other law, local ordinance, or charter provision to the contrary,  
113.15 the city of St. Paul may issue an on-sale intoxicating liquor license to the operator of the  
113.16 Major League Soccer stadium located in the city of St. Paul or to entities affiliated with it  
113.17 for operation of food and beverage concessions at the stadium. The license may authorize  
113.18 sales both to persons attending any and all events, and sales in a restaurant, bar, or banquet  
113.19 facility at the stadium. The license authorizes sales on all days of the week. All provisions  
113.20 of Minnesota Statutes not inconsistent with this section apply to the license under this  
113.21 section. The license may be issued for a space that is not compact and contiguous,  
113.22 provided that the licensed premises may include only the space within the stadium or on  
113.23 stadium premises or grounds, as described in the approved license application.

113.24 **EFFECTIVE DATE.** This section is effective upon approval by the St. Paul City  
113.25 Council and compliance with Minnesota Statutes, section 645.021.

113.26 Sec. 20. **JANESVILLE; SPECIAL LICENSE.**

113.27 Notwithstanding any law or ordinance to the contrary, the city of Janesville may  
113.28 issue an on-sale intoxicating liquor license for the Prairie Ridge Golf Club that is located  
113.29 at 2000 North Main Street and is owned by the city. The provisions of Minnesota Statutes  
113.30 not inconsistent with this section apply to the license issued under this section. The city  
113.31 of Janesville is deemed the licensee under this section, and the relevant provisions of

114.1 Minnesota Statutes apply to the licensee as if the establishment were a municipal liquor  
114.2 store.

114.3 **EFFECTIVE DATE.** This section is effective upon approval by the Janesville City  
114.4 Council and compliance with Minnesota Statutes, section 645.021.

114.5 Sec. 21. **CITY OF MINNEAPOLIS; SPECIAL LICENSE.**

114.6 The city of Minneapolis may issue an on-sale intoxicating liquor license to a  
114.7 restaurant located at 5000 Hiawatha Avenue, notwithstanding any law or local ordinance  
114.8 or charter provision to the contrary.

114.9 **EFFECTIVE DATE.** This section is effective upon approval by the Minneapolis  
114.10 City Council and compliance with Minnesota Statutes, section 645.021.

114.11 Sec. 22. **REPEALER.**

114.12 Special Laws 1891, chapter 57, chapter XII, section 5, is repealed.

114.13 **EFFECTIVE DATE.** This section is effective upon approval by the Duluth City  
114.14 Council and compliance with Minnesota Statutes, section 645.021.

114.15 **ARTICLE 5**

114.16 **BROADBAND DEVELOPMENT**

114.17 Section 1. **DEPARTMENT OF**  
114.18 **EMPLOYMENT AND ECONOMIC**  
114.19 **DEVELOPMENT**

\$ -0- \$ 35,000,000

114.20 **Border-To-Border Broadband**

114.21 **Development Program.** (a) \$35,000,000 in  
114.22 fiscal year 2017 is from the general fund for  
114.23 deposit in the border-to-border broadband  
114.24 fund account under Minnesota Statutes,  
114.25 section 116J.396, to award grants under  
114.26 that section. Of this appropriation, no more  
114.27 than \$5,000,000 may be used for grants to  
114.28 underserved areas. Of this appropriation, up  
114.29 to \$1,000,000 may be used for administrative  
114.30 costs, including mapping. This is a onetime  
114.31 appropriation.

115.1 (b) \$500,000 may be awarded to projects  
115.2 that propose to expand the availability and  
115.3 adoption of broadband service to areas  
115.4 that contain a significant proportion of  
115.5 low-income households. For the purposes  
115.6 of this paragraph, "low-income households"  
115.7 means households whose household income  
115.8 is less than or equal to 200 percent of the  
115.9 most recent calculation of the United States  
115.10 federal poverty guidelines published by the  
115.11 United States Department of Health and  
115.12 Human Services, adjusted for family size.  
115.13 (c) If grant awards in any area are insufficient  
115.14 to fully expend the funds available for  
115.15 that area, the commissioner may reallocate  
115.16 unexpended funds to other areas.

115.17 Sec. 2. Minnesota Statutes 2015 Supplement, section 116J.394, is amended to read:

115.18 **116J.394 DEFINITIONS.**

115.19 (a) For the purposes of sections 116J.394 to ~~116J.396~~ 116J.398, the following terms  
115.20 have the meanings given them.

115.21 (b) "Broadband" or "broadband service" has the meaning given in section 116J.39,  
115.22 subdivision 1, paragraph (b).

115.23 (c) "Broadband infrastructure" means networks of deployed telecommunications  
115.24 equipment and technologies necessary to provide high-speed Internet access and other  
115.25 advanced telecommunications services for end users.

115.26 (d) "Commissioner" means the commissioner of employment and economic  
115.27 development.

115.28 (e) "Last-mile infrastructure" means broadband infrastructure that serves as the  
115.29 final leg connecting the broadband service provider's network to the end-use customer's  
115.30 on-premises telecommunications equipment.

115.31 (f) "Middle-mile infrastructure" means broadband infrastructure that links a  
115.32 broadband service provider's core network infrastructure to last-mile infrastructure.

115.33 (g) "Political subdivision" means any county, city, town, school district, special  
115.34 district or other political subdivision, or public corporation.

116.1 (h) "Underserved areas" means areas of Minnesota in which households or  
116.2 businesses lack access to wire-line broadband service at speeds ~~that meet the state~~  
116.3 ~~broadband goals of ten to 20~~ at least 100 megabits per second download and five to ten  
116.4 at least 20 megabits per second upload.

116.5 (i) "Unserved areas" means areas of Minnesota in which households or businesses  
116.6 lack access to wire-line broadband service, as defined in section 116J.39.

116.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.

116.8 Sec. 3. Minnesota Statutes 2014, section 116J.395, subdivision 4, is amended to read:

116.9 Subd. 4. **Application process.** (a) An eligible applicant must submit an application  
116.10 to the commissioner on a form prescribed by the commissioner. The commissioner shall  
116.11 develop administrative procedures governing the application and grant award process.  
116.12 The commissioner shall act as fiscal agent for the grant program and shall be responsible  
116.13 for receiving and reviewing grant applications and awarding grants under this section.

116.14 (b) At least 30 days prior to the first day applications may be submitted each fiscal  
116.15 year, the commissioner must publish on the department's Web site the specific criteria  
116.16 and any quantitative weighting scheme or scoring system the commissioner will use to  
116.17 evaluate or rank applications and award grants under subdivision 6.

116.18 **EFFECTIVE DATE.** This section is effective the day following final enactment.

116.19 Sec. 4. Minnesota Statutes 2014, section 116J.395, subdivision 5, is amended to read:

116.20 Subd. 5. **Application contents.** An applicant for a grant under this section shall  
116.21 provide the following information on the application:

116.22 (1) the location of the project;

116.23 (2) the kind and amount of broadband infrastructure to be purchased for the project;

116.24 (3) evidence regarding the unserved or underserved nature of the community in  
116.25 which the project is to be located;

116.26 (4) the number of households passed that will have access to broadband service as a  
116.27 result of the project, or whose broadband service will be upgraded as a result of the project;

116.28 (5) significant community institutions that will benefit from the proposed project;

116.29 (6) evidence of community support for the project;

116.30 (7) the total cost of the project;

116.31 (8) sources of funding or in-kind contributions for the project that will supplement  
116.32 any grant award; ~~and~~

117.1 (9) evidence that no later than six weeks before submission of the application the  
117.2 applicant contacted, in writing, all entities providing broadband service in the proposed  
117.3 project area to ask for each broadband service provider's plan to upgrade broadband service  
117.4 in the project area to speeds that meet or exceed the state's broadband speed goals in section  
117.5 237.012, subdivision 1, within the time frame specified in the proposed grant activities;

117.6 (10) the broadband service providers' written responses to the inquiry made under  
117.7 clause (9); and

117.8 (11) any additional information requested by the commissioner.

117.9 **EFFECTIVE DATE.** This section is effective the day following final enactment.

117.10 Sec. 5. Minnesota Statutes 2014, section 116J.395, is amended by adding a subdivision  
117.11 to read:

117.12 Subd. 5a. **Challenge process.** (a) Within three days of the close of the grant  
117.13 application process, the office shall publish on its Web site the proposed geographic  
117.14 broadband service area and the proposed broadband service speeds for each application  
117.15 submitted.

117.16 (b) An existing broadband service provider in or proximate to the proposed project  
117.17 area may, within 30 days of publication of the information under paragraph (a), submit  
117.18 in writing to the commissioner a challenge to an application. A challenge must contain  
117.19 information demonstrating that:

117.20 (1) the provider currently provides or has begun construction to provide broadband  
117.21 service to the proposed project area at speeds equal to or greater than the state speed goal  
117.22 contained in section 237.012, subdivision 1; or

117.23 (2) the provider commits to complete construction of broadband infrastructure and  
117.24 provide broadband service in the proposed project area at speeds equal to or greater than  
117.25 the state speed goal contained in section 237.012, subdivision 1, no later than 18 months  
117.26 after the date grant awards are made under this section for the grant cycle under which the  
117.27 application was submitted.

117.28 (c) The commissioner must evaluate the information submitted in a provider's  
117.29 challenge under this section, and is prohibited from funding a project if the commissioner  
117.30 determines that the provider's commitment to provide broadband service that meets the  
117.31 requirements of paragraph (b) in the proposed project area is credible.

117.32 (d) If the commissioner denies funding to an applicant as a result of a broadband  
117.33 service provider's challenge made under this section, and the broadband service provider  
117.34 does not fulfill the provider's commitment to provide broadband service in the project  
117.35 area, the commissioner is prohibited from denying funding to an applicant as a result of

118.1 a challenge by the same broadband service provider for the following two grant cycles,  
118.2 unless the commissioner determines that the broadband service provider's failure to  
118.3 fulfill the provider's commitment was the result of factors beyond the broadband service  
118.4 provider's control.

118.5 **EFFECTIVE DATE.** This section is effective the day following final enactment.

118.6 Sec. 6. Minnesota Statutes 2014, section 116J.395, is amended by adding a subdivision  
118.7 to read:

118.8 **Subd. 8. Application evaluation report.** By June 30 of each year, the Office of  
118.9 Broadband Development shall publish on the Department of Employment and Economic  
118.10 Development's Web site and provide to the chairs and ranking minority members of the  
118.11 senate and house of representatives committees with primary jurisdiction over broadband  
118.12 a list of all applications for grants under this section received during the previous year  
118.13 and, for each application:

118.14 (1) the results of any quantitative weighting scheme or scoring system the  
118.15 commissioner used to award grants or rank the applications;

118.16 (2) the grant amount requested; and

118.17 (3) the grant amount awarded, if any.

118.18 **EFFECTIVE DATE.** This section is effective the day following final enactment.

118.19 The initial report submission required under this section is due June 30, 2016.

118.20 Sec. 7. **[116J.397] UPDATED BROADBAND DEPLOYMENT DATA AND MAPS.**

118.21 (a) Beginning in 2016 and continuing each year thereafter, the Office of Broadband  
118.22 Development shall contract with one or more independent organizations that have  
118.23 extensive experience working with Minnesota broadband providers to:

118.24 (1) collect broadband deployment data from Minnesota providers, verify its accuracy  
118.25 through on-the-ground testing, and create state and county maps available to the public by  
118.26 April 15, 2017, and each April 15 thereafter, showing the availability of broadband service  
118.27 at various upload and download speeds throughout Minnesota;

118.28 (2) analyze the deployment data collected to help inform future investments in  
118.29 broadband infrastructure; and

118.30 (3) conduct business and residential surveys that measure broadband adoption and  
118.31 use in the state.

119.1 (b) Data provided by a broadband provider under this section is nonpublic data  
119.2 under section 13.02, subdivision 9. Maps produced under this paragraph are public data  
119.3 under section 13.03.

119.4 **EFFECTIVE DATE.** This section is effective the day following final enactment.

119.5 Sec. 8. **[116J.398] BROADBAND PREVAILING WAGE EXEMPTION.**

119.6 Notwithstanding any other law to the contrary, section 116J.871 does not apply  
119.7 to a project receiving a grant under section 116J.395 for the construction, installation,  
119.8 remodeling, and repair of last-mile infrastructure, as defined under section 116J.394,  
119.9 paragraph (e).

119.10 **EFFECTIVE DATE.** This section is effective the day following final enactment.

119.11 Sec. 9. Minnesota Statutes 2014, section 237.012, is amended to read:

119.12 **237.012 BROADBAND GOALS.**

119.13 Subdivision 1. **Universal access and high-speed goal.** It is a state goal that as  
119.14 ~~soon as possible, but no later than 2015, all state residents and businesses have access to~~  
119.15 ~~high-speed broadband that provides minimum download speeds of ten to 20 megabits per~~  
119.16 ~~second and minimum upload speeds of five to ten megabits per second.;~~

119.17 (1) no later than 2022, all Minnesota businesses and homes have access to  
119.18 high-speed broadband that provides minimum download speeds of at least 25 megabits  
119.19 per second and minimum upload speeds of at least three megabits per second; and

119.20 (2) no later than 2026, all Minnesota businesses and homes have access to at least  
119.21 one provider of broadband with download speeds of at least 100 megabits per second and  
119.22 upload speeds of at least 20 megabits per second.

119.23 Subd. 2. **State broadband leadership position.** It is a goal of the state that by  
119.24 ~~2015~~ 2022 and thereafter, the state be in:

119.25 (1) the top five states of the United States for broadband speed universally accessible  
119.26 to residents and businesses;

119.27 (2) the top five states for broadband access; and

119.28 (3) the top 15 when compared to countries globally for broadband penetration.

119.29 **EFFECTIVE DATE.** This section is effective the day following final enactment.

120.1 **ARTICLE 6**120.2 **ENERGY**

120.3 Section 1. Minnesota Statutes 2014, section 115C.09, subdivision 1, is amended to read:

120.4 Subdivision 1. **Reimbursable costs.** (a) The board shall provide reimbursement to  
120.5 eligible applicants for reimbursable costs.

120.6 (b) The following costs are reimbursable for purposes of this chapter:

120.7 (1) corrective action costs incurred by the applicant and documented in a form  
120.8 prescribed by the board, ~~except the costs related to the physical removal of a tank.~~

120.9 Corrective action costs incurred by the applicant include costs for physical removal of  
120.10 a tank when the physical removal is part of a corrective action, regardless of whether  
120.11 the tank is leaking at the time of removal, and the removal is directed or approved by  
120.12 the commissioner;

120.13 (2) costs that the responsible person is legally obligated to pay as damages to third  
120.14 parties for bodily injury, property damage, or corrective action costs incurred by a third  
120.15 party caused by a release where the responsible person's liability for the costs has been  
120.16 established by a court order or court-approved settlement; and

120.17 (3) up to 180 days of interest costs associated with the financing of corrective action  
120.18 and incurred by the applicant in a written extension of credit or loan that has been signed by  
120.19 the applicant and executed after July 1, 2002, provided that the applicant documents that:

120.20 (i) the interest costs are incurred as a result of an extension of credit or loan from a  
120.21 financial institution; and

120.22 (ii) the board has not considered the application within the applicable time frame  
120.23 specified in subdivision 2a, paragraph (c).

120.24 Interest costs meeting the requirements of this clause are eligible only when they are  
120.25 incurred between the date a complete initial application is received by the board, or the  
120.26 date a complete supplemental application is received by the board, and the date that the  
120.27 board first notifies the applicant of its reimbursement determination. An application is  
120.28 complete when the information reasonably required or requested by the board's staff  
120.29 from the applicant has been received by the board's staff. Interest costs are not eligible  
120.30 for reimbursement to the extent they exceed two percentage points above the adjusted  
120.31 prime rate charged by banks, as defined in section 270C.40, subdivision 5, at the time the  
120.32 extension of credit or loan was executed.

120.33 (c) A cost for liability to a third party is incurred by the responsible person when an  
120.34 order or court-approved settlement is entered that sets forth the specific costs attributed  
120.35 to the liability. Except as provided in this paragraph, reimbursement may not be made

121.1 for costs of liability to third parties until all eligible corrective action costs have been  
121.2 reimbursed. If a corrective action is expected to continue in operation for more than one  
121.3 year after it has been fully constructed or installed, the board may estimate the future  
121.4 expense of completing the corrective action and, after subtracting this estimate from the  
121.5 total reimbursement available under subdivision 3, reimburse the costs for liability to third  
121.6 parties. The total reimbursement may not exceed the limit set forth in subdivision 3.

121.7 Sec. 2. Minnesota Statutes 2014, section 115C.09, subdivision 3, is amended to read:

121.8 Subd. 3. **Reimbursements; subrogation; appropriation.** (a) The board shall  
121.9 reimburse an eligible applicant from the fund for 90 percent of the total reimbursable costs  
121.10 incurred at the site, except that the board may reimburse an eligible applicant from the  
121.11 fund for greater than 90 percent of the total reimbursable costs, if the applicant previously  
121.12 qualified for a higher reimbursement rate. For costs associated with a release from a tank  
121.13 in transport, the board may reimburse a maximum of \$100,000.

121.14 Not more than ~~\$1,000,000~~ may be reimbursed for costs associated with a single  
121.15 release, regardless of the number of persons eligible for reimbursement, and not more than  
121.16 \$2,000,000 may be reimbursed for costs associated with a single ~~tank facility~~ release.

121.17 (b) A reimbursement may not be made from the fund under this chapter until the  
121.18 board has determined that the costs for which reimbursement is requested were actually  
121.19 incurred and were reasonable.

121.20 (c) When an applicant has obtained responsible competitive bids or proposals  
121.21 according to rules promulgated under this chapter prior to June 1, 1995, the eligible costs  
121.22 for the tasks, procedures, services, materials, equipment, and tests of the low bid or proposal  
121.23 are presumed to be reasonable by the board, unless the costs of the low bid or proposal are  
121.24 substantially in excess of the average costs charged for similar tasks, procedures, services,  
121.25 materials, equipment, and tests in the same geographical area during the same time period.

121.26 (d) When an applicant has obtained a minimum of two responsible competitive bids or  
121.27 proposals on forms prescribed by the board and where the rules ~~promulgated~~ adopted under  
121.28 this chapter after June 1, 1995, designate maximum costs for specific tasks, procedures,  
121.29 services, materials, equipment and tests, the eligible costs of the low bid or proposal are  
121.30 deemed reasonable if the costs are at or below the maximums set forth in the rules.

121.31 (e) Costs incurred for change orders executed as prescribed in rules ~~promulgated~~  
121.32 adopted under this chapter after June 1, 1995, are presumed reasonable if the costs are  
121.33 at or below the maximums set forth in the rules, unless the costs in the change order are  
121.34 above those in the original bid or proposal or are unsubstantiated and inconsistent with the  
121.35 process and standards required by the rules.

122.1 (f) A reimbursement may not be made from the fund in response to either an initial  
122.2 or supplemental application for costs incurred after June 4, 1987, that are payable under  
122.3 an applicable insurance policy, except that if the board finds that the applicant has made  
122.4 reasonable efforts to collect from an insurer and failed, the board shall reimburse the  
122.5 applicant.

122.6 (g) If the board reimburses an applicant for costs for which the applicant has  
122.7 insurance coverage, the board is subrogated to the rights of the applicant with respect to  
122.8 that insurance coverage, to the extent of the reimbursement by the board. The board may  
122.9 request the attorney general to bring an action in district court against the insurer to enforce  
122.10 the board's subrogation rights. Acceptance by an applicant of reimbursement constitutes  
122.11 an assignment by the applicant to the board of any rights of the applicant with respect to  
122.12 any insurance coverage applicable to the costs that are reimbursed. Notwithstanding this  
122.13 paragraph, the board may instead request a return of the reimbursement under subdivision  
122.14 5 and may employ against the applicant the remedies provided in that subdivision, except  
122.15 where the board has knowingly provided reimbursement because the applicant was denied  
122.16 coverage by the insurer.

122.17 (h) Money in the fund is appropriated to the board to make reimbursements under  
122.18 this chapter. A reimbursement to a state agency must be credited to the appropriation  
122.19 account or accounts from which the reimbursed costs were paid.

122.20 (i) The board may reduce the amount of reimbursement to be made under this  
122.21 chapter if it finds that the applicant has not complied with a provision of this chapter, a  
122.22 rule or order issued under this chapter, or one or more of the following requirements:

122.23 (1) the agency was given notice of the release as required by section 115.061;

122.24 (2) the applicant, to the extent possible, fully cooperated with the agency in  
122.25 responding to the release;

122.26 (3) the state rules applicable after December 22, 1993, to operating an underground  
122.27 storage tank and appurtenances without leak detection;

122.28 (4) the state rules applicable after December 22, 1998, to operating an underground  
122.29 storage tank and appurtenances without corrosion protection or spill and overflow  
122.30 protection; and

122.31 (5) the state rule applicable after November 1, 1998, to operating an aboveground  
122.32 tank without a dike or other structure that would contain a spill at the aboveground tank site.

122.33 (j) The reimbursement may be reduced as much as 100 percent for failure by  
122.34 the applicant to comply with the requirements in paragraph (i), clauses (1) to (5). In  
122.35 determining the amount of the reimbursement reduction, the board shall consider:

- 123.1 (1) the reasonable determination by the agency that the noncompliance poses a  
 123.2 threat to the environment;
- 123.3 (2) whether the noncompliance was negligent, knowing, or willful;
- 123.4 (3) the deterrent effect of the award reduction on other tank owners and operators;
- 123.5 (4) the amount of reimbursement reduction recommended by the commissioner; and
- 123.6 (5) the documentation of noncompliance provided by the commissioner.
- 123.7 (k) An applicant may request that the board issue a multiparty check that includes each  
 123.8 lender who advanced funds to pay the costs of the corrective action or to each contractor  
 123.9 or consultant who provided corrective action services. This request must be made by filing  
 123.10 with the board a document, in a form prescribed by the board, indicating the identity of the  
 123.11 applicant, the identity of the lender, contractor, or consultant, the dollar amount, and the  
 123.12 location of the corrective action. The applicant must submit a request for the issuance  
 123.13 of a multiparty check for each application submitted to the board. Payment under this  
 123.14 paragraph does not constitute the assignment of the applicant's right to reimbursement  
 123.15 to the consultant, contractor, or lender. The board has no liability to an applicant for a  
 123.16 payment issued as a multiparty check that meets the requirements of this paragraph.

123.17 Sec. 3. Minnesota Statutes 2014, section 115C.13, is amended to read:

123.18 **115C.13 REPEALER.**

123.19 Sections 115C.01, 115C.02, 115C.021, 115C.03, 115C.04, 115C.045, 115C.05,  
 123.20 115C.06, 115C.065, 115C.07, 115C.08, 115C.09, 115C.093, 115C.094, 115C.10, 115C.11,  
 123.21 115C.112, 115C.113, 115C.12, and 115C.13, are repealed effective June 30, ~~2017~~ 2022.

123.22 Sec. 4. Minnesota Statutes 2014, section 216B.16, subdivision 12, is amended to read:

123.23 Subd. 12. **Exemption for small gas utility franchise.** (a) A municipality may file  
 123.24 with the commission a resolution of its governing body requesting exemption from the  
 123.25 provisions of this section for a public utility that is under a franchise with the municipality  
 123.26 to supply natural, manufactured, or mixed gas and that serves 650 or fewer customers in  
 123.27 the municipality as long as the public utility serves no more than a total of ~~2,000~~ 5,000  
 123.28 customers.

123.29 (b) The commission shall grant an exemption from this section for that portion of  
 123.30 a public utility's business that is requested by each municipality it serves. Furthermore,  
 123.31 the commission shall also grant the public utility an exemption from this section for any  
 123.32 service provided outside of a municipality's border that is considered by the commission  
 123.33 to be incidental. The public utility shall file with the commission and the department

124.1 all initial and subsequent changes in rates, tariffs, and contracts for service outside the  
124.2 municipality at least 30 days in advance of implementation.

124.3 (c) However, the commission shall require the utility to adopt the commission's  
124.4 policies and procedures governing disconnection during cold weather. The utility shall  
124.5 annually submit a copy of its municipally approved rates to the commission.

124.6 (d) In all cases covered by this subdivision in which an exemption for service outside  
124.7 of a municipality is granted, the commission may initiate an investigation under section  
124.8 216B.17, on its own motion or upon complaint from a customer.

124.9 (e) If a municipality files with the commission a resolution of its governing body  
124.10 rescinding the request for exemption, the commission shall regulate the public utility's  
124.11 business in that municipality under this section.

124.12 **EFFECTIVE DATE.** This section is effective the day following final enactment.

124.13 Sec. 5. **[216B.1647] PROPERTY TAX ADJUSTMENT; COOPERATIVE**  
124.14 **ASSOCIATION.**

124.15 A cooperative electric association that has elected to be subject to rate regulation  
124.16 under section 216B.026 is eligible to file with the commission for approval an adjustment  
124.17 for real and personal property taxes, fees, and permits.

124.18 **EFFECTIVE DATE.** This section is effective the day following final enactment.

124.19 Sec. 6. Minnesota Statutes 2014, section 216B.1691, subdivision 10, is amended to read:

124.20 Subd. 10. **Utility acquisition of resources.** A competitive resource acquisition  
124.21 process established by the commission prior to June 1, 2007, shall not apply to a utility  
124.22 for the construction, ownership, and operation of generation facilities used to satisfy the  
124.23 requirements of this section unless, upon a finding that it is in the public interest, the  
124.24 commission issues an order on or after June 1, 2007, that requires compliance by a utility  
124.25 with a competitive resource acquisition process. A utility that owns a nuclear generation  
124.26 facility and intends to construct, own, or operate facilities under this section shall file with  
124.27 the commission on or before March 1, 2008, a renewable energy plan setting forth the  
124.28 manner in which the utility proposes to meet the requirements of this section, ~~including~~  
124.29 ~~a proposed schedule for purchasing renewable energy from C-BED and non-C-BED~~  
124.30 ~~projects.~~ The utility shall update the plan as necessary in its filing under section 216B.2422.  
124.31 The commission shall approve the plan unless it determines, after public hearing and  
124.32 comment, that the plan is not in the public interest. As part of its determination of public

125.1 interest, the commission shall consider the plan's ~~allocation of projects among C-BED,~~  
125.2 ~~non-C-BED, and utility-owned projects,~~ impact on balancing the state's interest in:

- 125.3 (1) promoting the policy of economic development in rural areas through the  
125.4 development of renewable energy projects, as expressed in subdivision 9;  
125.5 (2) maintaining the reliability of the state's electric power grid; and  
125.6 (3) minimizing cost impacts on ratepayers.

125.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.

125.8 Sec. 7. Minnesota Statutes 2014, section 216B.241, subdivision 1c, is amended to read:

125.9 Subd. 1c. **Energy-saving goals.** (a) The commissioner shall establish energy-saving  
125.10 goals for energy conservation improvement expenditures and shall evaluate an energy  
125.11 conservation improvement program on how well it meets the goals set.

125.12 (b) Each individual utility and association shall have an annual energy-savings  
125.13 goal equivalent to 1.5 percent of gross annual retail energy sales unless modified by the  
125.14 commissioner under paragraph (d). The savings goals must be calculated based on the  
125.15 most recent three-year weather-normalized average. A utility or association may elect to  
125.16 carry forward energy savings in excess of 1.5 percent for a year to the succeeding three  
125.17 calendar years, except that savings from electric utility infrastructure projects allowed  
125.18 under paragraph (d) may be carried forward for five years. A particular energy savings can  
125.19 be used only for one year's goal.

125.20 (c) The commissioner must adopt a filing schedule that is designed to have all  
125.21 utilities and associations operating under an energy-savings plan by calendar year 2010.

125.22 (d) In its energy conservation improvement plan filing, a utility or association may  
125.23 request the commissioner to adjust its annual energy-savings percentage goal based on  
125.24 its historical conservation investment experience, customer class makeup, load growth, a  
125.25 conservation potential study, or other factors the commissioner determines warrants an  
125.26 adjustment. The commissioner may not approve a plan of a public utility that provides for  
125.27 an annual energy-savings goal of less than one percent of gross annual retail energy sales  
125.28 from energy conservation improvements.

125.29 A utility or association may include in its energy conservation plan energy savings  
125.30 from electric utility infrastructure projects approved by the commission under section  
125.31 216B.1636 or waste heat recovery converted into electricity projects that may count as  
125.32 energy savings in addition to a minimum energy-savings goal of at least one percent for  
125.33 energy conservation improvements. Energy savings from electric utility infrastructure  
125.34 projects, as defined in section 216B.1636, may be included in the energy conservation  
125.35 plan of a municipal utility or cooperative electric association. Electric utility infrastructure

126.1 projects must result in increased energy efficiency greater than that which would have  
126.2 occurred through normal maintenance activity.

126.3 (e) An energy-savings goal is not satisfied by attaining the revenue expenditure  
126.4 requirements of subdivisions 1a and 1b, but can only be satisfied by meeting the  
126.5 energy-savings goal established in this subdivision.

126.6 (f) An association or utility is not required to make energy conservation investments  
126.7 to attain the energy-savings goals of this subdivision that are not cost-effective even  
126.8 if the investment is necessary to attain the energy-savings goals. For the purpose of  
126.9 this paragraph, in determining cost-effectiveness, the commissioner shall consider the  
126.10 costs and benefits to ratepayers, the utility, participants, and society. In addition, the  
126.11 commissioner shall consider the rate at which an association or municipal utility is  
126.12 increasing its energy savings and its expenditures on energy conservation.

126.13 (g) On an annual basis, the commissioner shall produce and make publicly available  
126.14 a report on the annual energy savings and estimated carbon dioxide reductions achieved  
126.15 by the energy conservation improvement programs for the two most recent years for  
126.16 which data is available. The commissioner shall report on program performance both in  
126.17 the aggregate and for each entity filing an energy conservation improvement plan for  
126.18 approval or review by the commissioner.

126.19 (h) By January 15, 2010, the commissioner shall report to the legislature whether  
126.20 the spending requirements under subdivisions 1a and 1b are necessary to achieve the  
126.21 energy-savings goals established in this subdivision.

126.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

126.23 Sec. 8. Minnesota Statutes 2014, section 216B.243, subdivision 8, is amended to read:

126.24 Subd. 8. **Exemptions.** (a) This section does not apply to:

126.25 (1) cogeneration or small power production facilities as defined in the Federal Power  
126.26 Act, United States Code, title 16, section 796, paragraph (17), subparagraph (A), and  
126.27 paragraph (18), subparagraph (A), and having a combined capacity at a single site of less  
126.28 than 80,000 kilowatts; plants or facilities for the production of ethanol or fuel alcohol; or  
126.29 any case where the commission has determined after being advised by the attorney general  
126.30 that its application has been preempted by federal law;

126.31 (2) a high-voltage transmission line proposed primarily to distribute electricity to  
126.32 serve the demand of a single customer at a single location, unless the applicant opts to  
126.33 request that the commission determine need under this section or section 216B.2425;

127.1 (3) the upgrade to a higher voltage of an existing transmission line that serves the  
 127.2 demand of a single customer that primarily uses existing rights-of-way, unless the applicant  
 127.3 opts to request that the commission determine need under this section or section 216B.2425;

127.4 (4) a high-voltage transmission line of one mile or less required to connect a new or  
 127.5 upgraded substation to an existing, new, or upgraded high-voltage transmission line;

127.6 (5) conversion of the fuel source of an existing electric generating plant to using  
 127.7 natural gas;

127.8 (6) the modification of an existing electric generating plant to increase efficiency,  
 127.9 as long as the capacity of the plant is not increased more than ten percent or more than  
 127.10 100 megawatts, whichever is greater; ~~or~~

127.11 (7) a wind energy conversion system or solar electric generation facility if the system  
 127.12 or facility is owned and operated by an independent power producer and the electric output  
 127.13 of the system or facility is not sold to an entity that provides retail service in Minnesota  
 127.14 or wholesale electric service to another entity in Minnesota other than an entity that is a  
 127.15 federally recognized regional transmission organization or independent system operator; or

127.16 (8) a large wind energy conversion system, as defined in section 216F.01, subdivision  
 127.17 2, or a solar energy generating large energy facility, as defined in section 216B.2421,  
 127.18 subdivision 2, engaging in a repowering project that:

127.19 (i) will not result in the facility exceeding the nameplate capacity under its most  
 127.20 recent interconnection agreement; or

127.21 (ii) will result in the facility exceeding the nameplate capacity under its most recent  
 127.22 interconnection agreement, provided that the Midcontinent Independent System Operator  
 127.23 has provided a signed generator interconnection agreement that reflects the expected  
 127.24 net power increase.

127.25 (b) For the purpose of this subdivision, "repowering project" means:

127.26 (1) modifying a large wind energy conversion system or a solar energy generating  
 127.27 large energy facility to increase its efficiency without increasing its nameplate capacity;

127.28 (2) replacing turbines in a large wind energy conversion system without increasing  
 127.29 the nameplate capacity of the system; or

127.30 (3) increasing the nameplate capacity of a large wind energy conversion system.

127.31 Sec. 9. Minnesota Statutes 2014, section 216C.20, subdivision 3, is amended to read:

127.32 Subd. 3. **Parking ramp.** No enclosed structure or portion of an enclosed structure  
 127.33 constructed after January 1, 1978, and used primarily as a commercial parking facility for  
 127.34 three or more motor vehicles shall be heated. Incidental heating resulting from building  
 127.35 exhaust air passing through a parking facility shall not be prohibited, provided that

128.1 substantially all useful heat has previously been removed from the air. The commissioner  
128.2 of commerce may grant an exemption from this subdivision if the commercial parking  
128.3 is integrated within a facility that has both public and private uses, the benefits of the  
128.4 exemption to taxpayers exceed the costs, and all appropriate energy efficiency measures  
128.5 have been considered.

128.6 Sec. 10. Minnesota Statutes 2014, section 216E.03, subdivision 5, is amended to read:

128.7 Subd. 5. **Environmental review.** (a) The commissioner of the Department of  
128.8 Commerce shall prepare for the commission an environmental impact statement on each  
128.9 proposed large electric generating plant or high-voltage transmission line for which a  
128.10 complete application has been submitted. The commissioner shall not consider whether  
128.11 or not the project is needed. No other state environmental review documents shall be  
128.12 required. The commissioner shall study and evaluate any site or route proposed by an  
128.13 applicant and any other site or route the commission deems necessary that was proposed in  
128.14 a manner consistent with rules concerning the form, content, and timeliness of proposals  
128.15 for alternate sites or routes.

128.16 (b) For a cogeneration facility as defined in section 216H.01, subdivision 1a, that is  
128.17 a large electric power generating plant and is not proposed by a utility, the commissioner  
128.18 must make a finding in the environmental impact statement whether the project is likely to  
128.19 result in a net reduction of carbon dioxide emissions, considering both the utility providing  
128.20 electric service to the proposed cogeneration facility and any reduction in carbon dioxide  
128.21 emissions as a result of increased efficiency from the production of thermal energy on the  
128.22 part of the customer operating or owning the proposed cogeneration facility.

128.23 **EFFECTIVE DATE.** This section is effective the day following final enactment.

128.24 Sec. 11. Minnesota Statutes 2014, section 216H.01, is amended by adding a  
128.25 subdivision to read:

128.26 Subd. 1a. **Cogeneration facility or combined heat and power facility.**  
128.27 "Cogeneration facility" or "combined heat and power facility" means a facility that:

128.28 (1) has the meaning given in United States Code, title 16, section 796, clause (18),  
128.29 paragraph (A); and

128.30 (2) meets the applicable operating and efficiency standards contained in Code of  
128.31 Federal Regulations, title 18, part 292.205.

128.32 **EFFECTIVE DATE.** This section is effective the day following final enactment.

129.1 Sec. 12. Minnesota Statutes 2014, section 216H.03, subdivision 1, is amended to read:

129.2 Subdivision 1. **Definition; new large energy facility.** For the purpose of this  
129.3 section, "new large energy facility" means a large energy facility, as defined in section  
129.4 216B.2421, subdivision 2, clause (1), that is not in operation as of January 1, 2007, but  
129.5 does not include a facility that (1) uses natural gas as a primary fuel, (2) is a cogeneration  
129.6 facility or combined heat and power facility located in the electric service area of a public  
129.7 utility, as defined in section 216B.02, subdivision 4, or is designed to provide peaking,  
129.8 intermediate, emergency backup, or contingency services, (3) uses a simple cycle or  
129.9 combined cycle turbine technology, and (4) is capable of achieving full load operations  
129.10 within 45 minutes of startup for a simple cycle facility, or is capable of achieving  
129.11 minimum load operations within 185 minutes of startup for a combined cycle facility.

129.12 **EFFECTIVE DATE.** This section is effective the day following final enactment.

129.13 Sec. 13. Minnesota Statutes 2014, section 373.48, subdivision 3, is amended to read:

129.14 Subd. 3. **Joint purchase of energy and acquisition of generation projects;**

129.15 **financing.** (a) A county may enter into agreements under section 471.59 with other  
129.16 counties for joint purchase of energy or joint acquisition of interests in projects. A county  
129.17 that enters into a multiyear agreement for purchase of energy or acquires an interest in  
129.18 a project, ~~including C-BED projects pursuant to section 216B.1612, subdivision 9,~~ may  
129.19 finance the estimated cost of the energy to be purchased during the term of the agreement  
129.20 or the cost to the county of the interest in the project by the issuance of revenue bonds of  
129.21 the county, including clean renewable energy revenue bonds, provided that the annual debt  
129.22 service on all bonds issued under this section, together with the amounts to be paid by the  
129.23 county in any year for the purchase of energy under agreements entered into under this  
129.24 section, must not exceed the estimated revenues of the project.

129.25 (b) An agreement entered into under section 471.59 as provided by this section  
129.26 may provide that:

129.27 (1) each county issues bonds to pay their respective shares of the cost of the projects;

129.28 (2) one of the counties issues bonds to pay the full costs of the project and that the  
129.29 other participating counties pay any available revenues of the project and pledge the  
129.30 revenues to the county that issues the bonds; or

129.31 (3) the joint powers board issues revenue bonds to pay the full costs of the project  
129.32 and that the participating counties pay any available revenues of the project under this  
129.33 subdivision and pledge the revenues to the joint powers entity for payment of the revenue  
129.34 bonds.

130.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

130.2 Sec. 14. Laws 2001, chapter 130, section 3, is amended to read:

130.3 Sec. 3. **ASSESSMENT.**

130.4 A propane education and research council, established and certified pursuant to  
 130.5 section 2, may assess propane producers and retail marketers an amount not to exceed ~~one~~  
 130.6 ~~mill~~ the maximum assessment authorized in United States Code, title 15, section 6405(a),  
 130.7 per gallon of odorized propane in a manner established by the council in compliance with  
 130.8 United States Code, title 15, section 6405, subsections (a) to (c). Propane producers and  
 130.9 retail marketers shall be responsible for the amounts assessed.

130.10 Sec. 15. Laws 2014, chapter 198, article 2, section 2, the effective date, is amended to  
 130.11 read:

130.12 **EFFECTIVE DATE; APPLICATION.** This section is effective ~~July 1, 2015~~  
 130.13 January 1, 2016, and applies to applications for reimbursement on or after that date.

130.14 **EFFECTIVE DATE.** This section is effective retroactively from May 5, 2014.

130.15 Sec. 16. **REPEALER.**

130.16 Minnesota Statutes 2014, sections 216B.1612; and 216C.39, are repealed.

130.17 **EFFECTIVE DATE.** This section is effective the day following final enactment.

## 130.18 **ARTICLE 7**

### 130.19 **ECONOMIC DEVELOPMENT**

130.20 Section 1. **APPROPRIATIONS**

130.21 The sums shown in the columns under "Appropriations" are added to or, if shown  
 130.22 in parentheses, subtracted from the appropriations in Laws 2015, First Special Session,  
 130.23 chapter 1, or other law to the specified agencies. The appropriations are from the general  
 130.24 fund, or another named fund, and are available for the fiscal years indicated for each  
 130.25 purpose. The figures "2016" and "2017" used in this article mean that the appropriations  
 130.26 listed under them are available for the fiscal year ending June 30, 2016, or June 30, 2017,  
 130.27 respectively. Appropriations for the fiscal year ending June 30, 2016, are effective the day  
 130.28 following final enactment. Reductions may be taken in either fiscal year.

130.29

130.30

**APPROPRIATIONS**  
**Available for the Year**

131.1			<u>Ending June 30</u>	
131.2			<u>2016</u>	<u>2017</u>
131.3	<b>Sec. 2. <u>DEPARTMENT OF EMPLOYMENT</u></b>			
131.4	<b><u>AND ECONOMIC DEVELOPMENT</u></b>			
131.5	<b><u>Subdivision 1. Total Appropriation</u></b>	<b>\$</b>	<b><u>-0-</u></b>	<b><u>\$ 11,721,000</u></b>
131.6	<u>Appropriations by Fund</u>			
131.7	<u>General</u>	<u>-0-</u>	<u>7,271,000</u>	
131.8	<u>Workforce</u>			
131.9	<u>Development</u>	<u>-0-</u>	<u>4,450,000</u>	
131.10	<u>The amounts that may be spent for each</u>			
131.11	<u>purpose are specified in the following</u>			
131.12	<u>subdivisions.</u>			
131.13	<b><u>Subd. 2. Business and Community</u></b>			
131.14	<b><u>Development</u></b>		<u>-0-</u>	<u>8,021,000</u>
131.15	<u>Appropriations by Fund</u>			
131.16	<u>General</u>	<u>-0-</u>	<u>7,271,000</u>	
131.17	<u>Workforce</u>			
131.18	<u>Development</u>	<u>-0-</u>	<u>750,000</u>	
131.19	<u>(a) \$9,000,000 in fiscal year 2017 is a</u>			
131.20	<u>onetime reduction in the general fund</u>			
131.21	<u>appropriation for the Minnesota investment</u>			
131.22	<u>fund under Minnesota Statutes, section</u>			
131.23	<u>116J.8731. The base funding for this purpose</u>			
131.24	<u>is \$11,000,000 in fiscal year 2018 and each</u>			
131.25	<u>fiscal year thereafter.</u>			
131.26	<u>(b) \$11,500,000 in fiscal year 2017 is a</u>			
131.27	<u>onetime reduction in the general fund</u>			
131.28	<u>appropriation for the Minnesota job creation</u>			
131.29	<u>fund under Minnesota Statutes, section</u>			
131.30	<u>116J.8748. The base funding for this</u>			
131.31	<u>program is \$6,500,000 in fiscal year 2018</u>			
131.32	<u>and each fiscal year thereafter.</u>			
131.33	<u>(c) \$2,000,000 in fiscal year 2017 is for the</u>			
131.34	<u>redevelopment program under Minnesota</u>			
131.35	<u>Statutes, section 116J.571. This is a onetime</u>			
131.36	<u>appropriation.</u>			

132.1 (d) \$1,220,000 in fiscal year 2017 is for a  
132.2 grant to the Duluth North Shore Sanitary  
132.3 District to retire debt of the district in order  
132.4 to bring the district's monthly wastewater  
132.5 rates in line with those of similarly situated  
132.6 facilities across the state. This is a onetime  
132.7 appropriation.

132.8 (e) \$300,000 in fiscal year 2017 is from the  
132.9 workforce development fund for expansion  
132.10 of business assistance services provided by  
132.11 business development specialists located in  
132.12 the Northwest Region, Northeast Region,  
132.13 West Central Region, Southwest Region,  
132.14 Southeast Region, and Twin Cities Metro  
132.15 Region offices established throughout the  
132.16 state. Funds under this section may be used  
132.17 to provide services including, but not limited  
132.18 to, business start-ups; expansion; location or  
132.19 relocation; finance; regulatory and permitting  
132.20 assistance; and other services determined  
132.21 by the commissioner. The commissioner  
132.22 may also use funds under this section to  
132.23 increase the number of business development  
132.24 specialists in each region of the state,  
132.25 increase and expand the services provided  
132.26 through each regional office, and publicize  
132.27 the services available and provide outreach  
132.28 to communities in each region regarding  
132.29 services and assistance available through the  
132.30 business development specialist program.  
132.31 This is a onetime appropriation.

132.32 (f) \$50,000 in fiscal year 2017 is from the  
132.33 workforce development fund to enhance  
132.34 the outreach and public awareness activities  
132.35 of the Bureau of Small Business under

133.1 Minnesota Statutes, section 116J.68. This is  
133.2 a onetime appropriation.

133.3 (g) \$100,000 in fiscal year 2017 is from  
133.4 the general fund for an easy-to-understand  
133.5 manual to instruct aspiring business owners  
133.6 in how to start a child care business. The  
133.7 commissioner shall work in consultation  
133.8 with relevant state and local agencies  
133.9 and affected stakeholders to produce the  
133.10 manual. The manual must be made available  
133.11 electronically to interested persons. This is a  
133.12 onetime appropriation and is available until  
133.13 June 30, 2019.

133.14 (h) \$2,500,000 in fiscal year 2017 is for  
133.15 grants to initiative foundations to provide  
133.16 financing for business startups, expansions,  
133.17 and maintenance; and for business ownership  
133.18 transition and succession. This is a onetime  
133.19 appropriation. Of the amount appropriated:

133.20 (1) \$357,000 is for a grant to the Southwest  
133.21 Initiative Foundation;

133.22 (2) \$357,000 is for a grant to the West Central  
133.23 Initiative Foundation;

133.24 (3) \$357,000 is for a grant to the Southern  
133.25 Minnesota Initiative Foundation;

133.26 (4) \$357,000 is for a grant to the Northwest  
133.27 Minnesota Foundation;

133.28 (5) \$357,000 is for a grant to the Initiative  
133.29 Foundation;

133.30 (6) \$357,000 is for a grant to the Northland  
133.31 Foundation; and

133.32 (7) \$357,000 is for a grant for the Minnesota  
133.33 emerging entrepreneur program under  
133.34 Minnesota Statutes, chapter 116M. Funds

134.1 available under this clause must be allocated  
134.2 as follows:

134.3 (i) 50 percent of the funds must be allocated  
134.4 for projects in the counties of Dakota,  
134.5 Ramsey, and Washington; and

134.6 (ii) 50 percent of the funds must be allocated  
134.7 for projects in the counties of Anoka, Carver,  
134.8 Hennepin, and Scott.

134.9 (i) \$600,000 in fiscal year 2017 is for a grant  
134.10 to a city of the second class that is designated  
134.11 as an economically depressed area by the  
134.12 United States Department of Commerce for  
134.13 economic development, redevelopment, and  
134.14 job creation programs and projects. This is a  
134.15 onetime appropriation and is available until  
134.16 June 30, 2019.

134.17 (j) \$4,500,000 in fiscal year 2017 is  
134.18 for a grant to the Minnesota Film and  
134.19 TV Board for the film production jobs  
134.20 program under Minnesota Statutes, section  
134.21 116U.26. This appropriation is in addition  
134.22 to the appropriation in Laws 2015, First  
134.23 Special Session chapter 1, article 1,  
134.24 section 2, subdivision 2. This is a onetime  
134.25 appropriation.

134.26 (k) \$3,651,000 in fiscal year 2017 is from the  
134.27 general fund for a grant to Mille Lacs County  
134.28 to develop and operate the Lake Mille Lacs  
134.29 area economic relief program established in  
134.30 section 45. This is a onetime appropriation.

134.31 (l) \$500,000 in fiscal year 2017 is from the  
134.32 general fund for grants to local communities  
134.33 outside of the metropolitan area as defined  
134.34 under Minnesota Statutes, section 473.121,  
134.35 subdivision 2, to increase the supply of

135.1 quality child care providers in order to  
135.2 support regional economic development.  
135.3 Grant recipients must match state funds on a  
135.4 dollar-for-dollar basis. Grant funds available  
135.5 under this section must be used to implement  
135.6 solutions to reduce the child care shortage  
135.7 in the state, including but not limited to  
135.8 funding for child care business start-up or  
135.9 expansion, training, facility modifications  
135.10 or improvements required for licensing,  
135.11 and assistance with licensing and other  
135.12 regulatory requirements. In awarding grants,  
135.13 the commissioner must give priority to  
135.14 communities in greater Minnesota that have  
135.15 documented a shortage of child care providers  
135.16 in the area. This is a onetime appropriation  
135.17 and is available until June 30, 2019.  
135.18 By September 30, 2017, grant recipients must  
135.19 report to the commissioner on the outcomes  
135.20 of the grant program, including but not  
135.21 limited to the number of new providers, the  
135.22 number of additional child care provider jobs  
135.23 created, the number of additional child care  
135.24 slots, and the amount of local funds invested.  
135.25 By January 1, 2018, the commissioner must  
135.26 report to the standing committees of the  
135.27 legislature having jurisdiction over child care  
135.28 and economic development on the outcomes  
135.29 of the program to date.  
135.30 (m) \$100,000 in fiscal year 2017 is from  
135.31 the general fund for a grant to the city of  
135.32 Madelia to provide match funding for a  
135.33 federal Economic Development Agency  
135.34 technical assistance grant. This is a onetime  
135.35 appropriation.

136.1 (n) \$10,000,000 in fiscal year 2017 is for  
136.2 deposit in the Minnesota 21st century fund.  
136.3 This is a onetime appropriation.

136.4 (o) \$400,000 in fiscal year 2017 is from the  
136.5 workforce development fund for grants to  
136.6 small business development centers under  
136.7 Minnesota Statutes, section 116J.68. Funds  
136.8 made available under this section may be  
136.9 used to match funds under the federal Small  
136.10 Business Development Center (SBDC)  
136.11 program under United States Code, title 15,  
136.12 section 648, provide consulting and technical  
136.13 services, or to build additional SBDC  
136.14 network capacity to serve entrepreneurs  
136.15 and small businesses. The commissioner  
136.16 shall allocate funds equally among the nine  
136.17 regional centers and lead center. This is a  
136.18 onetime appropriation.

136.19 (p) \$2,600,000 in fiscal year 2017 is for  
136.20 a transfer to the Board of Regents of the  
136.21 University of Minnesota for academic and  
136.22 applied research through MnDRIVE at the  
136.23 Natural Resources Research Institute to  
136.24 develop new technologies that enhance the  
136.25 long-term viability of the Minnesota mining  
136.26 industry. The research must be done in  
136.27 consultation with the Mineral Coordinating  
136.28 Committee established by Minnesota  
136.29 Statutes, section 93.0015. This is a onetime  
136.30 transfer.

136.31 (q) Of the amount appropriated in fiscal  
136.32 year 2017 for the Minnesota Investment  
136.33 Fund in Laws 2015, First Special Session  
136.34 chapter 1, article 1, section 2, subdivision 2,  
136.35 paragraph (a), \$450,000 is for a grant to the

137.1 Lake Superior-Poplar River Water District to  
 137.2 acquire interests in real property, engineer,  
 137.3 design, permit, and construct infrastructure  
 137.4 to transport and treat water from Lake  
 137.5 Superior through the Poplar River Valley to  
 137.6 serve domestic, irrigation, commercial, stock  
 137.7 watering, and industrial water users. This  
 137.8 grant does not require a local match. This  
 137.9 is a onetime appropriation. This amount is  
 137.10 available until June 30, 2019.

137.11 **Subd. 3. Workforce Development** -0- 1,900,000

137.12 This appropriation is from the workforce  
 137.13 development fund.  
 137.14 (a) \$500,000 in fiscal year 2017 is from the  
 137.15 workforce development fund for rural career  
 137.16 counseling coordinators in the workforce  
 137.17 service areas and for the purposes specified  
 137.18 in Minnesota Statutes, section 116L.667.

137.19 This appropriation is for increases to existing  
 137.20 applicants who were awarded grants in fiscal  
 137.21 years 2016 and 2017.

137.22 (b) \$500,000 in fiscal year 2017 is from the  
 137.23 workforce development fund for a grant to  
 137.24 Occupational Development Corporation, Inc.  
 137.25 in the city of Buhl to provide training and  
 137.26 employment opportunities for people with  
 137.27 disabilities and disadvantaged workers. This  
 137.28 is a onetime appropriation.

137.29 (c) \$400,000 in fiscal year 2017 is from  
 137.30 the workforce development fund for  
 137.31 a grant to Northern Bedrock Historic  
 137.32 Preservation Corps for the pathway to the  
 137.33 preservation trades program for recruitment  
 137.34 of corps members, engagement of technical  
 137.35 specialists, development of a certificate

138.1 program, and skill development in historic  
 138.2 preservation for youth ages 18 to 25. This is  
 138.3 a onetime appropriation.

138.4 (d) \$500,000 in fiscal year 2017 is from the  
 138.5 workforce development fund for a grant to  
 138.6 the North East Higher Education District to  
 138.7 purchase equipment for training programs  
 138.8 due to increased demand for job training  
 138.9 under the state dislocated worker program.

138.10 This is a onetime appropriation and is  
 138.11 available until June 30, 2018.

138.12 Subd. 4. Vocational rehabilitation -0- 1,800,000

138.13 This appropriation is from the workforce  
 138.14 development fund.

138.15 (a) \$800,000 in fiscal year 2017 is from  
 138.16 the workforce development fund for grants  
 138.17 to day training and habilitation providers  
 138.18 to provide innovative employment options  
 138.19 and to advance community integration for  
 138.20 persons with disabilities as required under  
 138.21 the Minnesota Olmstead Plan. Eligible  
 138.22 day training and habilitation providers are  
 138.23 those who certify that they do not possess  
 138.24 a certification as provided by section 14(c)  
 138.25 of the Fair Labor Standards Act. Of this  
 138.26 amount, \$250,000 is for a pilot program  
 138.27 for home-based, technology-enhanced  
 138.28 monitoring of persons with disabilities. This  
 138.29 is a onetime appropriation and is available  
 138.30 until June 30, 2018.

138.31 (b) \$1,000,000 in fiscal year 2017 is  
 138.32 from the workforce development fund for  
 138.33 rate increases to providers of extended  
 138.34 employment services for persons with severe

139.1 disabilities under Minnesota Statutes, section  
 139.2 268A.15. This is a onetime appropriation.

139.3 **Sec. 3. DEPARTMENT OF LABOR AND**  
 139.4 **INDUSTRY**

**\$                      -0- \$                      350,000**

139.5                      Appropriations by Fund  
 139.6 General                      100,000  
 139.7 Workforce  
 139.8 Development                      250,000

139.9 (a) \$250,000 in fiscal year 2017 is from  
 139.10 the workforce development fund for the  
 139.11 apprenticeship program under Minnesota  
 139.12 Statutes, chapter 178. This amount is added  
 139.13 to the base appropriation for this purpose.

139.14 (b) \$100,000 in fiscal year 2017 is to  
 139.15 provide outreach and education concerning  
 139.16 requirements under state or federal law  
 139.17 governing removal of architectural barriers  
 139.18 that limit access to public accommodations  
 139.19 by persons with disabilities and resources  
 139.20 that are available to comply with  
 139.21 those requirements. This is a onetime  
 139.22 appropriation.

139.23 **Sec. 4. EXPLORE MINNESOTA TOURISM**    **\$                      -0- \$                      1,073,000**

139.24 (a) \$300,000 in fiscal year 2017 is for a  
 139.25 grant to the Mille Lacs Tourism Council  
 139.26 to enhance marketing activities related to  
 139.27 tourism promotion in the Mille Lacs Lake  
 139.28 area. This is a onetime appropriation.

139.29 (b) \$773,000 in fiscal year 2017 is to  
 139.30 establish a pilot project to assist in funding  
 139.31 and securing major events benefiting  
 139.32 communities throughout the state. The pilot  
 139.33 project must measure the economic impact  
 139.34 of visitors on state and local economies,





142.1 (a) By June 30, 2015, if the commissioner of commerce determines on the basis of  
142.2 an audit that there is an excess surplus in the assigned risk plan created under Minnesota  
142.3 Statutes, section 79.252, the commissioner of management and budget shall transfer  
142.4 the amount of the excess surplus, not to exceed \$10,500,000, to the general fund. This  
142.5 transfer occurs prior to any transfer under Minnesota Statutes, section 79.251, subdivision  
142.6 1, paragraph (a), clause (1). This is a onetime transfer.

142.7 (b) By June 30, 2015, and each year thereafter, if the commissioner of commerce  
142.8 determines on the basis of an audit that there is an excess surplus in the assigned risk plan  
142.9 created under Minnesota Statutes, section 79.252, the commissioner of management and  
142.10 budget shall transfer the amount of the excess surplus, not to exceed \$4,820,000 each  
142.11 year, to the Minnesota minerals 21st century fund under Minnesota Statutes, section  
142.12 116J.423. This transfer occurs prior to any transfer under Minnesota Statutes, section  
142.13 79.251, subdivision 1, paragraph (a), clause (1), but after the transfer authorized in  
142.14 paragraph (a). The total amount authorized for all transfers under this paragraph must not  
142.15 exceed \$24,100,000. This paragraph expires the day following the transfer in which the  
142.16 total amount transferred under this paragraph to the Minnesota minerals 21st century  
142.17 fund equals \$24,100,000.

142.18 (c) By June 30, 2015, if the commissioner of commerce determines on the basis of  
142.19 an audit that there is an excess surplus in the assigned risk plan created under Minnesota  
142.20 Statutes, section 79.252, the commissioner of management and budget shall transfer the  
142.21 amount of the excess surplus, not to exceed \$4,820,000, to the general fund. This transfer  
142.22 occurs prior to any transfer under Minnesota Statutes, section 79.251, subdivision 1,  
142.23 paragraph (a), clause (1), but after any transfers authorized in paragraphs (a) and (b). If  
142.24 a transfer occurs under this paragraph, the amount transferred is appropriated from the  
142.25 general fund in fiscal year 2015 to the commissioner of labor and industry for the purposes  
142.26 of section 15. Both the transfer and appropriation under this paragraph are onetime.

142.27 (d) By June 30, 2016, if the commissioner of commerce determines on the basis of  
142.28 an audit that there is an excess surplus in the assigned risk plan created under Minnesota  
142.29 Statutes, section 79.252, the commissioner of management and budget shall transfer the  
142.30 amount of the excess surplus, not to exceed \$4,820,000, to the general fund. This transfer  
142.31 occurs prior to any transfer under Minnesota Statutes, section 79.251, subdivision 1,  
142.32 paragraph (a), clause (1), but after the transfers authorized in paragraphs (a) and (b). If  
142.33 a transfer occurs under this paragraph, the amount transferred is appropriated from the  
142.34 general fund in fiscal year 2016 to the commissioner of labor and industry for the purposes  
142.35 of section 15. Both the transfer and appropriation under this paragraph are onetime.

143.1 (e) Notwithstanding Minnesota Statutes, section 16A.28, the commissioner  
143.2 of management and budget shall transfer to the ~~assigned risk plan under Minnesota~~  
143.3 ~~Statutes, section 79.252~~ general fund, any unencumbered or unexpended balance of the  
143.4 appropriations under paragraphs (c) and (d) remaining on June 30, ~~2017~~ 2016, or the date  
143.5 the commissioner of commerce determines that an excess surplus in the assigned risk plan  
143.6 does not exist, whichever occurs earlier.

143.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.

143.8 Sec. 9. Laws 2014, chapter 312, article 2, section 15, is amended to read:

143.9 Sec. 15. **WORKERS' COMPENSATION SYSTEM REFORM; USE OF**  
143.10 **FUNDS.**

143.11 (a) The appropriations under section 14 to the commissioner of labor and industry  
143.12 are for reform of the workers' compensation system. Funds appropriated under section  
143.13 14, paragraphs (c) and (d), may be expended by the commissioner only after the advisory  
143.14 council on workers' compensation created under Minnesota Statutes, section 175.007, has  
143.15 approved a new system including, but not limited to: a Medicare-based diagnosis-related  
143.16 group (MS-DRG) or similar system for payment of workers' compensation inpatient  
143.17 hospital services. Of the amount appropriated under section 14, paragraphs (c) and (d), up  
143.18 to \$100,000 may be used by the commissioner to develop and implement the new system  
143.19 approved by the advisory council on workers' compensation.

143.20 (b) Funds available for expenditure under paragraph (a) may be used by the  
143.21 commissioner for reimbursement of expenditures that are reasonable and necessary to  
143.22 defray the costs of the implementation by hospitals, insurers, and self-insured employers  
143.23 of the new system including, but not limited to: a Medicare-based diagnosis-related group  
143.24 (MS-DRG) or similar system for payment of workers' compensation inpatient hospital  
143.25 services, litigation expense reform, worker safety training, administrative costs, or other  
143.26 related system reform.

143.27 (c) For the purposes of this section, reasonable and necessary system reform and  
143.28 implementation costs include, but are not limited to:

143.29 (1) the cost of analyzing data to determine the anticipated costs and savings of  
143.30 implementing the new system;

143.31 (2) the cost of analyzing system or organizational changes necessary for  
143.32 implementation;

143.33 (3) the cost of determining how an organization would implement group or other  
143.34 software;

144.1 (4) the cost of upgrading existing software or purchasing new software and other  
 144.2 technology upgrades needed for implementation;

144.3 (5) the cost of educating and training staff about the new system as applied to  
 144.4 workers' compensation; and

144.5 (6) the cost of integrating the new system with electronic billing and remittance  
 144.6 systems.

144.7 (d) This section expires June 30, 2016.

144.8 **EFFECTIVE DATE.** This section is effective the day following final enactment.

144.9 Sec. 10. Laws 2015, First Special Session chapter 1, article 1, section 2, subdivision 3,  
 144.10 is amended to read:

144.11 Subd. 3. **Workforce Development**

144.12	Appropriations by Fund		
144.13	General	2,189,000	1,789,000
144.14	Workforce		
144.15	Development	17,567,000	16,767,000

144.16 (a) \$1,039,000 each year from the general  
 144.17 fund and \$3,104,000 each year from the  
 144.18 workforce development fund are for the adult  
 144.19 workforce development competitive grant  
 144.20 program. Of this amount, up to five percent  
 144.21 is for administration and monitoring of the  
 144.22 adult workforce development competitive  
 144.23 grant program. All grant awards shall be  
 144.24 for two consecutive years. Grants shall be  
 144.25 awarded in the first year.

144.26 (b) \$4,050,000 each year is from the  
 144.27 workforce development fund for the  
 144.28 Minnesota youth program under Minnesota  
 144.29 Statutes, sections 116L.56 and 116L.561, to  
 144.30 provide employment and career advising to  
 144.31 youth, including career guidance in secondary  
 144.32 schools, to address the youth career advising  
 144.33 deficiency, to carry out activities outlined  
 144.34 in Minnesota Statutes, section 116L.561,

145.1 to provide support services, and to provide  
145.2 work experience to youth in the workforce  
145.3 service areas. The funds in this paragraph  
145.4 may be used for expansion of the pilot  
145.5 program combining career and higher  
145.6 education advising in Laws 2013, chapter 85,  
145.7 article 3, section 27. Activities in workforce  
145.8 services areas under this paragraph may  
145.9 serve all youth up to age 24.

145.10 (c) \$1,000,000 each year is from the  
145.11 workforce development fund for the  
145.12 youthbuild program under Minnesota  
145.13 Statutes, sections 116L.361 to 116L.366.

145.14 (d) \$450,000 each year is from the workforce  
145.15 development fund for a grant to Minnesota  
145.16 Diversified Industries, Inc., to provide  
145.17 progressive development and employment  
145.18 opportunities for people with disabilities.

145.19 (e) \$3,348,000 each year is from the  
145.20 workforce development fund for the "Youth  
145.21 at Work" youth workforce development  
145.22 competitive grant program. Of this amount,  
145.23 up to five percent is for administration  
145.24 and monitoring of the youth workforce  
145.25 development competitive grant program. All  
145.26 grant awards shall be for two consecutive  
145.27 years. Grants shall be awarded in the first  
145.28 year.

145.29 (f) \$500,000 each year is from the workforce  
145.30 development fund for the Opportunities  
145.31 Industrialization Center programs.

145.32 (g) \$750,000 each year is from the workforce  
145.33 development fund for a grant to the  
145.34 Minnesota Alliance of Boys and Girls  
145.35 Clubs to administer a statewide project

146.1 of youth jobs skills development. This  
146.2 project, which may have career guidance  
146.3 components, including health and life skills,  
146.4 is to encourage, train, and assist youth in  
146.5 job-seeking skills, workplace orientation,  
146.6 and job-site knowledge through coaching.  
146.7 This grant requires a 25 percent match from  
146.8 nonstate resources.

146.9 (h) \$250,000 the first year and \$250,000 the  
146.10 second year are for pilot programs in the  
146.11 workforce service areas to combine career  
146.12 and higher education advising.

146.13 (i) \$215,000 each year is from the workforce  
146.14 development fund for a grant to Big  
146.15 Brothers, Big Sisters of the Greater Twin  
146.16 Cities for workforce readiness, employment  
146.17 exploration, and skills development for  
146.18 youth ages 12 to 21. The grant must serve  
146.19 youth in the Twin Cities, Central Minnesota  
146.20 and Southern Minnesota Big Brothers, Big  
146.21 Sisters chapters.

146.22 (j) \$900,000 in fiscal year 2016 and  
146.23 \$1,100,000 in fiscal year 2017 are from the  
146.24 workforce development fund for a grant to the  
146.25 Minnesota High Tech Association to support  
146.26 SciTechsperience, a program that supports  
146.27 science, technology, engineering, and math  
146.28 (STEM) internship opportunities for two-  
146.29 and four-year college students in their field  
146.30 of study. The internship opportunities  
146.31 must match students with paid internships  
146.32 within STEM disciplines at small, for-profit  
146.33 companies located in the seven-county  
146.34 metropolitan area, having fewer than 150  
146.35 total employees; or at small or medium,

147.1 for-profit companies located outside of the  
147.2 seven-county metropolitan area, having  
147.3 fewer than 250 total employees. At least 200  
147.4 students must be matched in the first year  
147.5 and at least 250 students must be matched in  
147.6 the second year. Selected hiring companies  
147.7 shall receive from the grant 50 percent of the  
147.8 wages paid to the intern, capped at \$2,500  
147.9 per intern. The program must work toward  
147.10 increasing the participation among women or  
147.11 other underserved populations.

147.12 (k) \$50,000 each year is from the workforce  
147.13 development fund for a grant to the St. Cloud  
147.14 ~~Area Somali Salvation~~ Youth Organization  
147.15 for youth development and crime prevention  
147.16 activities. Grant funds may be used to  
147.17 train and place mentors in elementary and  
147.18 secondary schools; for athletic, social,  
147.19 and other activities to foster leadership  
147.20 development; to provide a safe place for  
147.21 participating youth to gather after school, on  
147.22 weekends, and on holidays; and activities to  
147.23 improve the organizational and job readiness  
147.24 skills of participating youth. This is a  
147.25 onetime appropriation and is available until  
147.26 June 30, 2019. Funds appropriated the first  
147.27 year are available for use in the second year  
147.28 of the biennium.

147.29 (l) \$500,000 each year is for rural career  
147.30 counseling coordinator positions in the  
147.31 workforce service areas and for the purposes  
147.32 specified in Minnesota Statutes, section  
147.33 116L.667. The commissioner, in consultation  
147.34 with local workforce investment boards and  
147.35 local elected officials in each of the service  
147.36 areas receiving funds, shall develop a method

148.1 of distributing funds to provide equitable  
148.2 services across workforce service areas.

148.3 (m) \$400,000 in fiscal year 2016 is for a grant  
148.4 to YWCA Saint Paul for training and job  
148.5 placement assistance, including commercial  
148.6 driver's license training, through the job  
148.7 placement and retention program. This is a  
148.8 onetime appropriation.

148.9 (n) \$800,000 in fiscal year 2016 is from  
148.10 the workforce development fund for  
148.11 the customized training program for  
148.12 manufacturing industries under article 2,  
148.13 section 24. This is a onetime appropriation  
148.14 and is available in either year of the  
148.15 biennium. Of this amount:

148.16 (1) \$350,000 is for a grant to Central Lakes  
148.17 College for the purposes of this paragraph;

148.18 (2) \$250,000 is for Minnesota West  
148.19 Community and Technical College for the  
148.20 purposes of this paragraph; and

148.21 (3) \$200,000 is for South Central College for  
148.22 the purposes of this paragraph.

148.23 (o) \$500,000 each year is from the workforce  
148.24 development fund for a grant to Resource,  
148.25 Inc. to provide low-income individuals  
148.26 career education and job skills training that  
148.27 are fully integrated with chemical and mental  
148.28 health services.

148.29 (p) \$200,000 in fiscal year 2016 and \$200,000  
148.30 in fiscal year 2017 are from the workforce  
148.31 development fund for performance grants  
148.32 under Minnesota Statutes, section 116J.8747,  
148.33 to Twin Cities RISE! to provide training to

149.1 hard-to-train individuals. This is a onetime  
149.2 appropriation.

149.3 (q) \$200,000 in fiscal year 2016 is from  
149.4 the workforce development fund for the  
149.5 foreign-trained health care professionals  
149.6 grant program modeled after the pilot  
149.7 program conducted under Laws 2006,  
149.8 chapter 282, article 11, section 2, subdivision  
149.9 12, to encourage state licensure of  
149.10 foreign-trained health care professionals,  
149.11 including: physicians, with preference given  
149.12 to primary care physicians who commit  
149.13 to practicing for at least five years after  
149.14 licensure in underserved areas of the state;  
149.15 nurses; dentists; pharmacists; mental health  
149.16 professionals; and other allied health care  
149.17 professionals. The commissioner must  
149.18 collaborate with health-related licensing  
149.19 boards and Minnesota workforce centers to  
149.20 award grants to foreign-trained health care  
149.21 professionals sufficient to cover the actual  
149.22 costs of taking a course to prepare health  
149.23 care professionals for required licensing  
149.24 examinations and the fee for the state  
149.25 licensing examinations. When awarding  
149.26 grants, the commissioner must consider the  
149.27 following factors:

149.28 (1) whether the recipient's training involves  
149.29 a medical specialty that is in high demand in  
149.30 one or more communities in the state;

149.31 (2) whether the recipient commits to  
149.32 practicing in a designated rural area or an  
149.33 underserved urban community, as defined in  
149.34 Minnesota Statutes, section 144.1501;

150.1 (3) whether the recipient's language skills  
 150.2 provide an opportunity for needed health care  
 150.3 access for underserved Minnesotans; and  
 150.4 (4) any additional criteria established by the  
 150.5 commissioner.

150.6 This is a onetime appropriation and is  
 150.7 available until June 30, 2019.

150.8 Sec. 11. Laws 2015, First Special Session chapter 1, article 1, section 6, is amended to  
 150.9 read:

150.10	Sec. 6. <b>BUREAU OF MEDIATION</b>			<b>2,234,000</b>
150.11	<b>SERVICES</b>	\$	<b>2,208,000</b>	\$ <u><b>2,622,000</b></u>

150.12 (a) \$68,000 each year is for grants to area  
 150.13 labor management committees. Grants may  
 150.14 be awarded for a 12-month period beginning  
 150.15 July 1 each year. Any unencumbered balance  
 150.16 remaining at the end of the first year does not  
 150.17 cancel but is available for the second year.

150.18 (b) \$125,000 each year is for purposes of the  
 150.19 Public Employment Relations Board under  
 150.20 Minnesota Statutes, section 179A.041.

150.21 (c) ~~\$256,000 each year is in fiscal year~~  
 150.22 2016 and \$394,000 in fiscal year 2017 are  
 150.23 for the Office of Collaboration and Dispute  
 150.24 Resolution under Minnesota Statutes, section  
 150.25 179.90. The base appropriation for this  
 150.26 purpose is \$394,000 in fiscal year 2018 and  
 150.27 \$394,000 in fiscal year 2019. Of this amount,  
 150.28 \$160,000 each year is for grants under  
 150.29 Minnesota Statutes, section 179.91, and  
 150.30 \$96,000 each year is for intergovernmental  
 150.31 and public policy collaboration and operation  
 150.32 of the office.

151.1 (d) \$250,000 is to complete the Case  
151.2 Management System-Database Project Phase  
151.3 II. This is a onetime appropriation.

151.4 **EFFECTIVE DATE.** This section is effective the day following final enactment.

151.5 Sec. 12. Minnesota Statutes 2014, section 61A.24, is amended by adding a subdivision  
151.6 to read:

151.7 Subd. 12b. **Mortality table; exception.** Notwithstanding subdivisions 12, 12a, or  
151.8 any other law to the contrary, a company may use the Commissioners 2017 Standard  
151.9 Ordinary Mortality Table in determining the minimum nonforfeiture standard for policies  
151.10 issued on or after January 1, 2017.

151.11 Sec. 13. Minnesota Statutes 2014, section 61A.25, is amended by adding a subdivision  
151.12 to read:

151.13 Subd. 10. **Mortality table; exception.** Notwithstanding anything in this section,  
151.14 or any other law to the contrary, a company may use the Commissioners 2017 Standard  
151.15 Ordinary Mortality Table in determining the minimum valuation standard for policies  
151.16 issued on or after January 1, 2017.

151.17 Sec. 14. Minnesota Statutes 2014, section 116J.423, is amended to read:

151.18 **116J.423 MINNESOTA MINERALS 21ST CENTURY FUND.**

151.19 Subdivision 1. **Created.** The Minnesota ~~minerals~~ 21st century fund is created  
151.20 as a separate account in the treasury. Money in the account is appropriated to the  
151.21 commissioner of employment and economic development for the purposes of this section.  
151.22 All money earned by the account, loan repayments of principal and interest, and earnings  
151.23 on investments must be credited to the account. For the purpose of this section, "fund"  
151.24 means the Minnesota ~~minerals~~ 21st century fund. The commissioner shall operate the  
151.25 account as a revolving account.

151.26 Subd. 2. **Use of fund.** The commissioner shall use money in the fund to make loans  
151.27 or equity investments in mineral, steel, or ~~taconite~~ any other industry processing facilities,  
151.28 ~~steel production facilities, facilities for the manufacturing of renewable energy products,~~  
151.29 ~~or facilities for the manufacturing of biobased or biomass products,~~ manufacturing, or  
151.30 technology project that would enhance the economic diversification and that are is located  
151.31 within the taconite relief tax area as defined under section 273.134. The commissioner  
151.32 must, prior to making any loans or equity investments and after consultation with industry

152.1 and public officials, develop a strategy for making loans and equity investments that  
152.2 assists the ~~Minnesota mineral industry in becoming globally competitive~~ taconite relief  
152.3 area in retaining and enhancing its economic competitiveness. Money in the fund may  
152.4 also be used to pay for the costs of carrying out the commissioner's due diligence duties  
152.5 under this section.

152.6 Subd. 2a. **Grants authorized.** Notwithstanding subdivision 2, the commissioner  
152.7 may use money in the fund to make grants to a municipality or county, or to a county  
152.8 regional rail authority as appropriate, for public infrastructure needed to support an  
152.9 eligible project under this section. Grant money may be used by the municipality, county,  
152.10 or regional rail authority to acquire right-of-way and mitigate loss of wetlands and runoff  
152.11 of storm water; to predesign, design, construct, and equip roads and rail lines; and, in  
152.12 cooperation with municipal utilities, to predesign, design, construct, and equip natural  
152.13 gas pipelines, electric infrastructure, water supply systems, and wastewater collection and  
152.14 treatment systems. Grants made under this subdivision are available until expended.

152.15 Subd. 3. **Requirements prior to committing funds.** The commissioner, prior to  
152.16 making a commitment for a loan or equity investment must, at a minimum, conduct due  
152.17 diligence research regarding the proposed loan or equity investment, including contracting  
152.18 with professionals as needed to assist in the due diligence.

152.19 Subd. 4. **Requirements for fund disbursements.** The commissioner may make  
152.20 conditional commitments for loans or equity investments but disbursements of funds  
152.21 pursuant to a commitment may not be made until commitments for the remainder of a  
152.22 project's funding are made that are satisfactory to the commissioner and disbursements  
152.23 made from the other commitments sufficient to protect the interests of the state in its  
152.24 loan or investment.

152.25 Subd. 5. **Company contribution.** The commissioner may provide loans or equity  
152.26 investments that match, in a proportion determined by the commissioner, an investment  
152.27 made by the owner of a facility.

152.28 Sec. 15. Minnesota Statutes 2014, section 116J.424, is amended to read:

152.29 **116J.424 IRON RANGE RESOURCES AND REHABILITATION BOARD**  
152.30 **CONTRIBUTION.**

152.31 The commissioner of the Iron Range Resources and Rehabilitation Board with  
152.32 approval by the board, ~~shall~~ may provide an equal match for any loan or equity investment  
152.33 made for a ~~facility~~ project located in the tax relief area defined in section 273.134,  
152.34 paragraph (b), by the Minnesota ~~minerals~~ 21st century fund created by section 116J.423.  
152.35 The match may be in the form of a loan or equity investment, notwithstanding whether

153.1 the fund makes a loan or equity investment. The state shall not acquire an equity interest  
153.2 because of an equity investment or loan by the board and the board at its sole discretion  
153.3 shall decide what interest it acquires in a project. The commissioner of employment and  
153.4 economic development may require a commitment from the board to make the match  
153.5 prior to disbursing money from the fund.

153.6 Sec. 16. Minnesota Statutes 2014, section 116J.431, subdivision 1, is amended to read:

153.7 Subdivision 1. **Grant program established; purpose.** (a) The commissioner shall  
153.8 make grants to counties or cities to provide up to 50 percent of the capital costs of public  
153.9 infrastructure necessary for an eligible economic development project. The county or city  
153.10 receiving a grant must provide for the remainder of the costs of the project, either in cash  
153.11 or in kind. In-kind contributions may include the value of site preparation other than the  
153.12 public infrastructure needed for the project.

153.13 (b) The purpose of the grants made under this section is to keep or enhance jobs in  
153.14 the area, increase the tax base, or to expand or create new economic development.

153.15 (c) In awarding grants under this section, the commissioner must adhere to the  
153.16 criteria under subdivision 4.

153.17 (d) If the commissioner awards a grant for less than 50 percent of the project, the  
153.18 commissioner shall provide the applicant and the chairs and ranking minority members  
153.19 of the senate and house of representatives committees with jurisdiction over economic  
153.20 development finance a written explanation of the reason less than 50 percent of the capital  
153.21 costs were awarded in the grant.

153.22 Sec. 17. Minnesota Statutes 2014, section 116J.431, subdivision 2, is amended to read:

153.23 Subd. 2. **Eligible projects.** An economic development project for which a county or  
153.24 city may be eligible to receive a grant under this section includes:

153.25 (1) manufacturing;

153.26 (2) technology;

153.27 (3) warehousing and distribution;

153.28 (4) research and development;

153.29 (5) agricultural processing, defined as transforming, packaging, sorting, or grading  
153.30 livestock or livestock products into goods that are used for intermediate or final  
153.31 consumption, including goods for nonfood use; or

153.32 (6) industrial park development that would be used by any other business listed in  
153.33 this subdivision even if no business has committed to locate in the industrial park at the  
153.34 time the grant application is made.

154.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

154.2 Sec. 18. Minnesota Statutes 2014, section 116J.431, subdivision 4, is amended to read:

154.3 Subd. 4. **Application.** (a) The commissioner must develop forms and procedures  
154.4 for soliciting and reviewing applications for grants under this section. At a minimum, a  
154.5 county or city must include in its application a resolution of the county or city council  
154.6 certifying that the required local match is available. The commissioner must evaluate  
154.7 complete applications for eligible projects using the following criteria:

154.8 (1) the project is an eligible project as defined under subdivision 2;

154.9 (2) the project ~~will~~ is expected to result in or will attract substantial public and  
154.10 private capital investment and provide substantial economic benefit to the county or city in  
154.11 which the project would be located;

154.12 (3) the project is not relocating substantially the same operation from another  
154.13 location in the state, unless the commissioner determines the project cannot be reasonably  
154.14 accommodated within the county or city in which the business is currently located, or the  
154.15 business would otherwise relocate to another state; and

154.16 (4) the project is expected to or will create or ~~maintain~~ retain full-time jobs.

154.17 (b) The determination of whether to make a grant for a site is within the discretion of  
154.18 the commissioner, subject to this section. The commissioner's decisions and application of  
154.19 the ~~priorities~~ criteria are not subject to judicial review, except for abuse of discretion.

154.20 **EFFECTIVE DATE.** This section is effective the day following final enactment.

154.21 Sec. 19. Minnesota Statutes 2014, section 116J.431, subdivision 6, is amended to read:

154.22 Subd. 6. **Maximum grant amount.** A county or city may receive no more than  
154.23 ~~\$1,000,000~~ \$2,000,000 in two years for one or more projects.

154.24 **EFFECTIVE DATE.** This section is effective the day following final enactment.

154.25 Sec. 20. Minnesota Statutes 2014, section 116J.68, is amended to read:

154.26 **116J.68 BUREAU OF SMALL BUSINESS.**

154.27 Subdivision 1. **Generally.** The Bureau of Small Business within the business  
154.28 assistance center shall serve as a clearinghouse, technical assistance center, and referral  
154.29 service for information and other assistance needed by small businesses including small  
154.30 targeted group businesses and small businesses located in an economically disadvantaged  
154.31 area.

154.32 Subd. 2. **Duties.** The bureau shall:

155.1 (1) provide information and assistance with respect to all aspects of business  
155.2 planning, business finance, and business management related to the start-up, operation, or  
155.3 expansion of a small business in Minnesota;

155.4 (2) refer persons interested in the start-up, operation, or expansion of a small  
155.5 business in Minnesota to assistance programs sponsored by federal agencies, state  
155.6 agencies, educational institutions, chambers of commerce, civic organizations, community  
155.7 development groups, private industry associations, and other organizations;

155.8 (3) plan, develop, and implement a master file of information on small business  
155.9 assistance programs of federal, state, and local governments, and other public and private  
155.10 organizations so as to provide comprehensive, timely information to the bureau's clients;

155.11 (4) employ staff with adequate and appropriate skills and education and training for  
155.12 the delivery of information and assistance;

155.13 (5) seek out and utilize, to the extent practicable, contributed expertise and services  
155.14 of federal, state, and local governments, educational institutions, and other public and  
155.15 private organizations;

155.16 (6) maintain a close and continued relationship with the director of the procurement  
155.17 program within the Department of Administration so as to facilitate the department's  
155.18 duties and responsibilities under sections 16C.16 to 16C.19 relating to the small targeted  
155.19 group business and economically disadvantaged business program of the state;

155.20 (7) develop an information system which will enable the commissioner and other  
155.21 state agencies to efficiently store, retrieve, analyze, and exchange data regarding small  
155.22 business development and growth in the state. All executive branch agencies of state  
155.23 government and the secretary of state shall to the extent practicable, assist the bureau in  
155.24 the development and implementation of the information system;

155.25 (8) establish and maintain a toll-free telephone number, e-mail account, and other  
155.26 electronic contact mediums determined by the commissioner so that all small business  
155.27 persons anywhere in the state ~~can call~~ may contact the bureau office for assistance.

155.28 An outreach program shall be established to make the existence of the bureau and the  
155.29 assistance and services the bureau may provide to small businesses well known to its  
155.30 potential clientele throughout the state. If the small business person requires a referral to  
155.31 another provider the bureau may use the business assistance referral system established by  
155.32 the Minnesota Project Outreach Corporation;

155.33 (9) conduct research and provide data as required by the state legislature;

155.34 (10) develop and publish material on all aspects of the start-up, operation, or  
155.35 expansion of a small business in Minnesota;

156.1 (11) collect and disseminate information on state procurement opportunities,  
156.2 including information on the procurement process;

156.3 (12) develop a public awareness program ~~through the use of~~ regarding state  
156.4 assistance programs for small businesses, including those programs specifically for  
156.5 socially disadvantaged small business persons. The commissioner may utilize print and  
156.6 electronic newsletters, personal contacts, and advertising devices as defined in section  
156.7 173.02, subdivision 16, social media, other electronic and print news media advertising  
156.8 ~~about state assistance programs for small businesses, including those programs specifically~~  
156.9 ~~for socially disadvantaged small business persons, and any other means determined by~~  
156.10 the commissioner;

156.11 (13) enter into agreements with the federal government and other public and private  
156.12 entities to serve as the statewide coordinator or host agency for the federal small business  
156.13 development center program under United States Code, title 15, section 648; and

156.14 (14) assist providers in the evaluation of their programs and the assessment of  
156.15 their service area needs. The bureau may establish model evaluation techniques and  
156.16 performance standards for providers to use.

156.17 Sec. 21. Minnesota Statutes 2014, section 116J.8737, subdivision 3, is amended to read:

156.18 Subd. 3. **Certification of qualified investors.** (a) Investors may apply to the  
156.19 commissioner for certification as a qualified investor for a taxable year. The application  
156.20 must be in the form and be made under the procedures specified by the commissioner,  
156.21 accompanied by an application fee of \$350. Application fees are deposited in the small  
156.22 business investment tax credit administration account in the special revenue fund. The  
156.23 application for certification for 2010 must be made available on the department's Web  
156.24 site by August 1, 2010. Applications for subsequent years' certification must be made  
156.25 available on the department's Web site by November 1 of the preceding year.

156.26 (b) Within 30 days of receiving an application for certification under this subdivision,  
156.27 the commissioner must either certify the investor as satisfying the conditions required  
156.28 of a qualified investor, request additional information from the investor, or reject the  
156.29 application for certification. If the commissioner requests additional information from the  
156.30 investor, the commissioner must either certify the investor or reject the application within  
156.31 30 days of receiving the additional information. If the commissioner neither certifies the  
156.32 investor nor rejects the application within 30 days of receiving the original application or  
156.33 within 30 days of receiving the additional information requested, whichever is later, then  
156.34 the application is deemed rejected, and the commissioner must refund the \$350 application  
156.35 fee. An investor who applies for certification and is rejected may reapply.

157.1 (c) To receive certification, an investor must (1) be a natural person; and (2) certify  
157.2 to the commissioner that the investor will only invest in a transaction that is exempt under  
157.3 section 80A.46, clause (13) or (14), in a security exempt under section 80A.461, or in a  
157.4 security registered under section 80A.50, paragraph (b).

157.5 (d) In order for a qualified investment in a qualified small business to be eligible  
157.6 for tax credits, a qualified investor who makes the investment must have applied for  
157.7 and received certification for the calendar year prior to making the qualified investment,  
157.8 except in the case of an investor who is not an accredited investor, within the meaning of  
157.9 Regulation D of the Securities and Exchange Commission, Code of Federal Regulations,  
157.10 title 17, section 230.501, paragraph (a), application for certification may be made within  
157.11 30 days after making the qualified investment.

157.12 **EFFECTIVE DATE.** This section is effective for taxable years beginning after  
157.13 December 31, 2015.

157.14 Sec. 22. Minnesota Statutes 2014, section 116J.8747, subdivision 1, is amended to read:

157.15 Subdivision 1. **Grant allowed.** The commissioner may provide a grant to a qualified  
157.16 job training program from money appropriated for the purposes of this section as follows:

157.17 (1) ~~a \$9,000~~ an \$11,000 placement grant paid to a job training program upon  
157.18 placement in employment of a qualified graduate of the program; and

157.19 (2) ~~a \$9,000~~ an \$11,000 retention grant paid to a job training program upon retention  
157.20 in employment of a qualified graduate of the program for at least one year.

157.21 Sec. 23. Minnesota Statutes 2014, section 116J.8747, subdivision 2, is amended to read:

157.22 Subd. 2. **Qualified job training program.** To qualify for grants under this section,  
157.23 a job training program must satisfy the following requirements:

157.24 (1) the program must be operated by a nonprofit corporation that qualifies under  
157.25 section 501(c)(3) of the Internal Revenue Code;

157.26 (2) the program must spend ~~at least~~, on average, \$15,000 or more per graduate  
157.27 of the program;

157.28 (3) the program must provide education and training in:

157.29 (i) basic skills, such as reading, writing, mathematics, and communications;

157.30 (ii) thinking skills, such as reasoning, creative thinking, decision making, and  
157.31 problem solving; and

157.32 (iii) personal qualities, such as responsibility, self-esteem, self-management,  
157.33 honesty, and integrity;

158.1 (4) the program ~~must~~ may provide income supplements, when needed, to participants  
 158.2 for housing, counseling, tuition, and other basic needs;

158.3 (5) the program's education and training course must last for an average of at least  
 158.4 six months;

158.5 (6) individuals served by the program must:

158.6 (i) be 18 years of age or older;

158.7 (ii) have federal adjusted gross income of no more than ~~\$11,000~~ \$12,000 per year in  
 158.8 the calendar year immediately before entering the program;

158.9 (iii) have assets of no more than ~~\$7,000~~ \$10,000, excluding the value of a  
 158.10 homestead; and

158.11 (iv) not have been claimed as a dependent on the federal tax return of another person  
 158.12 in the previous taxable year; and

158.13 (7) the program must be certified by the commissioner of employment and economic  
 158.14 development as meeting the requirements of this subdivision.

158.15 Sec. 24. Minnesota Statutes 2014, section 116M.14, subdivision 2, is amended to read:

158.16 Subd. 2. **Board.** "Board" means the ~~Urban Initiative Board.~~ Minnesota emerging  
 158.17 entrepreneur program.

158.18 **EFFECTIVE DATE.** This section is effective July 1, 2016.

158.19 Sec. 25. Minnesota Statutes 2014, section 116M.14, is amended by adding a  
 158.20 subdivision to read:

158.21 Subd. 3a. **Department.** "Department" means the Department of Employment and  
 158.22 Economic Development.

158.23 **EFFECTIVE DATE.** This section is effective July 1, 2016.

158.24 Sec. 26. Minnesota Statutes 2014, section 116M.14, subdivision 4, is amended to read:

158.25 Subd. 4. **Low-income area.** "Low-income area" means:

158.26 (1) Minneapolis, St. Paul;

158.27 (2) those cities in the metropolitan area as defined in section 473.121, subdivision  
 158.28 2, that have an average income that is below 80 percent of the median income for a  
 158.29 four-person family as of the latest report by the United States Census Bureau; and

158.30 (3) ~~those cities in the metropolitan area, which contain two or more contiguous~~  
 158.31 ~~census tracts in which the average family income is less than 80 percent of the median~~  
 158.32 ~~family income for the Twin Cities~~ the area outside the metropolitan area.

159.1 **EFFECTIVE DATE.** This section is effective July 1, 2016.

159.2 Sec. 27. Minnesota Statutes 2014, section 116M.14, is amended by adding a  
159.3 subdivision to read:

159.4 **Subd. 4a. Low-income person.** "Low-income person" means a person who has  
159.5 an annual income, adjusted for family size, of not more than 80 percent of the area  
159.6 median family income for the county of residence as of the latest report by the United  
159.7 States Census Bureau.

159.8 **EFFECTIVE DATE.** This section is effective July 1, 2016.

159.9 Sec. 28. Minnesota Statutes 2014, section 116M.14, is amended by adding a  
159.10 subdivision to read:

159.11 **Subd. 4b. Metropolitan area.** "Metropolitan area" has the meaning given in section  
159.12 473.121, subdivision 2.

159.13 **EFFECTIVE DATE.** This section is effective July 1, 2016.

159.14 Sec. 29. Minnesota Statutes 2014, section 116M.14, is amended by adding a  
159.15 subdivision to read:

159.16 **Subd. 6. Minority person.** "Minority person" means a person belonging to a racial  
159.17 or ethnic minority as defined in Code of Federal Regulations, title 49, section 23.5.

159.18 **EFFECTIVE DATE.** This section is effective July 1, 2016.

159.19 Sec. 30. Minnesota Statutes 2014, section 116M.14, is amended by adding a  
159.20 subdivision to read:

159.21 **Subd. 7. Program.** "Program" means the Minnesota emerging entrepreneur  
159.22 program created by this chapter.

159.23 **EFFECTIVE DATE.** This section is effective July 1, 2016.

159.24 Sec. 31. Minnesota Statutes 2014, section 116M.14, is amended by adding a  
159.25 subdivision to read:

159.26 **Subd. 8. Veteran.** "Veteran" means a veteran as defined in section 197.447.

159.27 **EFFECTIVE DATE.** This section is effective July 1, 2016.

160.1 Sec. 32. Minnesota Statutes 2014, section 116M.14, is amended by adding a  
160.2 subdivision to read:

160.3 Subd. 9. **Persons with disabilities.** "Persons with disabilities" means an individual  
160.4 with a disability, as defined under the Americans with Disabilities Act, United States  
160.5 Code, title 42, section 12102.

160.6 **EFFECTIVE DATE.** This section is effective July 1, 2016.

160.7 Sec. 33. Minnesota Statutes 2014, section 116M.15, subdivision 1, is amended to read:

160.8 Subdivision 1. **Creation; Membership.** ~~The Urban-Initiative~~ Minnesota Emerging  
160.9 Entrepreneur Board is created and consists of the commissioner of employment and  
160.10 economic development, the commissioner of human rights, the chair of the Metropolitan  
160.11 Council, and eight 12 members from the general public appointed by the governor. Six  
160.12 Nine of the public members must be representatives from minority business enterprises.  
160.13 No more than four six of the public members may be of one gender. At least one member  
160.14 must be a representative from a veteran-owned business, and at least one member must  
160.15 be a representative from a business owned by a person with disabilities. Appointments  
160.16 must ensure balanced geographic representation. At least half of the public members must  
160.17 have experience working to address racial income disparities. All public members must be  
160.18 experienced in business or economic development.

160.19 **EFFECTIVE DATE.** This section is effective July 1, 2016.

160.20 Sec. 34. Minnesota Statutes 2014, section 116M.15, is amended by adding a  
160.21 subdivision to read:

160.22 Subd. 1a. **Board responsibilities.** The board shall:

160.23 (1) submit a report to the commissioner by February 1 of each year describing  
160.24 the condition of Minnesota small businesses that are majority owned and operated by a  
160.25 racial or ethnic minority, woman, veteran, or a person with disabilities, along with any  
160.26 policy recommendations;

160.27 (2) act as a liaison between the department and nonprofit corporations engaged in  
160.28 small business development support activities; and

160.29 (3) assist the department in informational outreach about the program.

160.30 **EFFECTIVE DATE.** This section is effective July 1, 2016.

160.31 Sec. 35. Minnesota Statutes 2014, section 116M.17, subdivision 2, is amended to read:

161.1 Subd. 2. **Technical assistance.** ~~The board through the department,~~ shall provide  
 161.2 technical assistance and ~~development information services to state agencies, regional~~  
 161.3 ~~agencies, special districts, local governments, and the public, with special emphasis on~~  
 161.4 ~~minority communities~~ informational outreach about the program to lenders, nonprofit  
 161.5 corporations, and low-income and minority communities throughout the state that support  
 161.6 the development of business enterprises and entrepreneurs.

161.7 **EFFECTIVE DATE.** This section is effective July 1, 2016.

161.8 Sec. 36. Minnesota Statutes 2014, section 116M.17, subdivision 4, is amended to read:

161.9 Subd. 4. **Reports.** The board shall submit an annual report to the legislature of an  
 161.10 accounting of loans made under section 116M.18, including information on loans to  
 161.11 ~~minority business enterprises made, the number of jobs created by the program, the impact~~  
 161.12 on low-income areas, and recommendations concerning minority business development  
 161.13 and jobs for persons in low-income areas.

161.14 **EFFECTIVE DATE.** This section is effective July 1, 2016.

161.15 Sec. 37. Minnesota Statutes 2014, section 116M.18, is amended to read:

161.16 **116M.18 URBAN CHALLENGE GRANTS MINNESOTA EMERGING**  
 161.17 **ENTREPRENEUR PROGRAM.**

161.18 Subdivision 1. **Establishment.** The Minnesota emerging entrepreneur program is  
 161.19 established to award grants to nonprofit corporations to fund loans to businesses owned by  
 161.20 minority or low-income persons, women, veterans, or people with disabilities.

161.21 Subd. 1a. **Statewide loans.** To the extent there is sufficient eligible demand,  
 161.22 loans shall be made so that an approximately equal dollar amount of loans are made to  
 161.23 businesses in the metropolitan area as in the nonmetropolitan area. After September  
 161.24 30 of each calendar year, the department may allow loans to be made anywhere in the  
 161.25 state without regard to geographic area.

161.26 ~~Subdivision 1~~ Subd. 1b. **Eligibility rules Grants.** The board ~~department~~ shall  
 161.27 make ~~urban challenge grants for use in low-income areas to nonprofit corporations to~~  
 161.28 fund loans to businesses owned by minority or low-income persons, women, veterans, or  
 161.29 people with disabilities to encourage private investment, to provide jobs for minority and  
 161.30 low-income persons and others in low-income areas, to create and strengthen minority  
 161.31 business enterprises, and to promote economic development in a low-income area. ~~The~~  
 161.32 ~~board shall adopt rules to establish criteria for determining loan eligibility.~~

162.1 Subd. 2. **Challenge Grant eligibility; nonprofit corporation.** (a) ~~The board~~  
 162.2 ~~department~~ may enter into agreements with nonprofit corporations to fund and guarantee  
 162.3 loans the nonprofit corporation makes ~~in low-income areas under subdivision 4.~~ A  
 162.4 ~~corporation must demonstrate that~~ to businesses owned by minority or low-income  
 162.5 persons, women, veterans, or people with disabilities. The department shall evaluate  
 162.6 applications from nonprofit corporations. In evaluating applications, the department must  
 162.7 consider, among other things, whether the nonprofit corporation:

162.8 (1) ~~its~~ has a board of directors that includes citizens experienced in business  
 162.9 and community development, minority business enterprises, addressing racial income  
 162.10 disparities, and creating jobs in low-income areas for low-income and minority persons;

162.11 (2) ~~it~~ has the technical skills to analyze projects;

162.12 (3) ~~it~~ is familiar with other available public and private funding sources and  
 162.13 economic development programs;

162.14 (4) ~~it~~ can initiate and implement economic development projects;

162.15 (5) ~~it~~ can establish and administer a revolving loan account or has operated a  
 162.16 revolving loan account; and

162.17 (6) ~~it~~ can work with job referral networks which assist minority and ~~other persons in~~  
 162.18 ~~low-income areas~~ low-income persons; and

162.19 (7) has established relationships with minority communities.

162.20 (b) The department shall review existing agreements with nonprofit corporations  
 162.21 every five years and may renew or terminate the agreement based on the review. In making  
 162.22 its review, the department shall consider, among other criteria, the criteria in paragraph (a).

162.23 Subd. 3. **Revolving loan fund.** (a) ~~The board~~ department shall establish a revolving  
 162.24 loan fund to make grants to nonprofit corporations for the purpose of making loans and  
 162.25 ~~loan guarantees to new and expanding businesses in a low-income area to promote~~ owned  
 162.26 by minority or low-income persons, women, veterans, or people with disabilities, and to  
 162.27 support minority business enterprises and job creation for minority and ~~other persons~~  
 162.28 ~~in low-income areas~~ low-income persons.

162.29 (b) Nonprofit corporations that receive grants from the department under the  
 162.30 program must establish a commissioner-certified revolving loan fund for the purpose  
 162.31 of making eligible loans.

162.32 (c) Eligible business enterprises include, but are not limited to, technologically  
 162.33 innovative industries, value-added manufacturing, and information industries.

162.34 (d) Loan applications given preliminary approval by the nonprofit corporation must  
 162.35 be forwarded to the board department for approval. The commissioner must give final  
 162.36 approval for each loan ~~or loan guarantee~~ made by the nonprofit corporation. The amount

163.1 of the state funds contributed to any loan ~~or loan guarantee~~ may not exceed 50 percent  
163.2 of each loan.

163.3 Subd. 4. **Business loan criteria.** (a) The criteria in this subdivision apply to loans  
163.4 made ~~or guaranteed~~ by nonprofit corporations under the ~~urban challenge grant~~ program.

163.5 (b) Loans ~~or guarantees~~ must be made to businesses that are not likely to undertake  
163.6 a project for which loans are sought without assistance from the ~~urban challenge grant~~  
163.7 program.

163.8 (c) A loan ~~or guarantee~~ must be used for a project designed to benefit persons in  
163.9 ~~low-income areas through the creation of job or business opportunities for them~~ to support  
163.10 a business owned by a minority or a low-income person, woman, veteran, or a person with  
163.11 disabilities. Priority must be given for loans to the lowest income areas.

163.12 (d) The minimum state contribution to a loan ~~or guarantee~~ is \$5,000 and the  
163.13 maximum is \$150,000.

163.14 (e) The state contribution must be matched by at least an equal amount of new  
163.15 private investment.

163.16 (f) A loan may not be used for a retail development project.

163.17 (g) The business must agree to work with job referral networks that focus on  
163.18 minority and low-income applicants ~~from low-income areas~~.

163.19 Subd. 4a. **Microenterprise loan.** ~~Urban challenge Program~~ grants may be  
163.20 used to make microenterprise loans to small, beginning businesses, including a sole  
163.21 proprietorship. Microenterprise loans are subject to this section except that:

163.22 (1) they may also be made to qualified retail businesses;

163.23 (2) they may be made for a minimum of ~~\$1,000~~ \$5,000 and a maximum of ~~\$25,000~~  
163.24 \$35,000; and

163.25 (3) in a low-income area, they may be made for a minimum of \$5,000 and a  
163.26 maximum of \$50,000; and

163.27 ~~(3)~~ (4) they do not require a match.

163.28 Subd. 5. **Revolving fund administration; rules.** (a) The ~~board~~ department shall  
163.29 establish a minimum interest rate for loans or guarantees to ensure that necessary loan  
163.30 administration costs are covered. The interest rate charged by a nonprofit corporation for  
163.31 a loan under this subdivision must not exceed the Wall Street Journal prime rate plus  
163.32 four percent. For a loan under this subdivision, the nonprofit corporation may charge a  
163.33 loan origination fee equal to or less than one percent of the loan value. The nonprofit  
163.34 corporation may retain the amount of the origination fee.

163.35 (b) Loan repayment amounts ~~equal to one-half~~ of the principal and interest must be  
163.36 ~~deposited in a revolving fund created by the board for challenge grants. The remaining~~

164.1 ~~amount of the loan repayment may be paid to the department for deposit in the revolving~~  
164.2 ~~loan fund. Loan interest payments must be deposited in a revolving loan fund created by~~  
164.3 ~~the nonprofit corporation originating the loan being repaid for further distribution or use,~~  
164.4 ~~consistent with the loan criteria specified in subdivision 4 of this section.~~

164.5 (c) Administrative expenses of the ~~board and~~ nonprofit corporations with whom the  
164.6 ~~board~~ department enters into agreements ~~under subdivision 2~~, including expenses incurred  
164.7 by a nonprofit corporation in providing financial, technical, managerial, and marketing  
164.8 assistance to a business enterprise receiving a loan under subdivision 4, may be paid out  
164.9 of the interest earned on loans and out of interest earned on money invested by the state  
164.10 Board of Investment under section 116M.16, subdivision 2, as may be provided by the  
164.11 ~~board~~ department.

164.12 ~~Subd. 6. **Rules.** The board shall adopt rules to implement this section.~~

164.13 ~~Subd. 6a. **Nonprofit corporation loans.** The board may make loans to a nonprofit~~  
164.14 ~~corporation with which it has entered into an agreement under subdivision 1. These~~  
164.15 ~~loans must be used to support a new or expanding business. This support may include~~  
164.16 ~~such forms of financing as the sale of goods to the business on installment or deferred~~  
164.17 ~~payments, lease purchase agreements, or royalty investments in the business. The interest~~  
164.18 ~~rate charged by a nonprofit corporation for a loan under this subdivision must not exceed~~  
164.19 ~~the Wall Street Journal prime rate plus four percent. For a loan under this subdivision, the~~  
164.20 ~~nonprofit corporation may charge a loan origination fee equal to or less than one percent~~  
164.21 ~~of the loan value. The nonprofit corporation may retain the amount of the origination fee.~~  
164.22 ~~The nonprofit corporation must provide at least an equal match to the loan received by the~~  
164.23 ~~board. The maximum loan available to the nonprofit corporation under this subdivision is~~  
164.24 ~~\$50,000. Loans made to the nonprofit corporation under this subdivision may be made~~  
164.25 ~~without interest. Repayments made by the nonprofit corporation must be deposited in the~~  
164.26 ~~revolving fund created for urban initiative grants.~~

164.27 Subd. 7. **Cooperation.** A nonprofit corporation that receives an ~~urban challenge~~ a  
164.28 program grant shall cooperate with other organizations, including but not limited to,  
164.29 community development corporations, community action agencies, and the Minnesota  
164.30 small business development centers.

164.31 Subd. 8. **Reporting requirements.** A nonprofit corporation that receives a  
164.32 ~~challenge~~ program grant shall:

164.33 (1) submit an annual report to the board ~~and department~~ by September March  
164.34 30 of each year that includes a description of ~~projects~~ businesses supported by the  
164.35 ~~urban challenge~~ grant program, an account of loans made during the calendar year, the  
164.36 program's impact on minority business enterprises and job creation for minority persons

165.1 and low-income persons in low-income areas, the source and amount of money collected  
165.2 and distributed by the ~~urban challenge grant~~ program, the program's assets and liabilities,  
165.3 and an explanation of administrative expenses; and

165.4 (2) provide for an independent annual audit to be performed in accordance with  
165.5 generally accepted accounting practices and auditing standards and submit a copy of each  
165.6 annual audit report to the ~~board~~ department.

165.7 **EFFECTIVE DATE.** This section is effective July 1, 2016.

165.8 Sec. 38. Minnesota Statutes 2015 Supplement, section 326B.988, is amended to read:

165.9 **326B.988 EXCEPTIONS.**

165.10 (a) The provisions of sections 326B.95 to 326B.998 shall not apply to:

165.11 (1) boilers and pressure vessels in buildings occupied solely for residence purposes  
165.12 with accommodations for not more than five families;

165.13 (2) railroad locomotives operated by railroad companies for transportation purposes;

165.14 (3) air tanks installed on the right-of-way of railroads and used directly in the  
165.15 operation of trains;

165.16 (4) boilers and pressure vessels under the direct jurisdiction of the United States;

165.17 (5) unfired pressure vessels having an internal or external working pressure not  
165.18 exceeding 15 psig with no limit on size;

165.19 (6) pressure vessels used for storage of compressed air not exceeding five cubic feet  
165.20 in volume and equipped with an ASME code stamped safety valve set at a maximum of  
165.21 100 psig;

165.22 (7) pressure vessels having an inside diameter not exceeding six inches;

165.23 (8) every vessel that contains water under pressure, including those containing air  
165.24 that serves only as a cushion, whose design pressure does not exceed 300 psig and whose  
165.25 design temperature does not exceed 210 degrees Fahrenheit;

165.26 (9) boiler or pressure vessels located on farms used solely for agricultural or  
165.27 horticultural purposes; for purposes of this section, boilers used for mint oil extraction  
165.28 are considered used for agricultural or horticultural purposes, provided that the owner or  
165.29 lessee complies with the inspection requirements contained in section 326B.958;

165.30 (10) tanks or cylinders used for storage or transfer of liquefied petroleum gases;

165.31 (11) unfired pressure vessels in petroleum refineries;

165.32 (12) an air tank or pressure vessel which is an integral part of a passenger motor  
165.33 bus, truck, or trailer;

166.1 (13) hot water heating and other hot liquid boilers not exceeding a heat input of  
166.2 750,000 BTU per hour;

166.3 (14) hot water supply boilers (water heaters) not exceeding a heat input of 500,000  
166.4 BTU per hour, a water temperature of 210 degrees Fahrenheit, a nominal water capacity  
166.5 of 120 gallons, or a pressure of 160 psig;

166.6 (15) a laundry and dry cleaning press not exceeding five cubic feet of steam volume;

166.7 (16) pressure vessels operated full of water or other liquid not materially more  
166.8 hazardous than water, if the vessel's contents' temperature does not exceed 210 degrees  
166.9 Fahrenheit or a pressure of 200 psig;

166.10 (17) steam-powered turbines at papermaking facilities which are powered by steam  
166.11 generated by steam facilities at a remote location;

166.12 (18) manually fired boilers for model locomotive, boat, tractor, stationary engine,  
166.13 or antique motor vehicles constructed or maintained only as a hobby for exhibition,  
166.14 educational or historical purposes and not for commercial use, if the boilers have an  
166.15 inside diameter of 12 inches or less, or a grate area of two square feet or less, and are  
166.16 equipped with an ASME stamped safety valve of adequate size, a water level indicator,  
166.17 and a pressure gauge;

166.18 (19) any pressure vessel used as an integral part of an electrical circuit breaker;

166.19 (20) pressure vessels used for the storage of refrigerant if they are built to ASME  
166.20 code specifications, registered with the national board, and equipped with an ASME  
166.21 code-stamped pressure-relieving device set no higher than the maximum allowable  
166.22 working pressure of the vessel. This does not include pressure vessels used in ammonia  
166.23 refrigeration systems;

166.24 (21) pressure vessels used for the storage of oxygen, nitrogen, helium, carbon dioxide,  
166.25 argon, nitrous oxide, or other medical gas, provided the vessel is constructed to ASME  
166.26 or Minnesota Department of Transportation specifications and equipped with an ASME  
166.27 code-stamped pressure-relieving device. The owner of the vessels shall perform annual  
166.28 visual inspections and planned maintenance on these vessels to ensure vessel integrity;

166.29 (22) pressure vessels used for the storage of compressed air for self-contained  
166.30 breathing apparatuses;

166.31 (23) hot water heating or other hot liquid boilers vented directly to the atmosphere;  
166.32 and

166.33 (24) pressure vessels used for the storage of compressed air not exceeding 1.5 cubic  
166.34 feet (11.22 gallons) in volume with a maximum allowable working pressure of 600 psi or  
166.35 less.

166.36 (b) An engineer's license is not required for hot water supply boilers.

167.1 (c) An engineer's license and annual inspection by the department is not required  
167.2 for boilers, steam cookers, steam kettles, steam sterilizers or other steam generators not  
167.3 exceeding 100,000 BTU per hour input, 25 kilowatt, and a pressure of 15 psig.

167.4 (d) Electric boilers not exceeding a maximum working pressure of 50 psig,  
167.5 maximum of 30 kilowatt input or three horsepower rating shall be inspected as pressure  
167.6 vessels and shall not require an engineer license to operate.

167.7 (e) Sawmills, located in a county with a population of less than 8,000 according to  
167.8 the last federal census and that utilize steam for the drying of lumber, are not required to  
167.9 meet the high pressure boiler attendance requirements set forth in Minnesota Rules, part  
167.10 5225.1180, only if all of the following conditions are met:

167.11 (1) the owner complies with the inspection requirements under section 326B.958,  
167.12 and the licensing requirements under section 326B.972; and

167.13 (2) the boiler:

167.14 (i) is equipped with electronic control systems that are remotely operated but which  
167.15 require on-site manual reset of system faults;

167.16 (ii) is remotely monitored for log water levels, boiler pressure, and steam flow;

167.17 (iii) has automatic safety mechanisms built into the remote monitoring systems that  
167.18 send an alarm upon detection of a fault condition, and an on-site alarm that will sound  
167.19 upon detection of a fault condition and which may be heard at a distance of 500 feet;

167.20 (iv) has a water treatment program that is supervised by a third party water treatment  
167.21 company; and

167.22 (v) is attended on site by a licensed boiler operator at least two times in a 24-hour  
167.23 period. If the boiler is not attended more than twice in a 24-hour period, the period  
167.24 between checks must not be less than eight hours.

167.25 ~~This paragraph expires August 1, 2016.~~ This paragraph expires the sooner of August  
167.26 1, 2018, or upon the effective date of a rule regulating high pressure boiler attendance  
167.27 requirements at a sawmill described in this paragraph adopted after the effective date  
167.28 of this act.

167.29 **EFFECTIVE DATE.** This section is effective the day following final enactment.

167.30 Sec. 39. Minnesota Statutes 2014, section 462A.204, subdivision 1, is amended to read:

167.31 Subdivision 1. **Establishment.** The agency may establish a family homeless  
167.32 prevention and assistance program to assist families who are homeless or are at imminent  
167.33 risk of homelessness. The term "family" may include single individuals. The agency may  
167.34 make grants to develop and implement family homeless prevention and assistance projects

168.1 under the program. For purposes of this section, "families" means families and persons  
168.2 ~~under the age of 22~~ 24 years of age or younger.

168.3 Sec. 40. Minnesota Statutes 2014, section 462A.204, subdivision 3, is amended to read:

168.4 Subd. 3. **Set aside.** At least one grant must be awarded in an area located outside of  
168.5 the metropolitan area. A county, a group of contiguous counties jointly acting together, a  
168.6 tribe, a group of tribes, or a community-based nonprofit organization with a sponsoring  
168.7 resolution from each of the county boards of the counties located within its operating  
168.8 jurisdiction may apply for and receive grants for areas located outside the metropolitan area.

168.9 Sec. 41. **[462A.38] WORKFORCE AND AFFORDABLE HOMEOWNERSHIP**  
168.10 **DEVELOPMENT PROGRAM.**

168.11 Subdivision 1. **Establishment.** A workforce and affordable homeownership  
168.12 development program is established to award homeownership development grants  
168.13 to nonprofit organizations, cooperatives created under chapter 308A or 308B, and  
168.14 community land trusts created for the purposes outlined in section 462A.31, subdivision  
168.15 1, for development of workforce and affordable homeownership projects. The purpose  
168.16 of the program is to increase the supply of workforce and affordable, owner-occupied  
168.17 multifamily or single-family housing throughout Minnesota.

168.18 Subd. 2. **Use of funds.** (a) Grant funds awarded under this program may be used for:

168.19 (1) development costs;

168.20 (2) rehabilitation;

168.21 (3) land development; and

168.22 (4) residential housing, including storm shelters and related community facilities.

168.23 (b) A project funded through the grant program shall serve households that meet the  
168.24 income limits as provided in section 462A.33, subdivision 5, unless a project is intended  
168.25 for the purpose outlined in section 462A.02, subdivision 6.

168.26 Subd. 3. **Application.** The commissioner shall develop forms and procedures for  
168.27 soliciting and reviewing applications for grants under this section. The commissioner shall  
168.28 consult with interested stakeholders when developing the guidelines and procedures for  
168.29 the program. In making grants, the commissioner shall establish semiannual application  
168.30 deadlines in which grants will be authorized from all or part of the available appropriations.

168.31 Subd. 4. **Awarding grants.** Among comparable proposals, preference must be  
168.32 given to proposals that include contributions from nonstate resources for the greatest  
168.33 portion of the total development cost.

169.1 Subd. 5. **Statewide program.** The agency shall attempt to make grants in  
 169.2 approximately equal amounts to applicants outside and within the metropolitan area.

169.3 Subd. 6. **Report.** Beginning January 15, 2018, the commissioner must annually  
 169.4 submit a report to the chairs and ranking minority members of the senate and house of  
 169.5 representatives committees having jurisdiction over housing and workforce development  
 169.6 specifying the projects that received grants under this section and the specific purposes for  
 169.7 which the grant funds were used.

169.8 **EFFECTIVE DATE.** This section is effective the day following final enactment.

169.9 Sec. 42. Laws 2014, chapter 211, section 13, as amended by Laws 2015, First Special  
 169.10 Session chapter 1, article 7, section 1, is amended to read:

169.11 Sec. 13. **EFFECTIVE DATE.**

169.12 Sections 1 to 3 and 6 to 11 are effective July 1, ~~2016~~ 2017. Sections 4, 5, and 12  
 169.13 are effective July 1, 2014.

169.14 **EFFECTIVE DATE.** This section is effective the day following final enactment.

169.15 Until July 1, ~~2016~~ 2017, any employee, employer, employee or employer organization,  
 169.16 exclusive representative, or any other person or organization aggrieved by an unfair labor  
 169.17 practice as defined in Minnesota Statutes, section 179A.13, may bring an action for  
 169.18 injunctive relief and for damages caused by the unfair labor practice in the district court of  
 169.19 the county in which the practice is alleged to have occurred.

169.20 Sec. 43. Laws 2015, First Special Session chapter 1, article 1, section 4, is amended to  
 169.21 read:

169.22 Sec. 4. **EXPLORE MINNESOTA TOURISM** \$ 14,118,000 \$ 14,248,000

169.23 (a) To develop maximum private sector  
 169.24 involvement in tourism, \$500,000 in fiscal  
 169.25 year 2016 and \$500,000 in fiscal year 2017  
 169.26 must be matched by Explore Minnesota  
 169.27 Tourism from nonstate sources. Each \$1 of  
 169.28 state incentive must be matched with \$6 of  
 169.29 private sector funding. Cash match is defined  
 169.30 as revenue to the state or documented cash  
 169.31 expenditures directly expended to support  
 169.32 Explore Minnesota Tourism programs. Up  
 169.33 to one-half of the private sector contribution

170.1 may be in-kind or soft match. The incentive  
170.2 in fiscal year 2016 shall be based on fiscal  
170.3 year 2015 private sector contributions. The  
170.4 incentive in fiscal year 2017 shall be based on  
170.5 fiscal year 2016 private sector contributions.  
170.6 This incentive is ongoing. Of this amount,  
170.7 \$100,000 is for a grant to the Northern Lights  
170.8 International Music festival.

170.9 (b) Funding for the marketing grants is  
170.10 available either year of the biennium.  
170.11 Unexpended grant funds from the first year  
170.12 are available in the second year.

170.13 (c) \$30,000 in fiscal year 2016 is for Mille  
170.14 Lacs Lake tourism promotion. This is a  
170.15 onetime appropriation.

170.16 Sec. 44. **DAY TRAINING AND HABILITATION GRANT PROGRAM.**

170.17 Subdivision 1. Establishment. The commissioner of employment and economic  
170.18 development shall establish a day training and habilitation grant program in fulfillment  
170.19 of the Olmstead Plan purpose of ensuring that people with disabilities have choices for  
170.20 competitive, meaningful, and sustained employment in the most integrated setting.

170.21 Subd. 2. Definitions. (a) For the purposes of this section, the following terms  
170.22 have the meanings given them.

170.23 (b) "Day training and habilitation providers" means those organizations whose  
170.24 names are listed as Department of Human Services providers in the Minnesota Department  
170.25 of Administration, Materials Management Division, ALP Manual, Appendix J, without  
170.26 regard to whether they are listed as approved vendors with the Minnesota Department  
170.27 of Employment and Economic Development, Division of Rehabilitation Services as a  
170.28 community rehabilitation provider, limited-use vendor, or center for independent living,  
170.29 and irrespective as to whether they are accredited by CARF International.

170.30 (c) "Competitive employment" means full-time or part-time employment, with or  
170.31 without support, in an integrated setting in the community that pays at least minimum  
170.32 wage, as defined by the Fair Labor Standards Act, but not less than the customary wage  
170.33 and level of benefits paid by the employer for the same or similar work performed by  
170.34 workers without a disability.

171.1 (d) "Olmstead Plan" means Minnesota's 2013 Olmstead Plan, dated November 1,  
 171.2 2013, and all subsequent modifications approved by the United States District Court.

171.3 Subd. 3. **Competitive process.** The commissioner shall issue a request for proposals  
 171.4 to day training and habilitation providers seeking proposals to assist the Department  
 171.5 of Employment and Economic Development in achieving its goals as provided in the  
 171.6 Olmstead Plan. Grant funds shall be used to improve individual employment outcomes  
 171.7 by aligning programs, funding, and policies to support people with disabilities to choose,  
 171.8 secure, and maintain competitive employment and self-employment, including, but not  
 171.9 limited to, the following activities:

171.10 (1) implementing policies and initiating processes that improve the employment  
 171.11 outcomes of working adults with disabilities;

171.12 (2) offering incentives for innovation that increase competitive employment in  
 171.13 the general work force;

171.14 (3) expanding the flexibility in current funding and services to increase competitive  
 171.15 employment outcomes;

171.16 (4) providing evidence of partnerships with private sector businesses and public  
 171.17 sector employment; and

171.18 (5) submitting outcome data, required by the department, according to the  
 171.19 stipulations of the Olmstead Plan.

171.20 Subd. 4. **Eligibility.** Any person who has a disability as determined by the Social  
 171.21 Security Administration or state medical review team is eligible to receive services  
 171.22 provided with grant funds.

171.23 Subd. 5. **Consultation required.** The commissioner shall consult with the  
 171.24 governor's Workforce Development Council, the Commission of Deaf, DeafBlind, and  
 171.25 Hard-of-Hearing Minnesotans, the governor's Council on Developmental Disabilities, and  
 171.26 other governor-appointed disability councils in designing, implementing, and evaluating  
 171.27 the competitive grant program.

171.28 Subd. 6. **Report.** On or before February 1, 2017, and annually thereafter, the  
 171.29 commissioner shall report to the chairs and ranking minority members of the senate and  
 171.30 house of representatives committees having jurisdiction over employment and economic  
 171.31 development policy and finance on the amount of funds awarded and the outcomes  
 171.32 reported by grantees.

171.33 Sec. 45. **EXPLOITED FAMILIES RENTAL ASSISTANCE PILOT PROGRAM.**

171.34 Subdivision 1. **Rental assistance program.** (a) The commissioner of housing finance  
 171.35 shall establish a grant pilot program within the housing trust fund to serve individuals or

172.1 families from emerging communities at risk of being homeless and who have been victims  
 172.2 of gender-based violence, including but not limited to domestic violence, sexual assault,  
 172.3 trafficking, international abusive marriage, or forced marriage. For the purposes of this  
 172.4 section, the term "emerging communities" is defined as communities that are unfamiliar  
 172.5 with mainstream government services and that have limited English proficiency. The  
 172.6 commissioner shall award grants to organizations that can provide or partner with an  
 172.7 organization that can provide linguistically and culturally appropriate services and that  
 172.8 have the capacity to serve individuals or families from emerging communities who have  
 172.9 experienced gender-based violence. The commissioner may consult with the Departments  
 172.10 of Human Services and Public Safety when establishing the grant program.

172.11 (b) The pilot program must:

172.12 (1) provide rental assistance to individuals or families with a minor child;

172.13 (2) require the participants to pay at least 30 percent of the participant's income  
 172.14 toward the rent;

172.15 (3) allow the families to choose their own housing, including single-family homes,  
 172.16 townhomes, and apartments; and

172.17 (4) give priority to individuals or families who experience barriers in accessing  
 172.18 housing, including having limited English proficiency, lack of positive rental history,  
 172.19 employment history, and financial history.

172.20 Subd. 2. **Program evaluation.** All grant recipients must collect and make  
 172.21 available to the commissioner of housing finance aggregate data to assist the agency in  
 172.22 the evaluation of the program. The commissioner of housing finance shall evaluate the  
 172.23 program and measure the number of families served from emerging communities and the  
 172.24 housing status of the participants.

172.25 Sec. 46. **LAKE MILLE LACS AREA ECONOMIC RELIEF PROGRAM.**

172.26 Subdivision 1. **Relief program established.** Mille Lacs County must develop and  
 172.27 implement a Lake Mille Lacs area economic relief program to assist businesses adversely  
 172.28 affected by a decline in walleye fishing on Lake Mille Lacs.

172.29 Subd. 2. **Available relief.** (a) The economic relief program established under this  
 172.30 section may include grants or loans as provided in this section to the extent that funds are  
 172.31 available. Prior to awarding a grant to Mille Lacs County for the relief program under  
 172.32 this section:

172.33 (1) the county must develop criteria, procedures, and requirements for:

172.34 (i) determining eligibility for assistance;

- 173.1 (ii) the duration, terms, underwriting and security requirements, and repayment  
173.2 requirements for loans;
- 173.3 (iii) evaluating applications for assistance;  
173.4 (iv) awarding assistance; and  
173.5 (v) administering the grant and loan program authorized under this section;
- 173.6 (2) the county must submit its criteria, procedures, and requirements developed  
173.7 pursuant to clause (1) to the commissioner of employment and economic development  
173.8 for review; and
- 173.9 (3) the commissioner must approve the criteria, procedures, and requirements as  
173.10 developed pursuant to clause (1) to be used by the county in determining eligibility for  
173.11 assistance, evaluating, awarding, and administering the grant and loan program.
- 173.12 (b) The relief authorized under this section includes:
- 173.13 (1) grants not to exceed \$50,000 per business. Grants may be awarded to applicants  
173.14 only when the county determines that a loan is not appropriate to address the needs of  
173.15 the applicant; and
- 173.16 (2) loans, with or without interest, and deferred or forgivable loans. The maximum  
173.17 loan amount under this subdivision is \$100,000 per business. The lending criteria adopted  
173.18 by the county for loans under this subdivision must:
- 173.19 (i) specify that an entity receiving a deferred or forgivable loan must remain in  
173.20 the local community a minimum of five years after the date of the loan. The maximum  
173.21 loan deferral period must not exceed five years from the date the loan is approved. The  
173.22 maximum amount of a loan that may be forgiven must not exceed 50 percent of the  
173.23 principle amount and may be forgiven only if the business has remained in operation in  
173.24 the community for at least ten years after the loan is approved; and
- 173.25 (ii) require submission of a business plan for continued operation until the walleye  
173.26 fishing resource recovers. The plan must document the probable success of the applicant's  
173.27 business plan and probable success in repaying the loan according to the terms established  
173.28 for the loan program; and
- 173.29 (3) tourism promotion grants to the Mille Lacs Tourism Council.
- 173.30 (c) All loan repayment funds under this subdivision must be paid to the commissioner  
173.31 of employment and economic development for deposit in the Minnesota investment fund  
173.32 disaster contingency account under Minnesota Statutes, section 116J.8731.
- 173.33 Subd. 3. **Qualification requirements.** To qualify for assistance under this section, a  
173.34 business must:
- 173.35 (1) be located within one of the following municipalities surrounding Lake Mille  
173.36 Lacs:

174.1 (i) in Crow Wing County, the city of Garrison, township of Garrison, or township  
174.2 of Roosevelt;

174.3 (ii) in Aitkin County, the township of Hazelton, township of Wealthwood, township  
174.4 of Malmo, or township of Lakeside; or

174.5 (iii) in Mille Lacs County, the city of Isle, city of Wahkon, city of Onamia, township  
174.6 of East Side, township of Isle Harbor, township of South Harbor, or township of Kathio;

174.7 (2) document a reduction of at least ten percent in gross receipts in any two-year  
174.8 period since 2010; and

174.9 (3) be a business in one of the following industries, as defined within the  
174.10 North American Industry Classification System: accommodation, restaurants, bars,  
174.11 amusement and recreation, food and beverages retail, sporting goods, miscellaneous retail,  
174.12 general retail, museums, historical sites, health and personal care, gas station, general  
174.13 merchandise, business and professional membership, movies, or nonstore retailer, as  
174.14 determined by Mille Lacs County in consultation with the commissioner of employment  
174.15 and economic development.

174.16 Subd. 4. **Monitoring.** (a) Mille Lacs County must establish performance measures  
174.17 that include, but are not limited to, the following components:

174.18 (1) the number of loans approved and the amounts and terms of the loans;

174.19 (2) the number of grants awarded, award amounts, and the reason that a grant award  
174.20 was made in lieu of a loan;

174.21 (3) the loan default rate;

174.22 (4) the number of jobs created or retained as a result of the assistance, including  
174.23 information on the wages and benefit levels, the status of the jobs as full-time or part-time,  
174.24 and the status of the jobs as temporary or permanent;

174.25 (5) the amount of business activity and changes in gross revenues of the grant or  
174.26 loan recipient as a result of the assistance; and

174.27 (6) the new tax revenue generated as a result of the assistance.

174.28 (b) The commissioner of employment and economic development must monitor  
174.29 Mille Lacs County's compliance with this section and the performance measures  
174.30 developed under paragraph (a).

174.31 (c) Mille Lacs County must comply with all requests made by the commissioner  
174.32 under this section.

174.33 Subd. 5. **Business subsidy requirements.** Sections 116J.993 to 116J.995 do not  
174.34 apply to assistance under this section. Businesses in receipt of assistance under this section  
174.35 must provide for job creation and retention goals, and wage and benefit goals.

175.1 Subd. 6. **Administrative costs.** The commissioner of employment and economic  
 175.2 development may use up to one percent of the appropriation made for this section for  
 175.3 administrative expenses of the department.

175.4 **EFFECTIVE DATE.** This section, except for subdivision 4, is effective July 1,  
 175.5 2016, and expires June 30, 2017. Subdivision 4 is effective July 1, 2016, and expires on  
 175.6 the date the last loan is repaid or forgiven as provided under this section.

175.7 Sec. 47. **REVISOR'S INSTRUCTION.**

175.8 In the next editions of Minnesota Statutes and Minnesota Rules, the revisor of  
 175.9 statutes shall change the term "Urban Initiative Board" or similar to "Minnesota emerging  
 175.10 entrepreneur program," "program," or similar terms as the context requires.

## 175.11 **ARTICLE 8**

### 175.12 **LABOR AND INDUSTRY** 175.13 **HOUSEKEEPING**

175.14 Section 1. Minnesota Statutes 2015 Supplement, section 326B.13, subdivision 8, is  
 175.15 amended to read:

175.16 **Subd. 8. Effective date of rules.** A rule to adopt or amend the State Building Code  
 175.17 is effective 270 days after publication of the rule's notice of adoption in the State Register.  
 175.18 The rule may provide for a later effective date. The rule may provide for an earlier effective  
 175.19 date if the commissioner or board proposing the rule finds that an earlier effective date is  
 175.20 necessary to protect public health and safety after considering, among other things, the need  
 175.21 for time for training of individuals to comply with and enforce the rule. The commissioner  
 175.22 must publish an electronic version of the entire adopted rule chapter on the department's  
 175.23 Web site within ten days of receipt from the revisor of statutes. The commissioner shall  
 175.24 clearly indicate the effective date of the rule on the department's Web site.

175.25 Sec. 2. Minnesota Statutes 2014, section 326B.439, is amended to read:

#### 175.26 **326B.439 BAN ON LEAD IN PLUMBING.**

175.27 ~~Lead pipe~~, Solders and flux containing more than 0.2 percent lead, and pipes and  
 175.28 pipe fittings containing not more than eight a weighted average of 0.25 percent lead when  
 175.29 used with respect to the wetted surfaces of pipes, pipe fittings, plumbing fittings, and  
 175.30 fixtures shall ~~not~~ be used in any plumbing installation which conveys a potable water  
 175.31 supply. A Minnesota seller of lead solder, except for a seller whose primary business is

176.1 contracting in plumbing, heating, and air conditioning, shall not sell any solder containing  
176.2 0.2 percent lead unless the seller displays a sign which states,

176.3 "Contains Lead

176.4 Minnesota law prohibits the use of this solder in any  
176.5 plumbing installation which is connected to a potable water  
176.6 supply."

176.7 Sec. 3. Minnesota Statutes 2014, section 326B.49, subdivision 1, is amended to read:

176.8 Subdivision 1. **Application, examination, and license fees.** (a) Applications for  
176.9 master and journeyman plumber's licenses shall be made to the commissioner, with  
176.10 all fees required by section 326B.092. Unless the applicant is entitled to a renewal,  
176.11 the applicant shall be licensed by the commissioner only after passing a satisfactory  
176.12 examination developed and administered by the commissioner, based upon rules adopted  
176.13 by the Plumbing Board, showing fitness.

176.14 (b) All ~~initial~~ journeyman plumber's licenses shall ~~be effective for more than one~~  
176.15 ~~calendar year and shall~~ expire on December 31 of ~~the year after the year in which~~  
176.16 ~~the application is made~~ each odd-numbered year after issuance or renewal. All master  
176.17 plumber's licenses shall expire on December 31 of each even-numbered year after issuance  
176.18 or renewal. ~~The commissioner shall in a manner determined by the commissioner, without~~  
176.19 ~~the need for any rulemaking under chapter 14, phase in the renewal of master and~~  
176.20 ~~journeyman plumber's licenses from one year to two years. By June 30, 2011, All renewed~~  
176.21 master and journeyman plumber's licenses shall be two-year licenses.

176.22 (c) Applications for contractor licenses shall be made to the commissioner, with all  
176.23 fees required by section 326B.092. All contractor licenses shall expire on December 31 of  
176.24 each odd-numbered year after issuance or renewal.

176.25 (d) For purposes of calculating license fees and renewal license fees required under  
176.26 section 326B.092:

176.27 (1) the following licenses shall be considered business licenses: plumbing contractor  
176.28 and restricted plumbing contractor;

176.29 (2) the following licenses shall be considered master licenses: master plumber and  
176.30 restricted master plumber;

176.31 (3) the following licenses shall be considered journeyman licenses: journeyman  
176.32 plumber and restricted journeyman plumber; and

176.33 (4) the registration of an unlicensed individual under section 326B.47, subdivision 3,  
176.34 shall be considered an entry level license.

177.1 (e) For each filing of a certificate of responsible individual by an employer, the  
177.2 fee is \$100.

177.3 (f) The commissioner shall charge each person giving bond under section 326B.46,  
177.4 subdivision 2, paragraph (b), a biennial bond filing fee of \$100, unless the person is a  
177.5 licensed contractor.

## 177.6 ARTICLE 9

### 177.7 UNEMPLOYMENT INSURANCE ADVISORY COUNCIL HOUSEKEEPING

177.8 Section 1. Minnesota Statutes 2014, section 268.035, subdivision 12, is amended to read:

177.9 Subd. 12. **Covered employment.** (a) "Covered employment" means the following  
177.10 unless excluded as "noncovered employment" under subdivision 20:

177.11 (1) an employee's entire employment during the calendar quarter if:

177.12 (i) the employment during the quarter is performed primarily in Minnesota;

177.13 (ii) the employment during the quarter is not performed primarily in Minnesota or  
177.14 any other state but some of the employment is performed in Minnesota and the base  
177.15 of operations or the place from which the employment is directed or controlled is in  
177.16 Minnesota; or

177.17 (iii) the employment during the quarter is not performed primarily in Minnesota  
177.18 or any other state and the base of operations or place from which the employment is  
177.19 directed or controlled is not in any state where part of the employment is performed, but  
177.20 the employee's residence is in Minnesota;

177.21 (2) an employee's entire employment during the calendar quarter performed within  
177.22 the United States or Canada, if:

177.23 (i) the employment is not ~~considered~~ covered employment under the unemployment  
177.24 insurance program of any other state, federal law, or the law of Canada; and

177.25 (ii) the place from which the employment is directed or controlled is in Minnesota;

177.26 (3) the employment during the calendar quarter, performed entirely outside of the  
177.27 United States and Canada, by an employee who is a United States citizen in the employ of  
177.28 an American employer if the employer's principal place of business in the United States is  
177.29 located in Minnesota. An "American employer," for the purposes of this clause, means a  
177.30 corporation organized under the laws of any state, an individual who is a resident of the  
177.31 United States, or a partnership if two-thirds or more of the partners are residents of the  
177.32 United States, or a trust, if all of the trustees are residents of the United States; and

177.33 (4) all employment during the calendar quarter performed by an officer or member  
177.34 of the crew of an American vessel on or in connection with the vessel, if the operating  
177.35 office from which the operations of the vessel operating on navigable waters within, or

178.1 within and without, the United States are ordinarily and regularly supervised, managed,  
178.2 directed, and controlled is in Minnesota.

178.3 (b) "Covered employment" includes covered agricultural employment under  
178.4 subdivision 11.

178.5 (c) For the purposes of ~~satisfying the period of ineligibility under~~ section 268.095,  
178.6 ~~subdivision 10~~, "covered employment" includes ~~e~~covered employment covered under an  
178.7 unemployment insurance program:

178.8 (1) of any other state; or

178.9 (2) established by an act of Congress.

178.10 **EFFECTIVE DATE.** This section is effective July 31, 2016, and applies to all  
178.11 matters pending a determination or a decision by an unemployment law judge

178.12 Sec. 2. Minnesota Statutes 2014, section 268.035, subdivision 29, is amended to read:

178.13 Subd. 29. **Wages.** (a) "Wages" means all compensation for employment, including  
178.14 commissions; bonuses, awards, and prizes; severance payments; standby pay; vacation and  
178.15 holiday pay; back pay as of the date of payment; tips and gratuities paid to an employee by  
178.16 a customer of an employer and accounted for by the employee to the employer; sickness  
178.17 and accident disability payments, except as otherwise provided in this subdivision; and  
178.18 the cash value of housing, utilities, meals, exchanges of services, and any other goods  
178.19 and services provided to compensate an employee, except:

178.20 (1) the amount of any payment made to, or on behalf of, an employee under a plan  
178.21 established by an employer that makes provision for employees generally or for a class or  
178.22 classes of employees, including any amount paid by an employer for insurance or annuities,  
178.23 or into a plan, to provide for a payment, on account of (i) retirement or (ii) medical and  
178.24 hospitalization expenses in connection with sickness or accident disability, or (iii) death;

178.25 (2) the payment by an employer of the tax imposed upon an employee under United  
178.26 States Code, title 26, section 3101 of the Federal Insurance Contribution Act, with respect  
178.27 to compensation paid to an employee for domestic employment in a private household of  
178.28 the employer or for agricultural employment;

178.29 (3) any payment made to, or on behalf of, an employee or beneficiary (i) from or  
178.30 to a trust described in United States Code, title 26, section 401(a) of the federal Internal  
178.31 Revenue Code, that is exempt from tax under section 501(a) at the time of the payment  
178.32 unless the payment is made to an employee of the trust as compensation for services as an  
178.33 employee and not as a beneficiary of the trust, or (ii) under or to an annuity plan that, at  
178.34 the time of the payment, is a plan described in section 403(a);

179.1 (4) the value of any special discount or markdown allowed to an employee on goods  
179.2 purchased from or services supplied by the employer where the purchases are optional and  
179.3 do not constitute regular or systematic payment for services;

179.4 (5) customary and reasonable directors' fees paid to individuals who are not  
179.5 otherwise employed by the corporation of which they are directors;

179.6 (6) the payment to employees for reimbursement of meal expenses when employees  
179.7 are required to perform work after their regular hours;

179.8 (7) the payment into a trust or plan for purposes of providing legal or dental services  
179.9 if provided for all employees generally or for a class or classes of employees;

179.10 (8) the value of parking facilities provided or paid for by an employer, in whole or in  
179.11 part, if provided for all employees generally or for a class or classes of employees;

179.12 (9) royalties to an owner of a franchise, license, copyright, patent, oil, mineral,  
179.13 or other right;

179.14 (10) advances or reimbursements for traveling or other bona fide ordinary and  
179.15 necessary expenses incurred or reasonably expected to be incurred in the business of the  
179.16 employer. Traveling and other reimbursed expenses must be identified either by making  
179.17 separate payments or by specifically indicating the separate amounts where both wages  
179.18 and expense allowances are combined in a single payment;

179.19 (11) residual payments to radio, television, and similar artists that accrue after  
179.20 the production of television commercials, musical jingles, spot announcements, radio  
179.21 transcriptions, film sound tracks, and similar activities;

179.22 (12) the income to a former employee resulting from the exercise of a nonqualified  
179.23 stock option;

179.24 (13) ~~payments made to supplement supplemental unemployment benefits benefit~~  
179.25 ~~payments~~ under a plan established by an employer, ~~that makes provisions for employees~~  
179.26 ~~generally or for a class or classes of employees under the written terms of an agreement,~~  
179.27 ~~contract, trust arrangement, or other instrument~~ if the payment is not wages under the  
179.28 Federal Unemployment Tax Act. The plan must provide supplemental payments are  
179.29 wages unless made solely for the supplementing of weekly state or federal unemployment  
179.30 benefits. The plan must provide supplemental payments only for those weeks the applicant  
179.31 has been paid regular, extended, or additional unemployment benefits. The supplemental  
179.32 payments, when combined with the applicant's weekly unemployment benefits paid, may  
179.33 not exceed the applicant's regular weekly pay. The plan must not allow the assignment  
179.34 of Supplemental unemployment benefit payments or provide for any type of additional  
179.35 payment. The plan must not require may not be assigned, nor may any consideration be  
179.36 required from the applicant, other than a release of claims, ~~and must not be designed for~~

180.1 ~~the purpose of avoiding the payment of Social Security obligations, or unemployment~~  
180.2 ~~taxes on money disbursed from the plan~~ in order to be excluded from wages;

180.3 (14) sickness or accident disability payments made by the employer after the  
180.4 expiration of six calendar months following the last calendar month that the individual  
180.5 worked for the employer;

180.6 (15) disability payments made under the provisions of any workers' compensation  
180.7 law;

180.8 (16) sickness or accident disability payments made by a third-party payer such as  
180.9 an insurance company; or

180.10 (17) payments made into a trust fund, or for the purchase of insurance or an annuity,  
180.11 to provide for sickness or accident disability payments to employees under a plan or  
180.12 system established by the employer that provides for the employer's employees generally  
180.13 or for a class or classes of employees.

180.14 (b) Nothing in this subdivision excludes from the term "wages" any payment  
180.15 made under any type of salary reduction agreement, including payments made under a  
180.16 cash or deferred arrangement and cafeteria plan, as defined in United States Code, title  
180.17 26, sections 401(k) and 125 of the federal Internal Revenue Code, to the extent that the  
180.18 employee has the option to receive the payment in cash.

180.19 (c) Wages includes the total payment to the operator and supplier of a vehicle or  
180.20 other equipment where the payment combines compensation for personal services as well  
180.21 as compensation for the cost of operating and hiring the equipment in a single payment.  
180.22 This paragraph does not apply if:

180.23 (1) there is a preexisting written agreement providing for allocation of specific  
180.24 amounts; or

180.25 (2) at the time of each payment there is a written ~~acknowledgement~~ acknowledgment  
180.26 indicating the separate allocated amounts.

180.27 (d) Wages includes payments made for services as a caretaker. Unless there is a  
180.28 contract or other proof to the contrary, compensation is considered as being equally  
180.29 received by a married couple where the employer makes payment to only one spouse, or  
180.30 by all tenants of a household who perform services where two or more individuals share  
180.31 the same dwelling and the employer makes payment to only one individual.

180.32 (e) Wages includes payments made for services by a migrant family. Where services  
180.33 are performed by a married couple or a family and an employer makes payment to only  
180.34 one individual, each worker is considered as having received an equal share of the  
180.35 compensation unless there is a contract or other proof to the contrary.

181.1 (f) Wages includes advances or draws against future earnings, when paid, unless  
181.2 the payments are designated as a loan or return of capital on the books of the employer  
181.3 at the time of payment.

181.4 (g) Wages includes payments made by a subchapter "S" corporation, as organized  
181.5 under the Internal Revenue Code, to or on behalf of officers and shareholders that are  
181.6 reasonable compensation for services performed for the corporation.

181.7 For a subchapter "S" corporation, wages does not include:

181.8 (1) a loan for business purposes to an officer or shareholder evidenced by a  
181.9 promissory note signed by an officer before the payment of the loan proceeds and recorded  
181.10 on the books and records of the corporation as a loan to an officer or shareholder;

181.11 (2) a repayment of a loan or payment of interest on a loan made by an officer to the  
181.12 corporation and recorded on the books and records of the corporation as a liability;

181.13 (3) a reimbursement of reasonable corporation expenses incurred by an officer and  
181.14 documented by a written expense voucher and recorded on the books and records of  
181.15 the corporation as corporate expenses; and

181.16 (4) a reasonable lease or rental payment to an officer who owns property that is  
181.17 leased or rented to the corporation.

181.18 Sec. 3. Minnesota Statutes 2015 Supplement, section 268.085, subdivision 2, is  
181.19 amended to read:

181.20 Subd. 2. **Not eligible.** An applicant is ineligible for unemployment benefits for  
181.21 any week:

181.22 (1) that occurs before the effective date of a benefit account;

181.23 (2) that the applicant, at ~~the beginning of~~ any time during the week, has an  
181.24 outstanding fraud overpayment balance under section 268.18, subdivision 2, including  
181.25 any penalties and interest;

181.26 (3) that occurs in a period when the applicant is a student in attendance at, or on  
181.27 vacation from a secondary school including the period between academic years or terms;

181.28 (4) that the applicant is incarcerated or performing court-ordered community service.

181.29 The applicant's weekly unemployment benefit amount is reduced by one-fifth for each day  
181.30 the applicant is incarcerated or performing court-ordered community service;

181.31 (5) that the applicant fails or refuses to provide information on an issue of  
181.32 ineligibility required under section 268.101;

181.33 (6) that the applicant is performing services 32 hours or more, in employment,  
181.34 covered employment, noncovered employment, volunteer work, or self-employment  
181.35 regardless of the amount of any earnings; or

182.1 (7) with respect to which the applicant has filed an application for unemployment  
182.2 benefits under any federal law or the law of any other state. If the appropriate agency  
182.3 finally determines that the applicant is not entitled to establish a benefit account under  
182.4 federal law or the law of any other state, this clause does not apply.

182.5 Sec. 4. Minnesota Statutes 2014, section 268.0865, subdivision 3, is amended to read:

182.6 Subd. 3. **Continued request for unemployment benefits by electronic**  
182.7 **transmission.** (a) A continued request for unemployment benefits by electronic  
182.8 transmission must be filed to that electronic mail address, telephone number, or Internet  
182.9 address prescribed by the commissioner for that applicant. In order to constitute a  
182.10 continued request, all information asked for, including information authenticating that the  
182.11 applicant is sending the transmission, must be provided in the format required. If all of the  
182.12 information asked for is not provided, the communication does not constitute a continued  
182.13 request for unemployment benefits.

182.14 (b) The continued request by electronic transmission ~~communication~~ must be filed  
182.15 within four calendar weeks following the week for which payment is requested on the  
182.16 date day of the week and during the time of day designated for the applicant ~~for filing a~~  
182.17 ~~continued request by electronic transmission.~~

182.18 (c) ~~If the electronic transmission continued request is not filed as required under~~  
182.19 ~~paragraph (b), a continued request by electronic transmission must be accepted if the~~  
182.20 ~~applicant files the continued request by electronic transmission within three calendar~~  
182.21 ~~weeks following the week for which payment is requested. If the continued request by~~  
182.22 ~~electronic transmission is not filed within three~~ four ~~calendar weeks following the week~~  
182.23 ~~for which payment is requested, the electronic continued request will not be accepted~~  
182.24 ~~and the applicant is ineligible for unemployment benefits for the period covered by the~~  
182.25 ~~continued request, unless the applicant shows good cause for failing to file the continued~~  
182.26 ~~request by electronic transmission within the time period required.~~

182.27 Sec. 5. Minnesota Statutes 2014, section 268.0865, subdivision 4, is amended to read:

182.28 Subd. 4. **Continued request for unemployment benefits by mail.** (a) A  
182.29 continued request for unemployment benefits by mail must be on a form prescribed by  
182.30 the commissioner. The form, in order to constitute a continued request, must be totally  
182.31 completed and signed by the applicant. The form must be filed by mail, in an envelope  
182.32 with postage prepaid, and sent to the address designated ~~during the week following the~~  
182.33 ~~week for which payment is requested.~~

183.1 ~~(b) If the mail continued request for unemployment benefits is not filed as required~~  
183.2 ~~under paragraph (a), a continued request must be accepted if the form is filed by mail~~  
183.3 ~~within three four calendar weeks following the week for which payment is requested.~~

183.4 (b) If the continued request form is not filed within three four calendar weeks  
183.5 following the week for which payment is requested, the form will not be accepted and the  
183.6 applicant is ineligible for unemployment benefits for the period covered by the continued  
183.7 request for unemployment benefits, unless the applicant shows good cause for failing to  
183.8 file the form by mail within the time period required.

183.9 (c) If the applicant has been designated to file a continued request for unemployment  
183.10 benefits by mail, an applicant may submit the form by facsimile transmission within  
183.11 three four calendar weeks following the week for which payment is requested. A form  
183.12 submitted by facsimile transmission must be sent only to the telephone number assigned  
183.13 for that purpose.

183.14 (d) An applicant who has been designated to file a continued request by mail may  
183.15 personally deliver a continued request form only to the location to which the form was  
183.16 otherwise designated to be mailed.

183.17 Sec. 6. Minnesota Statutes 2014, section 268.095, subdivision 2, is amended to read:

183.18 Subd. 2. **Quit defined.** (a) A quit from employment occurs when the decision to end  
183.19 the employment was, at the time the employment ended, the employee's.

183.20 (b) When determining if an applicant quit, the theory of a constructive quit does  
183.21 not apply.

183.22 ~~(b)~~ (c) An employee who has been notified that the employee will be discharged in  
183.23 the future, who chooses to end the employment while employment in any capacity is still  
183.24 available, ~~is considered to have~~ has quit the employment.

183.25 ~~(e)~~ (d) An employee who seeks to withdraw a previously submitted notice of quitting  
183.26 ~~is considered to have~~ has quit the employment, as of the intended date of quitting, if the  
183.27 employer does not agree that the notice may be withdrawn.

183.28 ~~(d)~~ (e) An applicant ~~who has quit employment with a staffing service if,~~ within  
183.29 five calendar days after completion of a suitable job assignment from a staffing service,  
183.30 the applicant:

183.31 (1) fails without good cause to affirmatively request an additional suitable job  
183.32 assignment;<sub>2</sub>

183.33 (2) refuses without good cause an additional suitable job assignment offered;<sub>2</sub> or

183.34 (3) accepts employment with the client of the staffing service, ~~is considered to have~~  
183.35 ~~quit employment with the staffing service.~~ Accepting employment with the client of the

184.1 staffing service meets the requirements of the exception to ineligibility under subdivision  
184.2 1, clause (2).

184.3 This paragraph applies only if, at the time of beginning of employment with the  
184.4 staffing service, the applicant signed and was provided a copy of a separate document  
184.5 written in clear and concise language that informed the applicant of this paragraph and  
184.6 that unemployment benefits may be affected.

184.7 For purposes of this paragraph, "good cause" is a reason that is ~~significant and~~ would  
184.8 compel an average, reasonable worker, who would otherwise want an additional suitable  
184.9 job assignment with the staffing service (1) to fail to contact the staffing service, or (2)  
184.10 to refuse an offered assignment.

184.11 Sec. 7. Minnesota Statutes 2014, section 268.095, subdivision 5, is amended to read:

184.12 Subd. 5. **Discharge defined.** (a) A discharge from employment occurs when any  
184.13 words or actions by an employer would lead a reasonable employee to believe that the  
184.14 employer will no longer allow the employee to work for the employer in any capacity. A  
184.15 layoff because of lack of work is ~~considered~~ a discharge. A suspension from employment  
184.16 without pay of more than 30 calendar days is ~~considered~~ a discharge.

184.17 (b) When determining if an applicant was discharged, the theory of a constructive  
184.18 discharge does not apply.

184.19 ~~(b)~~ (c) An employee who gives notice of intention to quit the employment and is not  
184.20 allowed by the employer to work the entire notice period is ~~considered~~ discharged from  
184.21 the employment as of the date the employer will no longer allow the employee to work. If  
184.22 the discharge occurs within 30 calendar days before the intended date of quitting, then,  
184.23 as of the intended date of quitting, the separation from employment is ~~considered~~ a quit  
184.24 from employment subject to subdivision 1.

184.25 ~~(e)~~ (d) The end of a job assignment with the client of a staffing service is ~~considered~~  
184.26 a discharge from employment with the staffing service unless subdivision 2, paragraph  
184.27 (d), applies.

184.28 Sec. 8. Minnesota Statutes 2014, section 268.18, is amended to read:

184.29 **268.18 UNEMPLOYMENT BENEFIT OVERPAYMENTS.**

184.30 Subdivision 1. **Nonfraud Repaying an overpayment.** (a) Any applicant who (1)  
184.31 because of a determination or amended determination issued under section 268.07 or  
184.32 268.101, or any other section of this chapter, or (2) because of an unemployment law  
184.33 judge's decision under section 268.105, has received any unemployment benefits that the

185.1 applicant was held not entitled to, is overpaid the benefits, and must promptly repay the  
185.2 unemployment benefits to the trust fund.

185.3 (b) If the applicant fails to repay the unemployment benefits overpaid, ~~the~~  
185.4 ~~commissioner may offset from any future unemployment benefits otherwise payable the~~  
185.5 ~~amount of the overpayment. Except when the overpayment resulted because the applicant~~  
185.6 ~~failed to report deductible earnings or deductible or benefit delaying payments, no single~~  
185.7 ~~offset may exceed 50 percent of the amount of the payment from which the offset is made.~~  
185.8 The overpayment may also including any penalty and interest assessed under subdivisions  
185.9 2 and 2b, the total due may be collected by the methods allowed under state and federal law.

185.10 (c) ~~If an applicant has been overpaid unemployment benefits under the law of~~  
185.11 ~~another state, because of a reason other than fraud, and that state certifies that the applicant~~  
185.12 ~~is liable under its law to repay the unemployment benefits and requests the commissioner~~  
185.13 ~~to recover the overpayment, the commissioner may offset from future unemployment~~  
185.14 ~~benefits otherwise payable the amount of overpayment, except that no single offset may~~  
185.15 ~~exceed 50 percent of the amount of the payment from which the offset is made.~~

185.16 Subd. 2. **Overpayment because of fraud.** (a) ~~Any~~ An applicant who receives has  
185.17 committed fraud if the applicant is overpaid unemployment benefits by:

185.18 (1) knowingly misrepresenting, misstating, or failing to disclose any material fact;  
185.19 or who makes

185.20 (2) making a false statement or representation without a good faith belief as to the  
185.21 correctness of the statement or representation, has committed fraud.

185.22 After the discovery of facts indicating fraud, the commissioner must make issue a  
185.23 determination that the applicant obtained unemployment benefits by fraud and that the  
185.24 applicant must promptly repay the unemployment benefits to the trust fund. In addition, the  
185.25 commissioner must assess of overpayment penalty assessing a penalty equal to 40 percent  
185.26 of the amount fraudulently obtained overpaid. This penalty is in addition to penalties under  
185.27 section 268.182. ~~The determination is effective the Sunday of the week that it was issued.~~

185.28 (b) Unless the applicant files an appeal within 20 calendar days after the sending of  
185.29 the a determination of overpayment by fraud penalty to the applicant by mail or electronic  
185.30 transmission, the determination is final. Proceedings on the appeal are conducted in  
185.31 accordance with section 268.105.

185.32 (c) ~~If the applicant fails to repay the unemployment benefits, penalty, and interest~~  
185.33 ~~assessed, the total due may be collected by the methods allowed under state and federal~~  
185.34 ~~law. A determination of overpayment by fraud penalty must state the methods of collection~~  
185.35 ~~the commissioner may use to recover the overpayment, penalty, and interest assessed.~~  
185.36 Money received in repayment of fraudulently obtained overpaid unemployment benefits,

186.1 penalties, and interest is first applied to the ~~unemployment~~ benefits overpaid, then to the  
186.2 penalty amount due, then to any interest due. 62.5 percent of the payments made toward the  
186.3 penalty are credited to the contingent account and 37.5 percent credited to the trust fund.

186.4 ~~(d) If an applicant has been overpaid unemployment benefits under the law of~~  
186.5 ~~another state because of fraud and that state certifies that the applicant is liable to repay~~  
186.6 ~~the unemployment benefits and requests the commissioner to recover the overpayment,~~  
186.7 ~~the commissioner may offset from future unemployment benefits otherwise payable the~~  
186.8 ~~amount of overpayment.~~

186.9 ~~(e) Regardless of the limitations in section 268.101, subdivision 2, paragraph~~  
186.10 ~~(e), unemployment benefits paid for weeks more than four years before the date of (d)~~  
186.11 ~~A determination of overpayment by fraud issued penalty under this subdivision are~~  
186.12 ~~not considered overpaid unemployment benefits may be issued within 48 months of~~  
186.13 ~~the establishment of the benefit account upon which the unemployment benefits were~~  
186.14 ~~obtained through fraud.~~

186.15 Subd. 2b. **Interest.** On any unemployment benefits fraudulently obtained, and any  
186.16 penalty amounts assessed under subdivision 2, the commissioner must assess interest at the  
186.17 rate of one percent per month on any amount that remains unpaid beginning 30 calendar  
186.18 days after the date of ~~the~~ a determination of overpayment by fraud penalty. A determination  
186.19 of overpayment ~~by fraud penalty~~ must state that interest will be assessed. Interest is  
186.20 assessed in the same manner as on employer debt under section 268.057, subdivision 5.  
186.21 Interest payments collected under this subdivision are credited to the trust fund.

186.22 Subd. 3a. **Offset of federal unemployment benefits.** ~~The commissioner is~~  
186.23 ~~authorized to enter into reciprocal agreements with the United States Secretary of Labor,~~  
186.24 ~~whereby, (a) The commissioner may offset from any future unemployment benefits~~  
186.25 ~~otherwise payable the amount of a nonfraud overpayment. Except when the nonfraud~~  
186.26 ~~overpayment resulted because the applicant failed to report deductible earnings or~~  
186.27 ~~deductible or benefit delaying payments, no single offset may exceed 50 percent of the~~  
186.28 ~~amount of the payment from which the offset is made.~~

186.29 ~~(b) Overpayments of unemployment benefits as determined under a federal law~~  
186.30 ~~program, may be recovered by offset from ~~unemployment~~ future benefits otherwise~~  
186.31 ~~payable and.~~

186.32 ~~(c) If an applicant has been overpaid unemployment benefits under the law of~~  
186.33 ~~another state, the commissioner may offset from future benefits otherwise payable the~~  
186.34 ~~amount of overpayment.~~

187.1 (d) Nonfraud unemployment benefit overpayments ~~under subdivisions 1 and 2~~  
187.2 may be recovered by offset from ~~unemployment~~ future benefits otherwise payable under  
187.3 a federal program.

187.4 Subd. 4. **Cancellation of overpayments.** (a) If unemployment benefits overpaid  
187.5 ~~under subdivision 1~~ for reasons other than fraud are not repaid or offset from subsequent  
187.6 ~~unemployment~~ benefits ~~as provided for in subdivision 1~~ within six years after the date  
187.7 of the determination or decision holding the applicant overpaid, the commissioner must  
187.8 cancel the overpayment balance, and no administrative or legal proceedings may be used  
187.9 to enforce collection of those amounts.

187.10 (b) If unemployment benefits ~~determined~~ overpaid ~~under subdivision 2~~ because of  
187.11 fraud including penalties and interest are not repaid within ten years after the date of  
187.12 the determination of overpayment ~~by fraud penalty~~, the commissioner must cancel the  
187.13 overpayment balance and any penalties and interest due, and no administrative or legal  
187.14 proceeding may be used to enforce collection of those amounts.

187.15 (c) The commissioner may cancel at any time any overpayment, including penalties  
187.16 and interest, that the commissioner determines is uncollectible because of death or  
187.17 bankruptcy.

187.18 Subd. 4a. **Court fees; collection fees.** (a) If the ~~commissioner~~ department  
187.19 is required to pay any court fees in an attempt to enforce collection of overpaid  
187.20 unemployment benefits, penalties, or interest, ~~the commissioner may add~~ the amount of  
187.21 the court fees may be added to the total amount due.

187.22 (b) If an applicant who has been ~~determined~~ overpaid unemployment benefits  
187.23 because of fraud seeks to have any portion of the debt discharged under the federal  
187.24 bankruptcy code, and the ~~commissioner~~ department files an objection in bankruptcy court  
187.25 to the discharge, the ~~commissioner may add the commissioner's~~ cost of any court fees may  
187.26 be added to the debt if the bankruptcy court does not discharge the debt.

187.27 (c) If the Internal Revenue Service assesses the ~~commissioner~~ department a fee for  
187.28 offsetting from a federal tax refund the amount of any overpayment, including penalties  
187.29 and interest, the amount of the fee may be added to the total amount due. The offset  
187.30 amount must be put in the trust fund and that amount credited to the total amount due  
187.31 from the applicant.

187.32 Subd. 5. **Remedies.** (a) Any method undertaken to recover an overpayment of  
187.33 unemployment benefits, including any penalties and interest, is not considered an election  
187.34 of a method of recovery.

187.35 (b) Intervention or lack thereof, in whole or in part, in a workers' compensation  
187.36 matter under section 176.361 is not considered an election of a remedy and does not

188.1 prevent the commissioner from determining any unemployment benefits overpaid under  
188.2 subdivision 1 or 2 or taking action under section 268.182.

188.3 Subd. 6. **Collection of overpayments.** (a) The commissioner may not compromise  
188.4 the amount ~~that has been determined of any overpaid under this section~~ unemployment  
188.5 benefits including penalties and interest.

188.6 (b) The commissioner has discretion regarding the recovery of any overpayment  
188.7 ~~under subdivision 1~~ for reasons other than fraud. Regardless of any law to the contrary, the  
188.8 commissioner is not required to refer any ~~amount determined overpaid under subdivision~~  
188.9 ~~1~~ overpayment for reasons other than fraud to a public or private collection agency,  
188.10 including agencies of this state.

188.11 (c) Amounts ~~determined overpaid under subdivision 1~~ for reasons other than fraud  
188.12 are not considered a "debt" to the state of Minnesota for purposes of any reporting  
188.13 requirements to the commissioner of management and budget.

188.14 (d) A pending appeal under section 268.105 does not suspend the assessment of  
188.15 interest, penalties, or collection of an overpayment ~~under this section~~.

188.16 (e) Section 16A.626 applies to the repayment by an applicant of any overpayment,  
188.17 penalty, or interest ~~under this section~~.

188.18 Sec. 9. Laws 2015, First Special Session chapter 1, article 6, section 16, the effective  
188.19 date, is amended to read:

188.20 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
188.21 is retroactive to March 1, 2015. This section expires on ~~June 1, 2016~~ December 1, 2016.

188.22 **EFFECTIVE DATE.** This section is effective the day following final enactment  
188.23 and applies retroactively to March 1, 2015.

188.24 Sec. 10. **EFFECTIVE DATE.**

188.25 This article is effective July 31, 2016, unless indicated otherwise.

## 188.26 **ARTICLE 10**

### 188.27 **UNEMPLOYMENT INSURANCE ADVISORY COUNCIL TECHNICAL**

188.28 Section 1. Minnesota Statutes 2014, section 268.035, is amended by adding a  
188.29 subdivision to read:

188.30 Subd. 12e. **Earnings.** "Earnings" means all compensation to which the applicant has  
188.31 a legal claim and is earned income under state and federal law for income tax purposes.

189.1 Sec. 2. Minnesota Statutes 2014, section 268.035, subdivision 20, is amended to read:

189.2 Subd. 20. **Noncovered employment.** "Noncovered employment" means:

189.3 (1) employment for the United States government or an instrumentality thereof,  
189.4 including military service;

189.5 (2) employment for a state, other than Minnesota, or a political subdivision or  
189.6 instrumentality thereof;

189.7 (3) employment for a foreign government;

189.8 ~~(4) employment for an instrumentality wholly owned by a foreign government,~~  
189.9 ~~if the employment is of a character similar to that performed in foreign countries by~~  
189.10 ~~employees of the United States government or an instrumentality thereof and the United~~  
189.11 ~~States Secretary of State has certified that the foreign government grants an equivalent~~  
189.12 ~~exemption to similar employment performed in the foreign country by employees of the~~  
189.13 ~~United States government and instrumentalities thereof;~~

189.14 ~~(5) (4) employment covered under United States Code, title 45, section 351, the~~  
189.15 ~~federal Railroad Unemployment Insurance Act;~~

189.16 ~~(6) employment covered by a reciprocal arrangement between the commissioner and~~  
189.17 ~~another state or the federal government that provides that all employment performed by an~~  
189.18 ~~individual for an employer during the period covered by the reciprocal arrangement is~~  
189.19 ~~considered performed entirely within another state;~~

189.20 ~~(7) (5) employment for a church or convention or association of churches, or an~~  
189.21 ~~a nonprofit organization operated primarily for religious purposes that is operated,~~  
189.22 ~~supervised, controlled, or principally supported by a church or convention or association~~  
189.23 ~~of churches described in United States Code, title 26, section 501(e)(3) of the federal~~  
189.24 ~~Internal Revenue Code and exempt from income tax under section 501(a);~~

189.25 ~~(8) (6) employment for Minnesota or a political subdivision, or a nonprofit~~  
189.26 ~~organization, of a duly ordained or licensed minister of a church in the exercise of a~~  
189.27 ~~ministry or by a member of a religious order in the exercise of duties required by the order,~~  
189.28 ~~for Minnesota or a political subdivision or an organization described in United States~~  
189.29 ~~Code, title 26, section 501(e)(3) of the federal Internal Revenue Code and exempt from~~  
189.30 ~~income tax under section 501(a);~~

189.31 ~~(9) (7) employment for Minnesota or a political subdivision, or a nonprofit~~  
189.32 ~~organization, of an individual receiving rehabilitation of "sheltered" work in a facility~~  
189.33 ~~conducted for the purpose of carrying out a program of rehabilitation for individuals~~  
189.34 ~~whose earning capacity is impaired by age or physical or mental deficiency or injury or a~~  
189.35 ~~program providing "sheltered" work for individuals who because of an impaired physical~~  
189.36 ~~or mental capacity cannot be readily absorbed in the competitive labor market. This~~

190.1 clause applies only to services performed ~~for Minnesota or a political subdivision or an~~  
 190.2 ~~organization described in United States Code, title 26, section 501(e)(3) of the federal~~  
 190.3 ~~Internal Revenue Code and exempt from income tax under section 501(a)~~ in a facility  
 190.4 certified by the Rehabilitation Services Branch of the department or in a day training or  
 190.5 habilitation program licensed by the Department of Human Services;

190.6 ~~(10)~~ (8) employment for Minnesota or a political subdivision, or a nonprofit  
 190.7 organization, of an individual receiving work relief or work training as part of an  
 190.8 unemployment work relief or work training program assisted or financed in whole or  
 190.9 in part by any federal agency or an agency of a state or political subdivision thereof.  
 190.10 ~~This clause applies only to employment for Minnesota or a political subdivision or an~~  
 190.11 ~~organization described in United States Code, title 26, section 501(e)(3) of the federal~~  
 190.12 ~~Internal Revenue Code and exempt from income tax under section 501(a).~~ This clause does  
 190.13 not apply to programs that require unemployment benefit coverage for the participants;

190.14 ~~(11)~~ (9) employment for Minnesota or a political subdivision, as an elected official, a  
 190.15 member of a legislative body, or a member of the judiciary;

190.16 ~~(12)~~ (10) employment as a member of the Minnesota National Guard or Air National  
 190.17 Guard;

190.18 ~~(13)~~ (11) employment for Minnesota, or a political subdivision, or instrumentality  
 190.19 thereof, as an employee of an individual serving only on a temporary basis in case of  
 190.20 fire, flood, tornado, or similar emergency;

190.21 ~~(14)~~ (12) employment as an election official or election worker for Minnesota or  
 190.22 a political subdivision, ~~but only~~ if the compensation for that employment was less than  
 190.23 \$1,000 in a calendar year;

190.24 ~~(15)~~ (13) employment for Minnesota that is a major policy-making or advisory  
 190.25 position in the unclassified service;

190.26 ~~(16)~~ (14) employment for Minnesota in an unclassified position established under  
 190.27 section 43A.08, subdivision 1a;

190.28 ~~(17)~~ (15) employment for a political subdivision of Minnesota that is a nontenured  
 190.29 major policy making or advisory position;

190.30 ~~(18)~~ (16) domestic employment in a private household, local college club, or local  
 190.31 chapter of a college fraternity or sorority ~~performed for a person, only,~~ if the wages paid  
 190.32 in any calendar quarter in either the current or prior calendar year to all individuals in  
 190.33 domestic employment totaled less than \$1,000.

190.34 "Domestic employment" includes all service in the operation and maintenance of a  
 190.35 private household, for a local college club, or local chapter of a college fraternity or

191.1 sorority as distinguished from service as an employee in the pursuit of an employer's  
191.2 trade or business;

191.3 ~~(19)~~ (17) employment of an individual by a son, daughter, or spouse, and  
191.4 employment of a child under the age of 18 by the child's father or mother;

191.5 ~~(20)~~ (18) employment of an inmate of a custodial or penal institution;

191.6 ~~(21)~~ (19) employment for a school, college, or university, by a student who is  
191.7 enrolled and whose primary relation to the school, college, or university is as a student.

191.8 This does not include an individual whose primary relation to the school, college, or  
191.9 university is as an employee who also takes courses;

191.10 ~~(22)~~ (20) employment of an individual who is enrolled as a student in a full-time  
191.11 program at a nonprofit or public educational institution that maintains a regular faculty  
191.12 and curriculum and has a regularly organized body of students in attendance at the place  
191.13 where its educational activities are carried on, taken for credit at the institution, that  
191.14 combines academic instruction with work experience, if the employment is an integral  
191.15 part of the program, and the institution has so certified to the employer, except that this  
191.16 clause does not apply to employment in a program established for or on behalf of an  
191.17 employer or group of employers;

191.18 ~~(23)~~ (21) employment of university, college, or professional school students in an  
191.19 internship or other training program with the city of St. Paul or the city of Minneapolis  
191.20 under Laws 1990, chapter 570, article 6, section 3;

191.21 ~~(24)~~ (22) employment for a hospital by a patient of the hospital. "Hospital" means  
191.22 an institution that has been licensed by the Department of Health as a hospital;

191.23 ~~(25)~~ (23) employment as a student nurse for a hospital or a nurses' training school by  
191.24 an individual who is enrolled and is regularly attending classes in an accredited nurses'  
191.25 training school;

191.26 ~~(26)~~ (24) employment as an intern for a hospital by an individual who has completed  
191.27 a four-year course in an accredited medical school;

191.28 ~~(27)~~ (25) employment as an insurance salesperson, by other than a corporate  
191.29 officer, if all the wages from the employment is solely by way of commission. The word  
191.30 "insurance" includes an annuity and an optional annuity;

191.31 ~~(28)~~ (26) employment as an officer of a township mutual insurance company or  
191.32 farmer's mutual insurance company operating under chapter 67A;

191.33 ~~(29)~~ (27) employment of a corporate officer, if the officer directly or indirectly,  
191.34 including through a subsidiary or holding company, owns 25 percent or more of the  
191.35 employer corporation, and employment of a member of a limited liability company, if the

192.1 member directly or indirectly, including through a subsidiary or holding company, owns  
 192.2 25 percent or more of the employer limited liability company;

192.3 ~~(30)~~ (28) employment as a real estate salesperson, ~~by~~ other than a corporate officer,  
 192.4 if all the wages from the employment is solely by way of commission;

192.5 ~~(31)~~ (29) employment as a direct seller as defined in United States Code, title 26,  
 192.6 section 3508;

192.7 ~~(32)~~ (30) employment of an individual under the age of 18 in the delivery or  
 192.8 distribution of newspapers or shopping news, not including delivery or distribution to any  
 192.9 point for subsequent delivery or distribution;

192.10 ~~(33)~~ (31) casual employment performed for an individual, other than domestic  
 192.11 employment under clause ~~(18)~~ (16), that does not promote or advance that employer's  
 192.12 trade or business;

192.13 ~~(34)~~ (32) employment in "agricultural employment" unless ~~considered~~ it is "covered  
 192.14 agricultural employment" under subdivision 11; or

192.15 ~~(35)~~ (33) if employment during one-half or more of any pay period was covered  
 192.16 employment, all the employment for the pay period is ~~considered~~ covered employment;  
 192.17 but if during more than one-half of any pay period the employment was noncovered  
 192.18 employment, then all of the employment for the pay period is ~~considered~~ noncovered  
 192.19 employment. "Pay period" means a period of not more than a calendar month for which a  
 192.20 payment or compensation is ordinarily made to the employee by the employer.

192.21 Sec. 3. Minnesota Statutes 2014, section 268.035, is amended by adding a subdivision  
 192.22 to read:

192.23 Subd. 20b. **Nonprofit organization.** "Nonprofit organization" means an  
 192.24 organization described in United States Code, title 26, section 501(c)(3), and is exempt  
 192.25 from income tax under section 501(a).

192.26 Sec. 4. Minnesota Statutes 2014, section 268.035, subdivision 23a, is amended to read:

192.27 Subd. 23a. **Suitable employment.** (a) Suitable employment means employment in  
 192.28 the applicant's labor market area that is reasonably related to the applicant's qualifications.  
 192.29 In determining whether any employment is suitable for an applicant, the degree of risk  
 192.30 involved to the health and safety, physical fitness, prior training, experience, length  
 192.31 of unemployment, prospects for securing employment in the applicant's customary  
 192.32 occupation, and the distance of the employment from the applicant's residence is  
 192.33 considered.

193.1 (b) In determining what is suitable employment, primary consideration is given to the  
193.2 temporary or permanent nature of the applicant's separation from employment and whether  
193.3 the applicant has favorable prospects of finding employment in the applicant's usual or  
193.4 customary occupation at the applicant's past wage level within a reasonable period of time.

193.5 If prospects are unfavorable, employment at lower skill or wage levels is suitable  
193.6 if the applicant is reasonably suited for the employment considering the applicant's  
193.7 education, training, work experience, and current physical and mental ability.

193.8 The total compensation must be considered, including the wage rate, hours of  
193.9 employment, method of payment, overtime practices, bonuses, incentive payments, and  
193.10 fringe benefits.

193.11 (c) When potential employment is at a rate of pay lower than the applicant's former  
193.12 rate, consideration must be given to the length of the applicant's unemployment and the  
193.13 proportion of difference in the rates. Employment that may not be suitable because of  
193.14 lower wages during the early weeks of the applicant's unemployment may become suitable  
193.15 as the duration of unemployment lengthens.

193.16 (d) For an applicant seasonally unemployed, suitable employment includes  
193.17 temporary work in a lower skilled occupation that pays average gross weekly wages equal  
193.18 to or more than 150 percent of the applicant's weekly unemployment benefit amount.

193.19 (e) If a majority of the applicant's weeks of employment in the base period includes  
193.20 part-time employment, part-time employment in a position with comparable skills and  
193.21 comparable hours that pays comparable wages is ~~considered~~ suitable employment.

193.22 Full-time employment is not ~~considered~~ suitable employment for an applicant if a  
193.23 majority of the applicant's weeks of employment in the base period includes part-time  
193.24 employment.

193.25 (f) To determine suitability of employment in terms of shifts, the arrangement of  
193.26 hours in addition to the total number of hours is to be considered. Employment on a  
193.27 second, third, rotating, or split shift is suitable employment if it is customary in the  
193.28 occupation in the labor market area.

193.29 (g) Employment is not ~~considered~~ suitable if:

193.30 (1) the position offered is vacant because of a labor dispute;

193.31 (2) the wages, hours, or other conditions of employment are ~~substantially~~ less  
193.32 favorable than those prevailing for similar employment in the labor market area; or

193.33 (3) as a condition of becoming employed, the applicant would be required to join a  
193.34 company union or to resign from or refrain from joining any bona fide labor organization; ~~or~~

193.35 ~~(4) the employment is with a staffing service and less than 25 percent of the~~  
193.36 ~~applicant's wage credits are from a job assignment with the client of a staffing service.~~

194.1 (h) A job assignment with a staffing service is ~~considered~~ suitable only if 25  
194.2 percent or more of the applicant's wage credits are from job assignments with clients of  
194.3 a staffing service and the job assignment meets the definition of suitable employment  
194.4 under paragraph (a).

194.5 Sec. 5. Minnesota Statutes 2014, section 268.085, subdivision 4, is amended to read:

194.6 Subd. 4. **Social Security old age insurance benefits.** (a) Any applicant aged 62 or  
194.7 over is required to state when filing an application for unemployment benefits and when  
194.8 filing continued requests for unemployment benefits if the applicant is receiving, has filed  
194.9 for, or intends to file for, primary Social Security old age benefits.

194.10 (b) Unless paragraph ~~(b)~~ (c) applies, 50 percent of the weekly equivalent of the  
194.11 primary Social Security old age benefit the applicant has received, has filed for, or  
194.12 intends to file for, with respect to that week must be deducted from an applicant's weekly  
194.13 unemployment benefit amount.

194.14 ~~(b)~~ (c) If all of the applicant's wage credits were earned while the applicant was  
194.15 claiming Social Security old age benefits, there is no deduction of the Social Security  
194.16 benefits from the applicant's weekly unemployment benefit amount.

194.17 ~~(e)~~ (d) Information from the Social Security Administration is ~~considered~~ conclusive,  
194.18 absent specific evidence showing that the information was erroneous.

194.19 ~~(d)~~ (e) This subdivision does not apply to Social Security survivor benefits.

194.20 Sec. 6. Minnesota Statutes 2014, section 268.085, subdivision 5, is amended to read:

194.21 Subd. 5. **Deductible earnings.** (a) If the applicant has earnings, including holiday  
194.22 pay, with respect to any week, from employment, covered employment, noncovered  
194.23 employment, self-employment, or volunteer work, equal to or in excess of the applicant's  
194.24 weekly unemployment benefit amount, the applicant is ineligible for unemployment  
194.25 benefits for that week.

194.26 (b) If the applicant has earnings, including holiday pay, with respect to any week,  
194.27 that is less than the applicant's weekly unemployment benefit amount, from employment,  
194.28 covered employment, noncovered employment, self-employment, or volunteer work, 50  
194.29 percent of the earnings are deducted from the weekly unemployment benefit amount.

194.30 (c) No deduction is made from an applicant's weekly unemployment benefit amount  
194.31 for earnings from service in the National Guard or a United States military reserve unit or  
194.32 from direct service as a volunteer firefighter or volunteer ambulance service personnel.

194.33 This exception to paragraphs (a) and (b) does not apply to on-call or standby pay provided

195.1 to a volunteer firefighter or volunteer ambulance service personnel. No deduction is made  
195.2 for jury duty pay or for pay as an election judge.

195.3 (d) The applicant may report deductible earnings on continued requests for  
195.4 unemployment benefits at the next lower whole dollar amount.

195.5 (e) Deductible earnings does not include any money ~~considered~~ that is a deductible  
195.6 payment under subdivision 3, ~~but includes all compensation considered wages under~~  
195.7 ~~section 268.035, subdivision 29, and any other compensation considered earned income~~  
195.8 ~~under state and federal law for income tax purposes.~~

195.9 **Sec. 7. REVISOR'S INSTRUCTION.**

195.10 (a) The revisor of statutes shall change "liability" to "liability for damages" in  
195.11 Minnesota Rules, part 3315.0555, subpart 1.

195.12 (b) The revisor of statutes shall change "entitled to" to "eligible for" in Minnesota  
195.13 Statutes, section 268.085, subdivision 1, clause (6).

195.14 (c) The revisor of statutes shall change "shall calculate" to "must calculate" in  
195.15 Minnesota Statutes, section 268.035, subdivision 23.

195.16 (d) The revisor of statutes shall renumber Minnesota Statutes, section 268.035,  
195.17 subdivision 12d, to subdivision 12f.

195.18 (e) The revisor of statutes shall reletter the paragraphs in Minnesota Statutes, section  
195.19 268.085, subdivision 4, as follows:

195.20 (1) paragraph (a) shall be relettered paragraph (c); and

195.21 (2) paragraph (c) shall be relettered paragraph (a).

195.22 (f) The revisor of statutes shall renumber the reference to "clause (29)" to "clause  
195.23 (27)" in Minnesota Statutes, section 268.046, subdivision 1.

195.24 (g) The revisor of statutes shall renumber the reference to "clause (10)" to "clause  
195.25 (8)" in Minnesota Statutes, section 383C.19.

195.26 **Sec. 8. EFFECTIVE DATE.**

195.27 This article is effective July 31, 2016, and applies to all matters pending a  
195.28 determination or a decision by an unemployment law judge.

195.29 **ARTICLE 11**

195.30 **UNEMPLOYMENT INSURANCE ADVISORY COUNCIL POLICY**

195.31 Section 1. Minnesota Statutes 2014, section 268.051, subdivision 5, is amended to read:

195.32 Subd. 5. **Tax rate for new employers.** ~~(a) Each new taxpaying employer that does~~  
195.33 ~~not qualify for an experience rating under subdivision 3, except new employers in a high~~

196.1 ~~experience rating industry, must be assigned, for a calendar year, a tax rate the higher of~~  
196.2 ~~(1) one percent, or (2) the tax rate computed, to the nearest 1/100 of a percent, by dividing~~  
196.3 ~~the total amount of unemployment benefits paid all applicants during the 48 calendar~~  
196.4 ~~months ending on June 30 of the prior calendar year by the total taxable wages of all~~  
196.5 ~~taxpaying employers during the same period, plus the applicable base tax rate and any~~  
196.6 ~~additional assessments under subdivision 2, paragraph (c).~~

196.7 (b) ~~Each new taxpaying employer in a high experience rating industry that does not~~  
196.8 ~~qualify for an experience rating under subdivision 3, must be assigned, for a calendar year,~~  
196.9 ~~a tax rate the higher of (1) that assigned under paragraph (a), or (2) the tax rate, computed~~  
196.10 ~~to the nearest 1/100 of a percent, by dividing the total amount of unemployment benefits~~  
196.11 ~~paid to all applicants from high experience rating industry employers during the 48~~  
196.12 ~~calendar months ending on June 30 of the prior calendar year by the total taxable wages~~  
196.13 ~~of all high experience rating industry employers during the same period, to a maximum~~  
196.14 ~~provided for under subdivision 3, paragraph (b), plus the applicable base tax rate and any~~  
196.15 ~~additional assessments under subdivision 2, paragraph (c).~~

196.16 (c) ~~An employer is considered to be in a high experience rating industry if:~~

196.17 (1) ~~the employer is engaged in residential, commercial, or industrial construction,~~  
196.18 ~~including general contractors;~~

196.19 (2) ~~the employer is engaged in sand, gravel, or limestone mining;~~

196.20 (3) ~~the employer is engaged in the manufacturing of concrete, concrete products,~~  
196.21 ~~or asphalt; or~~

196.22 (4) ~~the employer is engaged in road building, repair, or resurfacing, including bridge~~  
196.23 ~~and tunnels and residential and commercial driveways and parking lots.~~

196.24 (a) Each new taxpaying employer that does not qualify for an experience rating  
196.25 under subdivision 3 must be assigned, for the calendar year, a tax rate equal to the average  
196.26 experience rating for the employer's industry, plus the applicable base tax rate and any  
196.27 additional assessments under subdivision 2, paragraph (c). The tax rate assigned may not  
196.28 be less than one percent.

196.29 (b) The employer's industry, except for construction, is determined by the first two  
196.30 digits of the North American Industrial Classification System (NAICS). The construction  
196.31 industry is determined to five digits. For each calendar year the commissioner must  
196.32 compute, in accordance with subdivision 3, the average industry experience rating for  
196.33 the employer's industry.

196.34 (d) (c) ~~Regardless of any law to the contrary, a taxpaying employer must be~~  
196.35 ~~assigned a tax rate under this subdivision if the employer had no taxable wages during the~~  
196.36 ~~experience rating period under subdivision 3.~~

197.1           (e) ~~(d)~~ The commissioner must send to the new employer, by mail or electronic  
197.2 transmission, a determination of tax rate. An employer may appeal the determination of  
197.3 tax rate in accordance with ~~the procedures in~~ subdivision 6, paragraph (c).

197.4           **EFFECTIVE DATE.** This section is effective January 1, 2018, and applies to tax  
197.5 rates assigned for the calendar year 2018 and thereafter.

197.6           Sec. 2. Minnesota Statutes 2015 Supplement, section 268.07, subdivision 3b, is  
197.7 amended to read:

197.8           Subd. 3b. **Limitations on applications and benefit accounts.** (a) An application for  
197.9 unemployment benefits is effective the Sunday of the calendar week that the application  
197.10 was filed. An application for unemployment benefits may be backdated one calendar week  
197.11 before the Sunday of the week the application was actually filed if the applicant requests  
197.12 the backdating at within seven calendar days of the time date the application is filed. An  
197.13 application may be backdated only if the applicant was unemployed during the period of  
197.14 the backdating. If an individual attempted to file an application for unemployment benefits,  
197.15 but was prevented from filing an application by the department, the application is effective  
197.16 the Sunday of the calendar week the individual first attempted to file an application.

197.17           (b) A benefit account established under subdivision 2 is effective the date the  
197.18 application for unemployment benefits was effective.

197.19           (c) A benefit account, once established, may later be withdrawn only if:

197.20           (1) the applicant has not been paid any unemployment benefits on that benefit  
197.21 account; and

197.22           (2) a new application for unemployment benefits is filed and a new benefit account is  
197.23 established at the time of the withdrawal.

197.24           A determination or amended determination of eligibility or ineligibility issued under  
197.25 section 268.101, that was sent before the withdrawal of the benefit account, remains in  
197.26 effect and is not voided by the withdrawal of the benefit account.

197.27           (d) An application for unemployment benefits is not allowed before the Sunday  
197.28 following the expiration of the benefit year on a prior benefit account. Except as allowed  
197.29 under paragraph (c), an applicant may establish only one benefit account each 52 calendar  
197.30 weeks. This paragraph applies to benefit accounts established under any federal law or  
197.31 the law of any other state.

197.32           **EFFECTIVE DATE.** This section is effective July 31, 2016, and applies to  
197.33 applications for unemployment benefits filed after that date.

198.1 Sec. 3. Minnesota Statutes 2014, section 268.095, subdivision 1, is amended to read:

198.2 Subdivision 1. **Quit.** An applicant who quit employment is ineligible for all  
198.3 unemployment benefits according to subdivision 10 except when:

198.4 (1) the applicant quit the employment because of a good reason caused by the  
198.5 employer as defined in subdivision 3;

198.6 (2) the applicant quit the employment to accept other covered employment that  
198.7 provided substantially equal to or better terms and conditions of employment, but  
198.8 the applicant did not work long enough at the second employment to have sufficient  
198.9 subsequent earnings wages paid to satisfy the period of ineligibility that would otherwise  
198.10 be imposed under subdivision 10 for quitting the first employment;

198.11 (3) the applicant quit the employment within 30 calendar days of beginning the  
198.12 employment because and the employment was unsuitable ~~for the applicant~~;

198.13 (4) the employment was unsuitable ~~for the applicant~~ and the applicant quit to enter  
198.14 reemployment assistance training;

198.15 (5) the employment was part time and the applicant also had full-time employment  
198.16 in the base period, from which full-time employment the applicant separated because of  
198.17 reasons for which the applicant ~~was held~~ is not ~~to be~~ ineligible, and the wage credits from  
198.18 the full-time employment are sufficient to meet the minimum requirements to establish a  
198.19 benefit account under section 268.07;

198.20 (6) the applicant quit because the employer notified the applicant that the applicant  
198.21 was going to be laid off because of lack of work within 30 calendar days. An applicant  
198.22 who quit employment within 30 calendar days of a notified date of layoff because of lack  
198.23 of work is ineligible for unemployment benefits through the end of the week that includes  
198.24 the scheduled date of layoff;

198.25 (7) the applicant quit the employment (i) because the applicant's serious illness or  
198.26 injury made it medically necessary that the applicant quit; or (ii) in order to provide  
198.27 necessary care because of the illness, injury, or disability of an immediate family member  
198.28 of the applicant. This exception only applies if the applicant informs the employer of  
198.29 the medical problem and requests accommodation and no reasonable accommodation  
198.30 is made available.

198.31 If the applicant's serious illness is chemical dependency, this exception does not  
198.32 apply if the applicant was previously diagnosed as chemically dependent or had treatment  
198.33 for chemical dependency, and since that diagnosis or treatment has failed to make  
198.34 consistent efforts to control the chemical dependency.

198.35 This exception raises an issue of the applicant's being available for suitable  
198.36 employment under section 268.085, subdivision 1, that the commissioner must determine;

199.1 (8) the applicant's loss of child care for the applicant's minor child caused the  
199.2 applicant to quit the employment, provided the applicant made reasonable effort to obtain  
199.3 other child care and requested time off or other accommodation from the employer and no  
199.4 reasonable accommodation is available.

199.5 This exception raises an issue of the applicant's being available for suitable  
199.6 employment under section 268.085, subdivision 1, that the commissioner must determine;

199.7 (9) the applicant quit because domestic abuse, sexual assault, or stalking of the  
199.8 applicant or an immediate family member of the applicant, necessitated the applicant's  
199.9 quitting the employment.

199.10 For purposes of this subdivision:

199.11 (i) "domestic abuse" has the meaning given in section 518B.01;

199.12 (ii) "sexual assault" means an act that would constitute a violation of sections  
199.13 609.342 to 609.3453 or 609.352; and

199.14 (iii) "stalking" means an act that would constitute a violation of section 609.749; or

199.15 (10) the applicant quit in order to relocate to accompany a spouse;

199.16 (1) who is in the military; or

199.17 (2) whose job was transferred by the spouse's employer to a new location changed  
199.18 making it impractical for the applicant to commute.

199.19 **EFFECTIVE DATE.** This section is effective July 31, 2016, and applies to all  
199.20 matters pending a determination or a decision by an unemployment law judge.

199.21 Sec. 4. Minnesota Statutes 2014, section 268.101, subdivision 2, is amended to read:

199.22 Subd. 2. **Determination.** (a) The commissioner must determine any issue of  
199.23 ineligibility raised by information required from an applicant under subdivision 1,  
199.24 paragraph (a) or (c), and send to the applicant and any involved employer, by mail or  
199.25 electronic transmission, a document titled a determination of eligibility or a determination  
199.26 of ineligibility, as is appropriate. The determination on an issue of ineligibility as a result  
199.27 of a quit or a discharge of the applicant must state the effect on the employer under section  
199.28 268.047. A determination must be made in accordance with this paragraph even if a  
199.29 notified employer has not raised the issue of ineligibility.

199.30 (b) The commissioner must determine any issue of ineligibility raised by an  
199.31 employer and send to the applicant and that employer, by mail or electronic transmission,  
199.32 a document titled a determination of eligibility or a determination of ineligibility as is  
199.33 appropriate. The determination on an issue of ineligibility as a result of a quit or discharge  
199.34 of the applicant must state the effect on the employer under section 268.047.

199.35 If a base period employer:

200.1 (1) was not the applicant's most recent employer before the application for  
200.2 unemployment benefits;

200.3 (2) did not employ the applicant during the six calendar months before the  
200.4 application for unemployment benefits; and

200.5 (3) did not raise an issue of ineligibility as a result of a quit or discharge of the  
200.6 applicant within ten calendar days of notification under subdivision 1, paragraph (b);

200.7 then any exception under section 268.047, subdivisions 2 and 3, begins the Sunday two  
200.8 weeks following the week that the issue of ineligibility as a result of a quit or discharge of  
200.9 the applicant was raised by the employer.

200.10 A communication from an employer must specifically set out why the applicant  
200.11 should be determined ineligible for unemployment benefits for that communication to be  
200.12 considered to have raised an issue of ineligibility for purposes of this section. A statement  
200.13 of "protest" or a similar term without more information does not constitute raising an issue  
200.14 of ineligibility for purposes of this section.

200.15 (c) Subject to section 268.031, an issue of ineligibility is determined based upon  
200.16 that information required of an applicant, any information that may be obtained from an  
200.17 applicant or employer, and information from any other source.

200.18 (d) Regardless of the requirements of this subdivision, the commissioner is not  
200.19 required to send to an applicant a copy of the determination where the applicant has  
200.20 satisfied a period of ineligibility because of a quit or a discharge under section 268.095,  
200.21 subdivision 10.

200.22 (e) The commissioner may issue a determination on an issue of ineligibility ~~at any~~  
200.23 ~~time~~ within 24 months from the establishment of a benefit account based upon information  
200.24 from any source, even if the issue of ineligibility was not raised by the applicant or an  
200.25 employer. ~~This paragraph does not prevent the imposition of a penalty on~~

200.26 If an applicant obtained unemployment benefits through fraud under section 268.18,  
200.27 subdivision 2, or 268.182 a determination of ineligibility may be issued within 48 months  
200.28 of the establishment of the benefit account.

200.29 (f) A determination of eligibility or determination of ineligibility is final unless an  
200.30 appeal is filed by the applicant or ~~notified~~ employer within 20 calendar days after sending.  
200.31 The determination must contain a prominent statement indicating the consequences of not  
200.32 appealing. Proceedings on the appeal are conducted in accordance with section 268.105.

200.33 (g) An issue of ineligibility required to be determined under this section includes  
200.34 any question regarding the denial or allowing of unemployment benefits under this chapter  
200.35 except for issues under section 268.07. An issue of ineligibility for purposes of this section  
200.36 includes any question of effect on an employer under section 268.047.

201.1 ~~(h) Except for issues of ineligibility as a result of a quit or discharge of the applicant,~~  
 201.2 ~~the employer will be (1) sent a copy of the determination of eligibility or a determination~~  
 201.3 ~~of ineligibility, or (2) considered an involved employer for purposes of an appeal under~~  
 201.4 ~~section 268.105, only if the employer raised the issue of ineligibility.~~

201.5 **EFFECTIVE DATE.** This section is effective July 31, 2016, and applies to all  
 201.6 matters pending a determination.

201.7 Sec. 5. Minnesota Statutes 2014, section 268.182, subdivision 2, is amended to read:

201.8 Subd. 2. **Administrative penalties.** (a) Any applicant who knowingly makes a false  
 201.9 statement or representation, who knowingly fails to disclose a material fact, or who makes  
 201.10 a false statement or representation without a good faith belief as to the correctness of the  
 201.11 statement or representation, in order to obtain or in an attempt to obtain unemployment  
 201.12 benefits may be assessed, in addition to any other penalties, an administrative penalty of  
 201.13 being ineligible for unemployment benefits for 13 to 104 weeks.

201.14 (b) A determination of ineligibility setting out the weeks the applicant is ineligible  
 201.15 must be sent to the applicant by mail or electronic transmission. A determination of  
 201.16 ineligibility under this subdivision may be issued within 48 months of the establishment of  
 201.17 the benefit account upon which the unemployment benefits were obtained, or attempted to  
 201.18 be obtained. Unless an appeal is filed within 20 calendar days of sending, the determination  
 201.19 is final. Proceedings on the appeal are conducted in accordance with section 268.105.

201.20 **EFFECTIVE DATE.** This section is effective July 31, 2016 and applies to all  
 201.21 matters pending a determination.

201.22 **ARTICLE 12**

201.23 **EQUITY**

201.24 Section 1. **APPROPRIATIONS.**

201.25 The sums shown in the columns marked "Appropriations" are appropriated to the  
 201.26 agencies and for the purposes specified in this article. The appropriations are from the  
 201.27 general fund, or another named fund, and are available for the fiscal year indicated  
 201.28 for each purpose. The figures "2016" and "2017" used in this article mean that the  
 201.29 appropriations listed under them are available for the fiscal year ending June 30, 2016,  
 201.30 or June 30, 2017, respectively.

201.31 **APPROPRIATIONS**  
 201.32 **Available for the Year**

202.1		<u>Ending June 30</u>	
202.2		<u>2016</u>	<u>2017</u>
202.3	Sec. 2. <u>EQUITY APPROPRIATIONS</u>		
202.4	Subdivision 1. <u>Total Appropriation</u>	\$ -0-	\$ <u>35,000,000</u>
202.5	Subd. 2. <u>Department of Employment and</u>		
202.6	<u>Economic Development</u>	-0-	<u>34,250,000</u>
202.7	<u>(a) \$1,500,000 in fiscal year 2017 is for</u>		
202.8	<u>grants to the Neighborhood Development</u>		
202.9	<u>Center for small business programs. For</u>		
202.10	<u>fiscal year 2018 and thereafter, the base</u>		
202.11	<u>amount is \$750,000 per year.</u>		
202.12	<u>Of this amount, \$810,000 is for the small</u>		
202.13	<u>business development program, including:</u>		
202.14	<u>(1) \$620,000 for training, lending, and</u>		
202.15	<u>business services for aspiring business</u>		
202.16	<u>owners, and expansion of services for</u>		
202.17	<u>immigrants in suburban communities; and</u>		
202.18	<u>(2) \$190,000 is for Neighborhood</u>		
202.19	<u>Development Center model outreach and</u>		
202.20	<u>training activities in greater Minnesota.</u>		
202.21	<u>Of this amount, \$690,000 is for grants for the</u>		
202.22	<u>small business incubator program, including:</u>		
202.23	<u>(1) \$420,000 for capital improvements to</u>		
202.24	<u>existing small business incubators; and</u>		
202.25	<u>(2) \$270,000 for the creation of two</u>		
202.26	<u>additional small business incubators.</u>		
202.27	<u>(b) \$2,000,000 in fiscal year 2017 is for</u>		
202.28	<u>a competitive grant program to provide</u>		
202.29	<u>grants to organizations that provide support</u>		
202.30	<u>services for individuals, such as job training,</u>		
202.31	<u>employment preparation, internships, job</u>		
202.32	<u>assistance to fathers, financial literacy,</u>		
202.33	<u>academic and behavioral interventions</u>		
202.34	<u>for low-performing students, and youth</u>		

203.1 intervention. Grants made under this section  
203.2 must focus on low-income communities,  
203.3 young adults from families with a history of  
203.4 intergenerational poverty, and communities  
203.5 of color. All grant recipients are subject to the  
203.6 requirements of section 11. Of this amount,  
203.7 up to five percent is for administration and  
203.8 monitoring of the program. For fiscal year  
203.9 2018 and thereafter, the base amount is  
203.10 \$1,500,000 per year.

203.11 (c) \$1,000,000 in fiscal year 2017 is for a  
203.12 grant to YWCA St. Paul to provide job  
203.13 training services and workforce development  
203.14 programs and services, including job skills  
203.15 training and counseling. For fiscal year 2018  
203.16 and thereafter, the base amount is \$250,000  
203.17 per year.

203.18 (d) \$750,000 in fiscal year 2017 is for a grant  
203.19 to the YWCA of Minneapolis to provide  
203.20 economically challenged individuals the jobs  
203.21 skills training, career counseling, and job  
203.22 placement assistance necessary to secure  
203.23 a child development associate credential  
203.24 and to have a career path in early childhood  
203.25 education. For fiscal year 2018 and thereafter,  
203.26 the base amount is \$375,000 per year.

203.27 (e) \$4,250,000 in fiscal year 2017 is for a  
203.28 grant to EMERGE Community Development,  
203.29 in collaboration with community partners, for  
203.30 services targeting Minnesota communities  
203.31 with the highest concentrations of African  
203.32 and African-American joblessness, based on  
203.33 the most recent census tract data, to provide  
203.34 employment readiness training, credentialed  
203.35 training placement, job placement and

204.1 retention services, supportive services for  
204.2 hard-to-employ individuals, and a general  
204.3 education development fast track and adult  
204.4 diploma program. For fiscal year 2018 and  
204.5 thereafter, the base amount is \$1,000,000 per  
204.6 year.

204.7 (f) \$2,500,000 in fiscal year 2017 is for a grant  
204.8 to the Metropolitan Economic Development  
204.9 Association (MEDA) for statewide business  
204.10 development and assistance services,  
204.11 including services to entrepreneurs with  
204.12 businesses that have the potential to create  
204.13 job opportunities for unemployed and  
204.14 underemployed people, with an emphasis  
204.15 on minority-owned businesses. For fiscal  
204.16 year 2018 and thereafter, the base amount is  
204.17 \$1,175,000 per year.

204.18 Of this appropriation, \$1,600,000 is for a  
204.19 revolving loan fund to provide additional  
204.20 minority-owned businesses with access to  
204.21 capital.

204.22 (g) \$1,000,000 in fiscal year 2017 is for a  
204.23 grant to the Minneapolis Foundation for  
204.24 a strategic intervention program designed  
204.25 to target and connect program participants  
204.26 to meaningful, sustainable living-wage  
204.27 employment.

204.28 (h) \$1,200,000 in fiscal year 2017 is  
204.29 for performance grants under Minnesota  
204.30 Statutes, section 116J.8747, to Twin Cities  
204.31 R!SE to provide training to hard-to-train  
204.32 individuals. For fiscal year 2018 and  
204.33 thereafter, the base amount is \$600,000 per  
204.34 year. Of the amount appropriated in fiscal  
204.35 year 2017, \$407,000 is for a grant to Twin

205.1 Cities R!SE, in collaboration with Metro  
205.2 Transit and Hennepin Technical College,  
205.3 for the Metro Transit technician training  
205.4 program. This is a onetime appropriation and  
205.5 is available until June 30, 2019.

205.6 (i) \$2,500,000 in fiscal year 2017 is for  
205.7 the creation of additional multiemployer,  
205.8 sector-based career connections pathways.

205.9 This is a onetime appropriation and is  
205.10 available until June 30, 2019. \$2,200,000 of  
205.11 this amount is for a grant to Hennepin County  
205.12 to establish pathways using the Hennepin  
205.13 Career Connections framework. \$300,000  
205.14 of this amount is for a grant to Hennepin  
205.15 County to establish a pilot program based on  
205.16 the career connections pathways framework  
205.17 outside the seven-county metropolitan area,  
205.18 in collaboration with another local unit of  
205.19 government.

205.20 (j) \$1,500,000 in fiscal year 2017 is for the  
205.21 high-wage, high-demand, nontraditional jobs  
205.22 grant program under Minnesota Statutes,  
205.23 section 116L.99. Of this amount, up to five  
205.24 percent is for administration and monitoring  
205.25 of the program. For fiscal year 2018 and  
205.26 thereafter, the base amount is \$1,000,000 per  
205.27 year.

205.28 (k) \$1,000,000 in fiscal year 2017 is for the  
205.29 youth-at-work competitive grant program  
205.30 under Minnesota Statutes, section 116L.562,  
205.31 subdivision 3. Of this amount, up to five  
205.32 percent is for administration and monitoring  
205.33 of the program.

205.34 (l) \$2,000,000 in fiscal year 2017 is for a  
205.35 competitive grant program for grants to

206.1 organizations providing services to relieve  
206.2 economic disparities in the Southeast Asian  
206.3 community through workforce recruitment,  
206.4 development, job creation, assistance of  
206.5 smaller organizations to increase capacity,  
206.6 and outreach. Grant recipients under this  
206.7 paragraph are subject to the requirements of  
206.8 section 11. Of this amount, up to five percent  
206.9 is for administration and monitoring of the  
206.10 program. For fiscal year 2018 and thereafter,  
206.11 the base amount is \$1,000,000 per year.

206.12 (m) \$1,500,000 in fiscal year 2017 is for  
206.13 a grant to Latino Communities United  
206.14 in Service (CLUES) to expand culturally  
206.15 tailored programs that address employment  
206.16 and education skill gaps for working parents  
206.17 and underserved youth by providing new  
206.18 job skills training to stimulate higher wages  
206.19 for low-income people, family support  
206.20 systems designed to reduce intergenerational  
206.21 poverty, and youth programming to promote  
206.22 educational advancement and career  
206.23 pathways. At least 50 percent of this amount  
206.24 must be used for programming targeted at  
206.25 greater Minnesota. For fiscal year 2018 and  
206.26 thereafter, the base amount is \$750,000 per  
206.27 year.

206.28 (n) \$880,000 in fiscal year 2017 is for a grant  
206.29 to the American Indian Opportunities and  
206.30 Industrialization Center, in collaboration  
206.31 with the Northwest Indian Community  
206.32 Development Center, to reduce academic  
206.33 disparities for American Indian students  
206.34 and adults. The grant funds may be used to  
206.35 provide:

207.1 (1) student tutoring and testing support  
207.2 services;

207.3 (2) training in information technology;

207.4 (3) assistance in obtaining a GED;

207.5 (4) remedial training leading to enrollment in  
207.6 a postsecondary higher education institution;

207.7 (5) real-time work experience in information  
207.8 technology fields; and

207.9 (6) contextualized adult basic education.

207.10 After notification to the legislature, the  
207.11 commissioner may transfer this appropriation  
207.12 to the commissioner of education. For fiscal  
207.13 year 2018 and thereafter, the base amount is  
207.14 \$250,000 per year.

207.15 (o) \$500,000 in fiscal year 2017 is for a  
207.16 grant to the White Earth Nation for the  
207.17 White Earth Nation Integrated Business  
207.18 Development System to provide business  
207.19 assistance with workforce development,  
207.20 outreach, technical assistance, infrastructure  
207.21 and operational support, financing, and other  
207.22 business development activities. For fiscal  
207.23 year 2018 and thereafter, the base amount is  
207.24 \$125,000 per year.

207.25 (p) \$500,000 is for the Minnesota emerging  
207.26 entrepreneur program under Minnesota  
207.27 Statutes, section 116M.18. Of this amount,  
207.28 up to five percent is for administration and  
207.29 monitoring of the program. For fiscal year  
207.30 2018 and thereafter, the base amount is  
207.31 \$750,000 per year.

207.32 (q) \$1,000,000 is for the Pathways to  
207.33 Prosperity adult workforce development  
207.34 competitive grant program. When

208.1 awarding grants under this paragraph,  
208.2 the commissioner may give preference to  
208.3 any previous grantee with demonstrated  
208.4 success in job training and placement for  
208.5 hard-to-train individuals. A portion of the  
208.6 grants may provide year-end educational  
208.7 and experiential learning opportunities for  
208.8 teens and young adults that provide careers  
208.9 in the construction industry. Of this amount,  
208.10 up to five percent is for administration and  
208.11 monitoring of the program.

208.12 (r) \$320,000 is for the capacity building grant  
208.13 program to assist nonprofit organizations  
208.14 offering or seeking to offer workforce  
208.15 development and economic development  
208.16 programming. For fiscal year 2018 and  
208.17 thereafter, the base amount is \$1,000,000 per  
208.18 year.

208.19 (s) \$2,000,000 in fiscal year 2017 is for grants  
208.20 for positive youth development, community  
208.21 engagement, legal services, and capacity  
208.22 building for community-based organizations  
208.23 servicing Somali youth, including youth  
208.24 engagement, prevention, and intervention  
208.25 activities that help build the resiliency of  
208.26 the Somali Minnesotan community and  
208.27 address challenges facing Somali youth.

208.28 Of this amount, \$1,000,000 is for a grant  
208.29 to Youthprise for activities provided in this  
208.30 paragraph. Funded projects must provide  
208.31 culturally and linguistically relevant services.  
208.32 To the maximum extent possible, 50 percent  
208.33 of the funding must be distributed in greater  
208.34 Minnesota, and 50 percent of funding must  
208.35 be distributed within the metropolitan area,  
208.36 as defined in Minnesota Statutes, section

209.1 473.121, subdivision 2. Of the amount  
209.2 appropriated for grants to be awarded by  
209.3 the commissioner, up to five percent is  
209.4 for administration and monitoring of the  
209.5 program. This is a onetime appropriation and  
209.6 is available until June 30, 2019.

209.7 (t) \$600,000 in fiscal year 2017 is for a grant  
209.8 to Ujamaa Place for job training, employment  
209.9 preparation, internships, education, training  
209.10 in the construction trades, housing, and  
209.11 organizational capacity building.

209.12 (u) \$1,750,000 in fiscal year 2017 is for  
209.13 a grant to Enterprise Minnesota, Inc. Of  
209.14 this amount, \$875,000 is for the small  
209.15 business growth acceleration program under  
209.16 Minnesota Statutes, section 116O.115, and  
209.17 \$875,000 is for operations under Minnesota  
209.18 Statutes, sections 116O.01 to 116O.061.  
209.19 For fiscal year 2018 and thereafter, the base  
209.20 amount is \$875,000 per year.

209.21 (v) \$1,000,000 in fiscal year 2017 is for  
209.22 grants to centers for independent living  
209.23 under Minnesota Statutes, section 268A.11.  
209.24 For fiscal year 2018 and thereafter, the base  
209.25 amount is \$500,000 per year.

209.26 (w) \$1,000,000 in fiscal year 2017 is from the  
209.27 general fund for State Services for the Blind.  
209.28 Funds appropriated must be used to provide  
209.29 services for senior citizens who are becoming  
209.30 blind. At least half of the funds appropriated  
209.31 must be used to provide training services for  
209.32 seniors who are becoming blind. Training  
209.33 services must provide independent living  
209.34 skills to seniors who are becoming blind to  
209.35 allow them to continue to live independently

210.1 in their homes. For fiscal year 2018 and  
210.2 thereafter, the base amount is \$500,000 per  
210.3 year.

210.4 (x) \$2,000,000 in fiscal year 2017 is from the  
210.5 general fund for a grant to the Construction  
210.6 Careers Foundation for the construction  
210.7 career pathway initiative to provide  
210.8 year-round educational and experiential  
210.9 learning opportunities for teens and young  
210.10 adults under the age of 21 that lead to careers  
210.11 in the construction industry. For fiscal year  
210.12 2018 and thereafter, the base amount is  
210.13 \$1,000,000 per year. Grant funds must be  
210.14 used to:

210.15 (1) increase construction industry exposure  
210.16 activities for middle school and high school  
210.17 youth, parents, and counselors to reach a more  
210.18 diverse demographic and broader statewide  
210.19 audience. This requirement includes, but  
210.20 is not limited to, an expansion of programs  
210.21 to provide experience in different crafts to  
210.22 youth and young adults throughout the state;

210.23 (2) increase the number of high schools  
210.24 in Minnesota offering construction classes  
210.25 during the academic year that utilize a  
210.26 multicraft curriculum;

210.27 (3) increase the number of summer internship  
210.28 opportunities;

210.29 (4) enhance activities to support graduating  
210.30 seniors in their efforts to obtain employment  
210.31 in the construction industry;

210.32 (5) increase the number of young adults  
210.33 employed in the construction industry and  
210.34 ensure that they reflect Minnesota's diverse  
210.35 workforce; and

211.1 (6) enhance an industrywide marketing  
 211.2 campaign targeted to youth and young adults  
 211.3 about the depth and breadth of careers within  
 211.4 the construction industry.

211.5 Programs and services supported by grant  
 211.6 funds must give priority to individuals and  
 211.7 groups that are economically disadvantaged  
 211.8 or historically underrepresented in the  
 211.9 construction industry, including but not  
 211.10 limited to women, veterans, and members of  
 211.11 minority and immigrant groups.

211.12 Subd. 3. Minnesota Housing Finance Agency -0- 750,000

211.13 \$500,000 is for a grant to Build Wealth MN to  
 211.14 provide a family stabilization plan program  
 211.15 including program outreach, financial literacy  
 211.16 education, and budget and debt counseling.

211.17 \$250,000 is a onetime appropriation for  
 211.18 grants to eligible applicants to create or  
 211.19 expand risk mitigation programs to reduce  
 211.20 landlord financial risks for renting to persons  
 211.21 eligible under Minnesota Statutes, section  
 211.22 462A.204. Eligible programs may reimburse  
 211.23 landlords for costs including but not limited  
 211.24 to nonpayment of rent, or damage costs above  
 211.25 those costs covered by security deposits. The  
 211.26 agency may give higher priority to applicants  
 211.27 that can demonstrate a matching amount  
 211.28 of money by a local unit of government,  
 211.29 business, or nonprofit organization. Grantees  
 211.30 must establish a procedure to review and  
 211.31 validate claims and reimbursements under  
 211.32 this grant program.

211.33 Sec. 3. Minnesota Statutes 2014, section 16C.10, subdivision 6, is amended to read:

212.1 Subd. 6. **Expenditures under specified amounts.** A competitive solicitation  
212.2 process described in this chapter is not required for the acquisition of goods, services,  
212.3 construction, and utilities in an amount of \$5,000 or less or as authorized by section  
212.4 16C.16, subdivisions 6, paragraph (b), 6a, paragraph (b), and 7, paragraph (b).

212.5 Sec. 4. Minnesota Statutes 2014, section 16C.16, subdivision 6, is amended to read:

212.6 Subd. 6. **Purchasing methods.** (a) The commissioner may award up to a six  
212.7 percent preference ~~in the amount bid~~ for specified goods or services to small targeted  
212.8 group businesses.

212.9 (b) The commissioner may award a contract for goods, services, or construction  
212.10 directly to a small business or small targeted group business without going through a  
212.11 competitive solicitation process up to a total contract award value, including extension  
212.12 options, of \$25,000.

212.13 ~~(b)~~ (c) The commissioner may designate a purchase of goods or services for  
212.14 award only to small businesses or small targeted group businesses if the commissioner  
212.15 determines that at least three small businesses or small targeted group businesses are likely  
212.16 to ~~bid~~ respond to a solicitation.

212.17 ~~(e)~~ (d) The commissioner, as a condition of awarding a construction contract or  
212.18 approving a contract for professional or technical services, may set goals that require  
212.19 the prime contractor to subcontract a portion of the contract to small businesses or  
212.20 small targeted group businesses. The commissioner must establish a procedure for  
212.21 granting waivers from the subcontracting requirement when qualified small businesses  
212.22 or small targeted group businesses are not reasonably available. The commissioner may  
212.23 establish financial incentives for prime contractors who exceed the goals for use of small  
212.24 business or small targeted group business subcontractors and financial penalties for prime  
212.25 contractors who fail to meet goals under this paragraph. The subcontracting requirements  
212.26 of this paragraph do not apply to prime contractors who are small businesses or small  
212.27 targeted group businesses.

212.28 Sec. 5. Minnesota Statutes 2015 Supplement, section 16C.16, subdivision 6a, is  
212.29 amended to read:

212.30 Subd. 6a. **Veteran-owned small businesses.** (a) Except when mandated by the  
212.31 federal government as a condition of receiving federal funds, the commissioner shall  
212.32 award up to a six percent preference, but no less than the percentage awarded to any  
212.33 other group under this section, ~~in the amount bid~~ on state procurement to certified small  
212.34 businesses that are majority-owned and operated by veterans.

213.1 (b) The commissioner may award a contract for goods, services, or construction  
 213.2 directly to a veteran-owned small business without going through a competitive solicitation  
 213.3 process up to a total contract award value, including extension options, of \$25,000.

213.4 (c) The commissioner may designate a purchase of goods or services for award only  
 213.5 to a veteran-owned small business if the commissioner determines that at least three  
 213.6 veteran-owned small businesses are likely to respond to a solicitation.

213.7 (d) The commissioner, as a condition of awarding a construction contract or  
 213.8 approving a contract for professional or technical services, may set goals that require  
 213.9 the prime contractor to subcontract a portion of the contract to a veteran-owned small  
 213.10 business. The commissioner must establish a procedure for granting waivers from the  
 213.11 subcontracting requirement when qualified veteran-owned small businesses are not  
 213.12 reasonably available. The commissioner may establish financial incentives for prime  
 213.13 contractors who exceed the goals for use of veteran-owned small business subcontractors  
 213.14 and financial penalties for prime contractors who fail to meet goals under this paragraph.  
 213.15 The subcontracting requirements of this paragraph do not apply to prime contractors  
 213.16 who are veteran-owned small businesses.

213.17 ~~(b)~~ (e) The purpose of this designation is to facilitate the transition of veterans from  
 213.18 military to civilian life, and to help compensate veterans for their sacrifices, including but  
 213.19 not limited to their sacrifice of health and time, to the state and nation during their military  
 213.20 service, as well as to enhance economic development within Minnesota.

213.21 ~~(e)~~ (f) Before the commissioner certifies that a small business is majority-owned and  
 213.22 operated by a veteran, the commissioner of veterans affairs must verify that the owner of  
 213.23 the small business is a veteran, as defined in section 197.447.

213.24 Sec. 6. Minnesota Statutes 2014, section 16C.16, subdivision 7, is amended to read:

213.25 Subd. 7. **Economically disadvantaged areas.** ~~(a) Except as otherwise provided in~~  
 213.26 ~~paragraph (b),~~ The commissioner may award up to a six percent preference in the amount  
 213.27 bid on state procurement to small businesses located in an economically disadvantaged area.

213.28 ~~(b) The commissioner may award up to a four percent preference in the amount bid~~  
 213.29 ~~on state construction to small businesses located in an economically disadvantaged area.~~

213.30 (b) The commissioner may award a contract for goods, services, or construction  
 213.31 directly to a small business located in an economically disadvantaged area without going  
 213.32 through a competitive solicitation process up to a total contract award value, including  
 213.33 extension options, of \$25,000.

213.34 (c) The commissioner may designate a purchase of goods or services for award only  
 213.35 to a small business located in an economically disadvantaged area if the commissioner

214.1 determines that at least three small businesses located in an economically disadvantaged  
 214.2 area are likely to respond to a solicitation.

214.3 (d) The commissioner, as a condition of awarding a construction contract or  
 214.4 approving a contract for professional or technical services, may set goals that require the  
 214.5 prime contractor to subcontract a portion of the contract to a small business located in  
 214.6 an economically disadvantaged area. The commissioner must establish a procedure for  
 214.7 granting waivers from the subcontracting requirement when qualified small businesses  
 214.8 located in an economically disadvantaged area are not reasonably available. The  
 214.9 commissioner may establish financial incentives for prime contractors who exceed the  
 214.10 goals for use of subcontractors that are small businesses located in an economically  
 214.11 disadvantaged area and financial penalties for prime contractors who fail to meet goals  
 214.12 under this paragraph. The subcontracting requirements of this paragraph do not apply to  
 214.13 prime contractors who are small businesses located in an economically disadvantaged area.

214.14 ~~(e)~~ (e) A business is located in an economically disadvantaged area if:

214.15 (1) the owner resides in or the business is located in a county in which the median  
 214.16 income for married couples is less than 70 percent of the state median income for married  
 214.17 couples;

214.18 (2) the owner resides in or the business is located in an area designated a labor  
 214.19 surplus area by the United States Department of Labor; or

214.20 (3) the business is a certified rehabilitation facility or extended employment provider  
 214.21 as described in chapter 268A.

214.22 ~~(d)~~ (f) The commissioner may designate one or more areas designated as targeted  
 214.23 neighborhoods under section 469.202 or as border city enterprise zones under section  
 214.24 469.166 as economically disadvantaged areas for purposes of this subdivision if the  
 214.25 commissioner determines that this designation would further the purposes of this section.

214.26 If the owner of a small business resides or is employed in a designated area, the small  
 214.27 business is eligible for any preference provided under this subdivision.

214.28 ~~(e)~~ (g) The Department of Revenue shall gather data necessary to make the  
 214.29 determinations required by paragraph ~~(e)~~ (e), clause (1), and shall annually certify counties  
 214.30 that qualify under paragraph ~~(e)~~ (e), clause (1). An area designated a labor surplus area  
 214.31 retains that status for 120 days after certified small businesses in the area are notified of  
 214.32 the termination of the designation by the United States Department of Labor.

214.33 Sec. 7. Minnesota Statutes 2014, section 16C.16, is amended by adding a subdivision  
 214.34 to read:

215.1 Subd. 7a. **Designated purchases and subcontractor goals.** (a) When designating  
215.2 purchases directly to a business in accordance with this section, the commissioner may  
215.3 also designate a purchase of goods or services directly to any combination of small  
215.4 businesses, small targeted group businesses, veteran-owned small businesses or small  
215.5 businesses located in an economically disadvantaged area if the commissioner determines  
215.6 that at least three businesses in two or more of the disadvantaged business categories  
215.7 are likely to respond.

215.8 (b) When establishing subcontractor goals under this section, the commissioner may  
215.9 set goals that require the prime contractor to subcontract a portion of the contract to any  
215.10 combination of a small business, small targeted group business, veteran-owned small  
215.11 business, or small business located in an economically disadvantaged area.

215.12 Sec. 8. Minnesota Statutes 2014, section 16C.16, subdivision 11, is amended to read:

215.13 Subd. 11. **Procurement procedures.** All laws and rules pertaining to solicitations,  
215.14 bid evaluations, contract awards, and other procurement matters apply equally to  
215.15 procurements ~~designated for small businesses or small targeted group businesses~~ involving  
215.16 any small business, small targeted group business, veteran-owned business, or small  
215.17 business located in an economically disadvantaged area. ~~In the event of conflict with other~~  
215.18 rules, section 16C.15 and rules adopted under it govern, if section 16C.15 applies. If it  
215.19 does not apply, sections 16C.16 to 16C.21 and rules adopted under those sections govern.

215.20 Sec. 9. **[116L.562] YOUTH-AT-WORK GRANT PROGRAM.**

215.21 Subdivision 1. **Establishment.** The commissioner shall award grants to eligible  
215.22 organizations for the purpose of providing workforce development and training  
215.23 opportunities to economically disadvantaged or at-risk youth ages 14 to 24.

215.24 Subd. 2. **Definitions.** For purposes of this section:

215.25 (1) "eligible organization" or "eligible applicant" means a local government unit,  
215.26 nonprofit organization, community action agency, or a public school district;

215.27 (2) "at-risk youth" means youth classified as at-risk under section 116L.56,  
215.28 subdivision 2; and

215.29 (3) "economically disadvantaged" means youth who are economically disadvantaged  
215.30 as defined in United States Code, title 29, section 1503.

215.31 Subd. 3. **Competitive grant awards.** (a) In awarding competitive grants, priority  
215.32 shall be given to programs that:

215.33 (1) provide students with information about education and training requirements for  
215.34 careers in high-growth, in-demand occupations;

216.1 (2) serve youth from communities of color who are under represented in the  
 216.2 workforce; or

216.3 (3) serve youth with disabilities.

216.4 (b) Eligible organizations must have demonstrated effectiveness in administering  
 216.5 youth workforce programs and must leverage nonstate or private sector funds.

216.6 (c) New eligible applicants must be youth-serving organizations with significant  
 216.7 capacity and demonstrable youth development experience and outcomes to operate a  
 216.8 youth workforce development project.

216.9 (d) If a program is not operated by a local unit of government or a workforce  
 216.10 development board, the grant recipient must coordinate the program with the local  
 216.11 workforce development board.

216.12 Subd. 4. Reports. Each grant recipient shall report to the commissioner in a format  
 216.13 to be determined by commissioner.

216.14 Sec. 10. Minnesota Statutes 2014, section 116L.99, is amended to read:

216.15 **116L.99 WOMEN AND HIGH-WAGE, HIGH-DEMAND,**  
 216.16 **NONTRADITIONAL JOBS GRANT PROGRAM.**

216.17 Subdivision 1. **Definitions.** (a) For the purpose of this section, the following terms  
 216.18 have the meanings given.

216.19 (b) "Commissioner" means the commissioner of employment and economic  
 216.20 development.

216.21 (c) "Eligible organization" includes, but is not limited to:

216.22 (1) community-based organizations experienced in serving women;

216.23 (2) employers;

216.24 (3) business and trade associations;

216.25 (4) labor unions and employee organizations;

216.26 (5) registered apprenticeship programs;

216.27 (6) secondary and postsecondary education institutions located in Minnesota; and

216.28 (7) workforce and economic development agencies.

216.29 (d) "High-wage, high-demand" means occupations that represent at least 0.1 percent  
 216.30 of total employment in the base year, have an annual median salary which is higher than  
 216.31 the average for the current year, and are projected to have more total openings as a share  
 216.32 of employment than the average.

216.33 (e) "Low-income" means income less than 200 percent of the federal poverty  
 216.34 guideline adjusted for a family size of four.

217.1 (f) "Nontraditional occupations" means those occupations in which women make  
217.2 up less than 25 percent of the workforce as defined under United States Code, title 20,  
217.3 section 2302.

217.4 (g) "Registered apprenticeship program" means a program registered under United  
217.5 States Code, title 29, section 50.

217.6 (h) "STEM" means science, technology, engineering, and math.

217.7 (i) "Women of color" means females age 18 and older who are American Indian,  
217.8 Asian, Black, or Hispanic.

217.9 (j) "Girls of color" means females under age 18 who are American Indian, Asian,  
217.10 Black, or Hispanic.

217.11 Subd. 2. **Grant program.** The commissioner shall establish the women and  
217.12 high-wage, high-demand, nontraditional jobs grant program to increase the number of  
217.13 women in high-wage, high-demand, nontraditional occupations. The commissioner shall  
217.14 make grants to eligible organizations for programs that encourage and assist women to enter  
217.15 high-wage, high-demand, nontraditional occupations including but not limited to those in  
217.16 the skilled trades, ~~science, technology, engineering, and math (STEM)~~ STEM occupations.  
217.17 The commissioner must give priority to programs that encourage and assist women of color  
217.18 to enter high-wage, high-demand, nontraditional occupations and STEM occupations.

217.19 Subd. 3. **Use of funds.** (a) Grant funds awarded under this section may be used for:

217.20 (1) recruitment, preparation, placement, and retention of women, including women  
217.21 of color, low-income women and women over 50 years old, in registered apprenticeships,  
217.22 postsecondary education programs, on-the-job training, and permanent employment in  
217.23 high-wage, high-demand, nontraditional occupations;

217.24 (2) secondary or postsecondary education or other training to prepare women  
217.25 to succeed in high-wage, high-demand, nontraditional occupations. Activities under  
217.26 this clause may be conducted by the grantee or in collaboration with another institution,  
217.27 including but not limited to a public or private secondary or postsecondary school;

217.28 (3) innovative, hands-on, best practices that stimulate interest in high-wage,  
217.29 high-demand, nontraditional occupations among girls, increase awareness among  
217.30 girls about opportunities in high-wage, high-demand, nontraditional occupations, or  
217.31 increase access to secondary programming leading to jobs in high-wage, high-demand,  
217.32 nontraditional occupations. Best practices include but are not limited to mentoring,  
217.33 internships, or apprenticeships for girls in high-wage, high-demand, nontraditional  
217.34 occupations;

218.1 (4) training and other staff development for job seeker counselors and Minnesota  
218.2 family investment program (MFIP) caseworkers on opportunities in high-wage,  
218.3 high-demand, nontraditional occupations;

218.4 (5) incentives for employers and sponsors of registered apprenticeship programs  
218.5 to retain women in high-wage, high-demand, nontraditional occupations for more than  
218.6 one year;

218.7 (6) training and technical assistance for employers to create a safe and healthy  
218.8 workplace environment designed to retain and advance women, including best practices  
218.9 for addressing sexual harassment, and to overcome gender inequity among employers  
218.10 and registered apprenticeship programs;

218.11 (7) public education and outreach activities to overcome stereotypes about women  
218.12 in high-wage, high-demand, nontraditional occupations, including the development of  
218.13 educational and marketing materials; ~~and~~

218.14 (8) services to support for women in high-wage, high-demand, nontraditional  
218.15 occupations including but not limited to assistance with balancing work responsibilities;  
218.16 skills training and education; family caregiving; financial assistance for child care,  
218.17 transportation, and safe and stable housing; workplace issues resolution; and access to  
218.18 advocacy assistance and services; and

218.19 (9) recruitment, participation, and support of girls of color in approved training  
218.20 programs or a valid apprenticeship program subject to section 181A.07, subdivision 7.

218.21 (b) Grant applications must include detailed information about how the applicant  
218.22 plans to:

218.23 (1) increase women's participation in high-wage, high-demand occupations in which  
218.24 women are currently underrepresented in the workforce;

218.25 (2) comply with the requirements under subdivision 3; ~~and~~

218.26 (3) use grant funds in conjunction with funding from other public or private  
218.27 sources; and

218.28 (4) collaborate with existing, successful programs for training, education,  
218.29 recruitment, preparation, placement, and retention of women of color in high-wage,  
218.30 high-demand, nontraditional occupations and STEM occupations.

218.31 (c) In awarding grants under this subdivision, the commissioner shall give priority  
218.32 to eligible organizations:

218.33 (1) with demonstrated success in recruiting and preparing women, especially  
218.34 low-income women, women of color, and women over 50 years old, for high-wage,  
218.35 high-demand, nontraditional occupations; and

218.36 (2) that leverage additional public and private resources.

219.1 (d) At least 50 percent of total grant funds must be awarded to programs providing  
219.2 services and activities targeted to low-income women and women of color.

219.3 (e) The commissioner of employment and economic development in conjunction  
219.4 with the commissioner of labor and industry shall monitor the use of funds under this  
219.5 section, collect and compile information on the activities of other state agencies and public  
219.6 or private entities that have purposes similar to those under this section, and identify other  
219.7 public and private funding available for these purposes.

219.8 (f) By January 15, 2019, and each January 15 thereafter, the commissioner must  
219.9 submit a report to the chairs and ranking minority members of the committees of the  
219.10 house of representatives and the senate having jurisdiction over workforce development  
219.11 that details the use of grant funds. If data is available, the report must contain data that is  
219.12 disaggregated by race, cultural groups, family income, age, geographical location, migrant  
219.13 or foreign immigrant status, primary language, whether the participant is an English  
219.14 learner under Minnesota Statutes, section 124D.59, disability, and status of homelessness.

219.15 Sec. 11. **REQUIREMENTS FOR GRANTS TO INDIVIDUALLY SPECIFIED**  
219.16 **RECIPIENTS.**

219.17 (a) **Application.** This section applies to any grant funded under this act where the  
219.18 recipient of the grant is individually specified in this act. The commissioner serving as the  
219.19 fiscal agent for the grant must ensure compliance with the requirements of this section, and  
219.20 all applicable requirements under existing law, including applicable grants management  
219.21 policies and procedures established by the Office of Grants Management.

219.22 (b) **Prerequisites.** Before any funding is provided to the grant recipient, the  
219.23 recipient must provide the fiscal agent with a description of the following information in  
219.24 a grant application:

- 219.25 (1) the purpose of the grant, including goals, priorities, and measurable outcomes;  
219.26 (2) eligibility requirements for individuals who will be served by the grant program;  
219.27 (3) the proposed geographic service areas for individuals served by the grant; and  
219.28 (4) the reporting requirements.

219.29 These requirements are in addition to any requirements under existing laws and policies.

219.30 (c) **Financial Review.** Office of Grants Management Operating Policy and  
219.31 Procedure number 08-06, titled "Policy on the Financial Review of Nongovernmental  
219.32 Organizations" applies in pertinent part to all grants covered by paragraph (a).

219.33 (d) **Reporting to Fiscal Agent.** In addition to meeting any reporting requirements  
219.34 included in the grant agreement, grant recipients subject to this section must provide the  
219.35 following information to the commissioner serving as fiscal agent:

- 220.1 (1) a detailed accounting of the use of any grant proceeds;  
 220.2 (2) a description of program outcomes to date, including performance measured  
 220.3 against indicators specified in the grant agreement, including, but not limited to, job  
 220.4 creation, employment activity, wage information, business formation or expansion, and  
 220.5 academic performance; and  
 220.6 (3) the portion of the grant, if any, spent on the recipient's operating expenses.

220.7 Grant recipients must report the information required under this paragraph to the fiscal  
 220.8 agent within one year after receiving any portion of the grant, annually thereafter, and  
 220.9 within 30 days following the use of all funds provided under the grant.

220.10 (e) **Reporting to Legislature.** Beginning January 15, 2017, a commissioner serving  
 220.11 as a fiscal agent for a grant subject to this section must submit a report containing the  
 220.12 information provided by the grant recipients to the chairs and ranking minority members  
 220.13 of the legislative committees and budget divisions with jurisdiction over the agency  
 220.14 serving as fiscal agent for the grant. The report submitted under this section must also  
 220.15 include the commissioner's summary of the use of grant proceeds, and an analysis of  
 220.16 the grant recipients' success in meeting the goals, priorities, and measurable outcomes  
 220.17 specified for the grant. An updated version of this report must be submitted on January  
 220.18 15 of each succeeding year until January 15 in the year following the date when all of  
 220.19 the grant funds have been spent.

220.20 **Sec. 12. ETHNIC COUNCIL REVIEW.**

220.21 The commissioners of each agency appropriated money in this article may consult  
 220.22 with the four ethnic councils under Minnesota Statutes, sections 3.922 and 15.0145,  
 220.23 regarding implementation of the programs funded under this article. Any request for  
 220.24 proposals developed by a state agency as a result of this article may be reviewed by the  
 220.25 four ethnic councils prior to public submission.

220.26 **EFFECTIVE DATE.** This section is effective the day following final enactment.

220.27 **ARTICLE 13**

220.28 **STATE DEPARTMENTS AND VETERANS**

220.29 **Section 1. APPROPRIATIONS.**

220.30 The sums shown in the columns marked "Appropriations" are added to the  
 220.31 appropriations in Laws 2015, chapter 77, article 1, to the agencies and for the purposes  
 220.32 specified in this article. The appropriations are from the general fund or another named  
 220.33 fund. The figures "2016" and "2017" used in this article mean that the addition to the

221.1 appropriation listed under them are available for the fiscal year ending June 30, 2016, or  
 221.2 June 30, 2017, respectively. Supplemental appropriations for the fiscal year ending June  
 221.3 30, 2016, are effective the day following final enactment.

221.4			<b><u>APPROPRIATIONS</u></b>
221.5			<b><u>Available for the Year</u></b>
221.6			<b><u>Ending June 30</u></b>
221.7			<b><u>2016</u>                      <u>2017</u></b>

221.8 **Sec. 2. ADMINISTRATION**

221.9	<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$</u></b>	<b><u>-0-</u></b>	<b><u>\$</u></b>	<b><u>1,198,000</u></b>
-------	--	------------------	-------------------	------------------	-------------------------

221.10	<b><u>Subd. 2. Government and Citizen Services -</u></b>				
221.11	<b><u>Olmstead Plan Increased Capacity</u></b>		<b><u>-0-</u></b>		<b><u>148,000</u></b>

221.12 For administrative costs to expand services  
 221.13 provided under the Olmstead Plan serving  
 221.14 people with disabilities.

221.15	<b><u>Subd. 3. Fiscal Agent - Veterans' Voices</u></b>		<b><u>-0-</u></b>		<b><u>50,000</u></b>
--------	--	--	-------------------	--	----------------------

221.16 For a grant to the Association of Minnesota  
 221.17 Public Educational Radio Stations for  
 221.18 statewide programming to promote the  
 221.19 Veterans' Voices program. This is a onetime  
 221.20 appropriation.

221.21	<b><u>Subd. 4. Accounting and Procurement</u></b>				
221.22	<b><u>Software</u></b>		<b><u>-0-</u></b>		<b><u>1,000,000</u></b>

221.23 \$1,000,000 is to assess, upgrade, and enhance  
 221.24 accounting and procurement software to  
 221.25 facilitate targeted group business utilization  
 221.26 and data reporting. This is a onetime  
 221.27 appropriation and is available until June 30,  
 221.28 2019.

221.29	<b><u>Sec. 3. MINNESOTA MANAGEMENT AND</u></b>				
221.30	<b><u>BUDGET</u></b>	<b><u>\$</u></b>	<b><u>-0-</u></b>	<b><u>\$</u></b>	<b><u>2,018,000</u></b>

221.31 Of this amount, \$2,000,000 is for statewide  
 221.32 information technology systems and is  
 221.33 available until June 30, 2018. This is a  
 221.34 onetime appropriation.

222.1 Of this amount, \$18,000 is to the Office  
 222.2 of Economic Analysis for the revenue  
 222.3 uncertainty report under Minnesota Statutes,  
 222.4 section 16A.103, subdivision 1h. The base is  
 222.5 \$9,000 each fiscal year beginning in fiscal  
 222.6 year 2018.

222.7 Sec. 4. **REVENUE** \$ -0- \$ 1,333,000

222.8 **Tax System Management.** \$500,000 is for  
 222.9 tax refund fraud protection software and  
 222.10 services.

222.11 \$833,000 is for (1) communication and  
 222.12 outreach; and (2) technology, audit, and  
 222.13 fraud staff.

222.14 \$1,506,000 is added to the base in fiscal year  
 222.15 2018 and \$1,506,000 in fiscal year 2019.

222.16 Sec. 5. **AMATEUR SPORTS COMMISSION** \$ -0- \$ 10,000,000

222.17 **Mighty Ducks.** For the purposes of making  
 222.18 grants under Minnesota Statutes, section  
 222.19 240A.09, paragraph (b). This appropriation  
 222.20 is a onetime appropriation and is added to  
 222.21 the appropriations in Laws 2015, chapter 77,  
 222.22 article 1, section 18, and Laws 2015, First  
 222.23 Special Session chapter 5, article 1, section 9.

222.24 Sec. 6. **HUMANITIES CENTER** \$ -0- \$ 95,000

222.25 To expand education efforts around the  
 222.26 Veterans' Voices program, and to work  
 222.27 with veterans to educate and engage the  
 222.28 community regarding veterans' contributions,  
 222.29 knowledge, skills, and experiences through  
 222.30 the Veterans' Voices program. This is a  
 222.31 onetime appropriation.

223.1	<b>Sec. 7. <u>MINNESOTA STATE RETIREMENT</u></b>			
223.2	<b><u>SYSTEM</u></b>	<b>\$</b>	<b><u>-0-</u></b>	<b><u>\$ 3,000,000</u></b>
223.3	<b><u>Judges Retirement Plan.</u></b> In fiscal year			
223.4	<u>2017 for transfer to the judges' retirement</u>			
223.5	<u>fund defined in Minnesota Statutes, section</u>			
223.6	<u>490.123. \$6,000,000 each fiscal year</u>			
223.7	<u>is included in the base and the transfer</u>			
223.8	<u>continues each fiscal year until the judges</u>			
223.9	<u>retirement plan reaches 100 percent funding</u>			
223.10	<u>as determined by an actuarial valuation</u>			
223.11	<u>prepared under Minnesota Statutes, section</u>			
223.12	<u>356.214.</u>			
223.13	<b>Sec. 8. <u>MILITARY AFFAIRS</u></b>	<b>\$</b>	<b><u>-0-</u></b>	<b><u>\$ 248,000</u></b>
223.14	<b><u>Security Improvement; General Support.</u></b>			
223.15	<u>For payroll costs and contracted costs of</u>			
223.16	<u>training and testing to provide security at</u>			
223.17	<u>state-owned Minnesota National Guard</u>			
223.18	<u>facilities.</u>			
223.19	<b>Sec. 9. <u>VETERANS AFFAIRS</u></b>			
223.20	<b>Subdivision 1. <u>Total Appropriation</u></b>	<b>\$</b>	<b><u>-0-</u></b>	<b><u>\$ 700,000</u></b>
223.21	<b>Subd. 2. <u>Cottages of Anoka</u></b>		<b><u>-0-</u></b>	<b><u>100,000</u></b>
223.22	<u>\$100,000 is to support nonprofit organizations</u>			
223.23	<u>in providing rent subsidies for housing for</u>			
223.24	<u>veterans and their families at the Cottages</u>			
223.25	<u>of Anoka.</u>			
223.26	<b>Subd. 3. <u>State Soldiers Assistance Grant</u></b>		<b><u>-0-</u></b>	<b><u>200,000</u></b>
223.27	<u>\$200,000 is for the state soldiers assistance</u>			
223.28	<u>fund, for housing assistance and health</u>			
223.29	<u>assistance to veterans.</u>			
223.30	<b>Subd. 4. <u>Mental Health Study</u></b>		<b><u>-0-</u></b>	<b><u>150,000</u></b>
223.31	<u>For the study and report in section 62. This</u>			
223.32	<u>is a onetime appropriation.</u>			

224.1 Subd. 5. **Disabled Veterans Interim Housing**  
 224.2 Study -0- 250,000

224.3 For the study and report in section 63. This  
 224.4 is a onetime appropriation.

224.5 Sec. 10. **PUBLIC SAFETY** \$ -0- \$ 88,000

224.6 \$88,000 is for a grant to the Arrowhead  
 224.7 Regional Development Commission to  
 224.8 conduct an assessment of law enforcement  
 224.9 needs for detention facilities in northeast  
 224.10 Minnesota. This is a onetime appropriation.

224.11 Sec. 11. Minnesota Statutes 2014, section 3.3005, subdivision 3, is amended to read:

224.12 Subd. 3. **State match.** If a request to spend federal money is included in the  
 224.13 governor's budget or spending the money is authorized by law but the amount of federal  
 224.14 money ~~received~~ that has been awarded and requires a state match greater than ~~that the~~  
 224.15 amount that was included in the budget request or authorized by law, the ~~amount~~ federal  
 224.16 funds that have been awarded that ~~requires~~ require an additional state match may be  
 224.17 allotted for expenditure after the requirements of subdivision 5 or 6 are met.

224.18 Sec. 12. Minnesota Statutes 2014, section 3.3005, subdivision 3b, is amended to read:

224.19 Subd. 3b. **Increase in amount.** If a request to spend federal money is included in a  
 224.20 governor's budget request and approved according to subdivision 2 or 5 and the amount of  
 224.21 money ~~available~~ awarded increases after the request is made and authorized, the additional  
 224.22 amount may be allotted for expenditure after a revised request is submitted according to  
 224.23 subdivision 2, or the requirements of subdivision 4, 5, or 6 are met.

224.24 Sec. 13. Minnesota Statutes 2014, section 3.3005, subdivision 4, is amended to read:

224.25 Subd. 4. **Interim procedures; urgencies.** If federal money ~~becomes available~~  
 224.26 is awarded to the state for expenditure after the deadline in subdivision 2 or while the  
 224.27 legislature is not in session, and the availability of money from that source or for that  
 224.28 purpose or in that fiscal year could not reasonably have been anticipated and included in  
 224.29 the governor's budget request, and an urgency requires that all or part of the money be  
 224.30 ~~allotted~~ encumbered or expended before the legislature reconvenes or prior to the end of  
 224.31 the 20-day period specified in subdivision 2, it may be allotted to a state agency after  
 224.32 the requirements of subdivision 5 are met.

225.1 Sec. 14. Minnesota Statutes 2014, section 3.3005, subdivision 5, is amended to read:

225.2 Subd. 5. **Legislative Advisory Commission review.** Federal money that is  
225.3 awarded and becomes available under subdivision 3, 3a, 3b, or 4 may be allotted after  
225.4 the commissioner of management and budget has submitted the request to the members  
225.5 of the Legislative Advisory Commission for their review and recommendation for  
225.6 further review. If a recommendation is not made within ten days, no further review by  
225.7 the Legislative Advisory Commission is required, and the commissioner shall approve  
225.8 or disapprove the request. If a recommendation by any member is for further review the  
225.9 governor shall submit the request to the Legislative Advisory Commission for its review  
225.10 and recommendation. Failure or refusal of the commission to make a recommendation  
225.11 promptly is a negative recommendation.

225.12 Sec. 15. Minnesota Statutes 2014, section 3.3005, subdivision 6, is amended to read:

225.13 Subd. 6. **Interim procedures; nonurgencies.** If federal money becomes available  
225.14 to the state for expenditure after the deadline in subdivision 2 or while the legislature is  
225.15 not in session, and subdivision 4 does not apply, a request to expend ~~the~~ that federal  
225.16 money may be submitted by the commissioner of management and budget to members  
225.17 of the Legislative Advisory Commission for their review and recommendation. This  
225.18 request must be submitted by the later of October 1 of any year or 100 days before the  
225.19 start of the next legislative session. If any member of the commission makes a negative  
225.20 recommendation or a recommendation for further review on a request ~~by October~~  
225.21 ~~20 of the same year~~ during the 20-day period beginning the day the commissioner  
225.22 submits the request, the commissioner shall not approve expenditure of that federal  
225.23 money. ~~If a request to expend federal money submitted under this subdivision receives~~  
225.24 ~~a negative recommendation or a recommendation for further review, the request may~~  
225.25 ~~be submitted again under subdivision 2.~~ If the members of the commission make a  
225.26 positive recommendation or no recommendation, the commissioner ~~shall~~ may approve  
225.27 ~~or disapprove~~ the request and the federal money may be allotted for expenditure. The  
225.28 commissioner may submit the request again under subdivision 2 if the request receives a  
225.29 negative recommendation or a recommendation for further review under this subdivision.

225.30 Sec. 16. Minnesota Statutes 2014, section 3.3005, is amended by adding a subdivision  
225.31 to read:

225.32 Subd. 6a. **Withdrawal of commission recommendation.** A member of the  
225.33 commission, with written notice to the commissioner, may withdraw a negative  
225.34 recommendation or a recommendation for further review within 20 days of making the

226.1 recommendation. If all negative recommendations and all recommendations for further  
226.2 review have been withdrawn, the commissioner may approve the expenditure of the  
226.3 federal money.

226.4 Sec. 17. Minnesota Statutes 2014, section 3.3005, is amended by adding a subdivision  
226.5 to read:

226.6 Subd. 9. **Withdrawal of request.** The commissioner of management and budget  
226.7 may, with written notice, withdraw any request to spend federal money under this section.  
226.8 The commissioner of an agency requesting to expend federal money under this section  
226.9 may, with written notice, withdraw any request to spend federal money under this section  
226.10 that was submitted by the commissioner's agency.

226.11 Sec. 18. Minnesota Statutes 2014, section 16A.103, is amended by adding a  
226.12 subdivision to read:

226.13 Subd. 1h. **Revenue uncertainty information.** The commissioner shall report  
226.14 to the legislature within 14 days of a forecast under subdivision 1 on uncertainty in  
226.15 Minnesota's general fund revenue projections. The report shall present information on: (1)  
226.16 the estimated range of forecast error for revenues; and (2) the data and methods used to  
226.17 construct those measurements.

226.18 Sec. 19. Minnesota Statutes 2015 Supplement, section 16A.152, subdivision 2, is  
226.19 amended to read:

226.20 Subd. 2. **Additional revenues; priority.** (a) If on the basis of a forecast of general  
226.21 fund revenues and expenditures, the commissioner of management and budget determines  
226.22 that there will be a positive unrestricted budgetary general fund balance at the close of  
226.23 the biennium, the commissioner of management and budget must allocate money to the  
226.24 following accounts and purposes in priority order:

226.25 (1) the cash flow account established in subdivision 1 until that account reaches  
226.26 \$350,000,000;

226.27 (2) the budget reserve account established in subdivision 1a until that account  
226.28 reaches ~~\$810,992,000~~ \$1,596,522,000;

226.29 (3) the amount necessary to increase the aid payment schedule for school district  
226.30 aids and credits payments in section 127A.45 to not more than 90 percent rounded to the  
226.31 nearest tenth of a percent without exceeding the amount available and with any remaining  
226.32 funds deposited in the budget reserve; and

227.1 (4) the amount necessary to restore all or a portion of the net aid reductions under  
 227.2 section 127A.441 and to reduce the property tax revenue recognition shift under section  
 227.3 123B.75, subdivision 5, by the same amount;

227.4 ~~(5) the closed landfill investment fund established in section 115B.421 until~~  
 227.5 ~~\$63,215,000 has been transferred into the account. This clause expires after the entire~~  
 227.6 ~~amount of the transfer has been made; and~~

227.7 ~~(6) the metropolitan landfill contingency action trust account established in section~~  
 227.8 ~~473.845 until \$8,100,000 has been transferred into the account. This clause expires after~~  
 227.9 ~~the entire amount of the transfer has been made.~~

227.10 (b) The amounts necessary to meet the requirements of this section are appropriated  
 227.11 from the general fund within two weeks after the forecast is released or, in the case of  
 227.12 transfers under paragraph (a), clauses (3) and (4), as necessary to meet the appropriations  
 227.13 schedules otherwise established in statute.

227.14 (c) The commissioner of management and budget shall certify the total dollar  
 227.15 amount of the reductions under paragraph (a), clauses (3) and (4), to the commissioner of  
 227.16 education. The commissioner of education shall increase the aid payment percentage and  
 227.17 reduce the property tax shift percentage by these amounts and apply those reductions to  
 227.18 the current fiscal year and thereafter.

227.19 Sec. 20. Minnesota Statutes 2015 Supplement, section 16C.073, subdivision 2, is  
 227.20 amended to read:

227.21 Subd. 2. **Purchases.** (a) Whenever practicable, a public entity shall:

227.22 (1) purchase uncoated copy paper, office paper, and printing paper;

227.23 (2) purchase recycled content copy paper with at least 30 percent postconsumer  
 227.24 material by weight and purchase printing and office paper with at least ten percent  
 227.25 postconsumer material by weight;

227.26 (3) purchase copy, office, and printing paper which has not been dyed with colors,  
 227.27 excluding pastel colors;

227.28 (4) purchase recycled content copy, office, and printing paper that is manufactured  
 227.29 using little or no chlorine bleach or chlorine derivatives;

227.30 (5) use reusable binding materials or staples and bind documents by methods that do  
 227.31 not use glue;

227.32 (6) use soy-based inks;

227.33 (7) purchase printer or duplication cartridges that:

227.34 (i) have ten percent postconsumer material; or

227.35 (ii) are purchased as remanufactured; or

228.1 (iii) are backed by a vendor-offered program that will take back the printer cartridges  
228.2 after their useful life, ensure that the cartridge is recycled, and comply with the definition  
228.3 of recycling in section 115A.03, subdivision 25b;

228.4 ~~(7)~~ (8) produce reports, publications, and periodicals that are readily recyclable; and  
228.5 ~~(8)~~ (9) purchase paper which has been made on a paper machine located in Minnesota.

228.6 (b) Paragraph (a), clause (1), does not apply to coated paper that is made with at  
228.7 least 50 percent postconsumer material.

228.8 (c) A public entity shall print documents on both sides of the paper where commonly  
228.9 accepted publishing practices allow.

228.10 Sec. 21. Minnesota Statutes 2014, section 16E.0466, is amended to read:

228.11 **16E.0466 STATE AGENCY TECHNOLOGY PROJECTS.**

228.12 (a) Every state agency with an information or telecommunications project must  
228.13 consult with the Office of MN.IT Services to determine the information technology cost  
228.14 of the project. Upon agreement between the commissioner of a particular agency and  
228.15 the chief information officer, the agency must transfer the information technology cost  
228.16 portion of the project to the Office of MN.IT Services. Service level agreements must  
228.17 document all project-related transfers under this section. Those agencies specified in  
228.18 section 16E.016, paragraph (d), are exempt from the requirements of this section.

228.19 (b) Notwithstanding section 16A.28, subdivision 3, any unexpended operating  
228.20 balance appropriated to a state agency may be transferred to the information and  
228.21 telecommunications technology systems and services account for the information  
228.22 technology cost of a specific project, subject to the review of the Legislative Advisory  
228.23 Commission, under section 16E.21, subdivision 3.

228.24 Sec. 22. Minnesota Statutes 2014, section 16E.21, subdivision 2, is amended to read:

228.25 Subd. 2. **Charges.** Upon agreement of the participating agency, the Office of  
228.26 MN.IT Services may collect a charge or receive a fund transfer under section 16E.0466  
228.27 for purchases of information and telecommunications technology systems and services  
228.28 by state agencies and other governmental entities through state contracts for purposes  
228.29 described in subdivision 1. Charges collected under this section must be credited to the  
228.30 information and telecommunications technology systems and services account.

228.31 Sec. 23. Minnesota Statutes 2014, section 16E.21, is amended by adding a subdivision  
228.32 to read:

229.1 Subd. 3. **Legislative Advisory Commission review.** (a) No funds may be  
229.2 transferred to the information and telecommunications technology systems and services  
229.3 account under subdivision 2 or section 16E.0466 until the commissioner of management  
229.4 and budget has submitted the proposed transfer to the members of the Legislative  
229.5 Advisory Commission for review and recommendation. If the commission makes a  
229.6 positive recommendation or no recommendation, or if the commission has not reviewed  
229.7 the request within 20 days after the date the request to transfer funds was submitted,  
229.8 the commissioner of management and budget may approve the request to transfer the  
229.9 funds. If the commission recommends further review of a request to transfer funds, the  
229.10 commissioner shall provide additional information to the commission. If the commission  
229.11 makes a negative recommendation on the request within ten days of receiving further  
229.12 information, the commissioner shall not approve the fund transfer. If the commission  
229.13 makes a positive recommendation or no recommendation within ten days of receiving  
229.14 further information, the commissioner may approve the fund transfer.

229.15 (b) A recommendation of the commission must be made at a meeting of the  
229.16 commission unless a written recommendation is signed by all members entitled to vote on  
229.17 the item as specified in section 3.30, subdivision 2. A recommendation of the commission  
229.18 must be made by a majority of the commission.

229.19 Sec. 24. Minnesota Statutes 2014, section 16E.21, is amended by adding a subdivision  
229.20 to read:

229.21 Subd. 4. **Lapse.** Any portion of any receipt credited to the information and  
229.22 telecommunications technology systems and services account from a fund transfer under  
229.23 subdivision 2 that remains unexpended and unencumbered at the close of the fiscal year  
229.24 four years after the funds were received in the account shall lapse to the fund from which  
229.25 the receipt was transferred.

229.26 Sec. 25. Minnesota Statutes 2014, section 16E.21, is amended by adding a subdivision  
229.27 to read:

229.28 Subd. 5. **Report.** The chief information officer shall report by September 15 of  
229.29 each odd-numbered year to the chairs and ranking minority members of the legislative  
229.30 committees and divisions with jurisdiction over the Office of MN.IT Services regarding  
229.31 the receipts credited to the account. The report must include a description of projects  
229.32 funded through the information and telecommunications technology systems and services  
229.33 account and each project's current status.

230.1 Sec. 26. Minnesota Statutes 2014, section 116J.8737, subdivision 2, is amended to read:

230.2 Subd. 2. **Certification of qualified small businesses.** (a) Businesses may apply  
230.3 to the commissioner for certification as a qualified small business or qualified greater  
230.4 Minnesota small business for a calendar year. The application must be in the form  
230.5 and be made under the procedures specified by the commissioner, accompanied by an  
230.6 application fee of \$150. Application fees are deposited in the small business investment  
230.7 tax credit administration account in the special revenue fund. The application for  
230.8 certification for 2010 must be made available on the department's Web site by August 1,  
230.9 2010. Applications for subsequent years' certification must be made available on the  
230.10 department's Web site by November 1 of the preceding year.

230.11 (b) Within 30 days of receiving an application for certification under this subdivision,  
230.12 the commissioner must either certify the business as satisfying the conditions required  
230.13 of a qualified small business or qualified greater Minnesota small business, request  
230.14 additional information from the business, or reject the application for certification. If  
230.15 the commissioner requests additional information from the business, the commissioner  
230.16 must either certify the business or reject the application within 30 days of receiving the  
230.17 additional information. If the commissioner neither certifies the business nor rejects  
230.18 the application within 30 days of receiving the original application or within 30 days of  
230.19 receiving the additional information requested, whichever is later, then the application is  
230.20 deemed rejected, and the commissioner must refund the \$150 application fee. A business  
230.21 that applies for certification and is rejected may reapply.

230.22 (c) To receive certification as a qualified small business, a business must satisfy  
230.23 all of the following conditions:

230.24 (1) the business has its headquarters in Minnesota;

230.25 (2) at least: (i) 51 percent of the business's employees are employed in Minnesota;

230.26 ~~and;~~ (ii) 51 percent of the business's total payroll is paid or incurred in the state; and (iii)

230.27 51 percent of the total value of all contractual agreements to which the business is a party

230.28 in connection with its primary business activity is for services performed under contract in

230.29 Minnesota, unless the business obtains a waiver under paragraph (i);

230.30 (3) the business is engaged in, or is committed to engage in, innovation in Minnesota  
230.31 in one of the following as its primary business activity:

230.32 (i) using proprietary technology to add value to a product, process, or service in a  
230.33 qualified high-technology field;

230.34 (ii) researching or developing a proprietary product, process, or service in a qualified  
230.35 high-technology field;

231.1 (iii) researching or developing a proprietary product, process, or service in the fields  
231.2 of agriculture, tourism, forestry, mining, manufacturing, or transportation; or

231.3 (iv) researching, developing, or producing a new proprietary technology for use in  
231.4 the fields of agriculture, tourism, forestry, mining, manufacturing, or transportation;

231.5 (4) other than the activities specifically listed in clause (3), the business is not  
231.6 engaged in real estate development, insurance, banking, lending, lobbying, political  
231.7 consulting, information technology consulting, wholesale or retail trade, leisure,  
231.8 hospitality, transportation, construction, ethanol production from corn, or professional  
231.9 services provided by attorneys, accountants, business consultants, physicians, or health  
231.10 care consultants;

231.11 (5) the business has fewer than 25 employees;

231.12 (6) the business must pay its employees annual wages of at least 175 percent of the  
231.13 federal poverty guideline for the year for a family of four and must pay its interns annual  
231.14 wages of at least 175 percent of the federal minimum wage used for federally covered  
231.15 employers, except that this requirement must be reduced proportionately for employees  
231.16 and interns who work less than full-time, and does not apply to an executive, officer, or  
231.17 member of the board of the business, or to any employee who owns, controls, or holds  
231.18 power to vote more than 20 percent of the outstanding securities of the business;

231.19 (7) the business has (i) not been in operation for more than ten years, or (ii) not  
231.20 been in operation for more than 20 years if the business is engaged in the research,  
231.21 development, or production of medical devices or pharmaceuticals for which United  
231.22 States Food and Drug Administration approval is required for use in the treatment or  
231.23 diagnosis of a disease or condition;

231.24 (8) the business has not previously received private equity investments of more  
231.25 than \$4,000,000;

231.26 (9) the business is not an entity disqualified under section 80A.50, paragraph (b),  
231.27 clause (3); and

231.28 (10) the business has not issued securities that are traded on a public exchange.

231.29 (d) In applying the limit under paragraph (c), clause (5), the employees in all members  
231.30 of the unitary business, as defined in section 290.17, subdivision 4, must be included.

231.31 (e) In order for a qualified investment in a business to be eligible for tax credits:

231.32 (1) the business must have applied for and received certification for the calendar  
231.33 year in which the investment was made prior to the date on which the qualified investment  
231.34 was made;

231.35 (2) the business must not have issued securities that are traded on a public exchange;

232.1 (3) the business must not issue securities that are traded on a public exchange within  
232.2 180 days after the date on which the qualified investment was made; and

232.3 (4) the business must not have a liquidation event within 180 days after the date on  
232.4 which the qualified investment was made.

232.5 (f) The commissioner must maintain a list of qualified small businesses and qualified  
232.6 greater Minnesota businesses certified under this subdivision for the calendar year and  
232.7 make the list accessible to the public on the department's Web site.

232.8 (g) For purposes of this subdivision, the following terms have the meanings given:

232.9 (1) "qualified high-technology field" includes aerospace, agricultural processing,  
232.10 renewable energy, energy efficiency and conservation, environmental engineering, food  
232.11 technology, cellulosic ethanol, information technology, materials science technology,  
232.12 nanotechnology, telecommunications, biotechnology, medical device products,  
232.13 pharmaceuticals, diagnostics, biologicals, chemistry, veterinary science, and similar fields;

232.14 (2) "proprietary technology" means the technical innovations that are unique and  
232.15 legally owned or licensed by a business and includes, without limitation, those innovations  
232.16 that are patented, patent pending, a subject of trade secrets, or copyrighted; and

232.17 (3) "greater Minnesota" means the area of Minnesota located outside of the  
232.18 metropolitan area as defined in section 473.121, subdivision 2.

232.19 (h) To receive certification as a qualified greater Minnesota business, a business must  
232.20 satisfy all of the requirements of paragraph (c) and must satisfy the following conditions:

232.21 (1) the business has its headquarters in greater Minnesota; and

232.22 (2) at least: (i) 51 percent of the business's employees are employed in greater  
232.23 Minnesota, and; (ii) 51 percent of the business's total payroll is paid or incurred in greater  
232.24 Minnesota; and (iii) 51 percent of the total value of all contractual agreements to which  
232.25 the business is a party in connection with its primary business activity is for services  
232.26 performed under contract in greater Minnesota, unless the business obtains a waiver  
232.27 under paragraph (i).

232.28 (i) The commissioner must exempt a business from the requirement under paragraph  
232.29 (c), clause (2), item (iii), if the business certifies to the commissioner that the services  
232.30 required under a contract in connection with the primary business activity cannot be  
232.31 performed in Minnesota if the business otherwise qualifies as a qualified small business,  
232.32 or in greater Minnesota if the business otherwise qualifies as a qualified greater Minnesota  
232.33 business. The business must submit the certification required under this paragraph every  
232.34 six months from the month the exemption was granted. The exemption allowed under this  
232.35 paragraph must be submitted in a form and manner prescribed by the commissioner.

233.1 **EFFECTIVE DATE.** This section is effective for taxable years beginning after  
233.2 December 31, 2015.

233.3 Sec. 27. Minnesota Statutes 2014, section 116J.8737, subdivision 5, is amended to read:

233.4 Subd. 5. **Credit allowed.** (a)(1) A qualified investor or qualified fund is eligible  
233.5 for a credit equal to 25 percent of the qualified investment in a qualified small business.  
233.6 Investments made by a pass-through entity qualify for a credit only if the entity is a  
233.7 qualified fund. The commissioner must not allocate more than \$15,000,000 in credits to  
233.8 qualified investors or qualified funds for taxable years beginning after December 31, 2013,  
233.9 and before January 1, 2017, and must not allocate more than \$10,000,000 in credits to  
233.10 qualified investors or qualified funds for taxable years beginning after December 31, 2016,  
233.11 and before January 1, 2018; and

233.12 (2) for taxable years beginning after December 31, 2014, and before January 1, ~~2017~~  
233.13 2018, \$7,500,000 50 percent must be allocated to credits for qualifying investments in  
233.14 qualified greater Minnesota businesses and minority- or women-owned qualified small  
233.15 businesses in Minnesota. Any portion of a taxable year's credits that is reserved for  
233.16 qualifying investments in greater Minnesota businesses and minority- or women-owned  
233.17 qualified small businesses in Minnesota that is not allocated by September 30 of the taxable  
233.18 year is available for allocation to other credit applications beginning on October 1. Any  
233.19 portion of a taxable year's credits that is not allocated by the commissioner does not cancel  
233.20 and may be carried forward to subsequent taxable years until all credits have been allocated.

233.21 (b) The commissioner may not allocate more than a total maximum amount in credits  
233.22 for a taxable year to a qualified investor for the investor's cumulative qualified investments  
233.23 as an individual qualified investor and as an investor in a qualified fund; for married  
233.24 couples filing joint returns the maximum is \$250,000, and for all other filers the maximum  
233.25 is \$125,000. The commissioner may not allocate more than a total of \$1,000,000 in credits  
233.26 over all taxable years for qualified investments in any one qualified small business.

233.27 (c) The commissioner may not allocate a credit to a qualified investor either as  
233.28 an individual qualified investor or as an investor in a qualified fund if, at the time the  
233.29 investment is proposed:

233.30 (1) the investor is an officer or principal of the qualified small business; or

233.31 (2) the investor, either individually or in combination with one or more members of  
233.32 the investor's family, owns, controls, or holds the power to vote 20 percent or more of  
233.33 the outstanding securities of the qualified small business.

233.34 A member of the family of an individual disqualified by this paragraph is not eligible for a  
233.35 credit under this section. For a married couple filing a joint return, the limitations in this

234.1 paragraph apply collectively to the investor and spouse. For purposes of determining the  
234.2 ownership interest of an investor under this paragraph, the rules under section 267(c) and  
234.3 267(e) of the Internal Revenue Code apply.

234.4 (d) Applications for tax credits for 2010 must be made available on the department's  
234.5 Web site by September 1, 2010, and the department must begin accepting applications  
234.6 by September 1, 2010. Applications for subsequent years must be made available by  
234.7 November 1 of the preceding year.

234.8 (e) Qualified investors and qualified funds must apply to the commissioner for tax  
234.9 credits. Tax credits must be allocated to qualified investors or qualified funds in the order  
234.10 that the tax credit request applications are filed with the department. The commissioner  
234.11 must approve or reject tax credit request applications within 15 days of receiving the  
234.12 application. The investment specified in the application must be made within 60 days of  
234.13 the allocation of the credits. If the investment is not made within 60 days, the credit  
234.14 allocation is canceled and available for reallocation. A qualified investor or qualified fund  
234.15 that fails to invest as specified in the application, within 60 days of allocation of the  
234.16 credits, must notify the commissioner of the failure to invest within five business days of  
234.17 the expiration of the 60-day investment period.

234.18 (f) All tax credit request applications filed with the department on the same day must  
234.19 be treated as having been filed contemporaneously. If two or more qualified investors or  
234.20 qualified funds file tax credit request applications on the same day, and the aggregate  
234.21 amount of credit allocation claims exceeds the aggregate limit of credits under this section  
234.22 or the lesser amount of credits that remain unallocated on that day, then the credits must  
234.23 be allocated among the qualified investors or qualified funds who filed on that day on a  
234.24 pro rata basis with respect to the amounts claimed. The pro rata allocation for any one  
234.25 qualified investor or qualified fund is the product obtained by multiplying a fraction,  
234.26 the numerator of which is the amount of the credit allocation claim filed on behalf of  
234.27 a qualified investor and the denominator of which is the total of all credit allocation  
234.28 claims filed on behalf of all applicants on that day, by the amount of credits that remain  
234.29 unallocated on that day for the taxable year.

234.30 (g) A qualified investor or qualified fund, or a qualified small business acting on their  
234.31 behalf, must notify the commissioner when an investment for which credits were allocated  
234.32 has been made, and the taxable year in which the investment was made. A qualified fund  
234.33 must also provide the commissioner with a statement indicating the amount invested by  
234.34 each investor in the qualified fund based on each investor's share of the assets of the  
234.35 qualified fund at the time of the qualified investment. After receiving notification that the  
234.36 investment was made, the commissioner must issue credit certificates for the taxable year

235.1 in which the investment was made to the qualified investor or, for an investment made by  
235.2 a qualified fund, to each qualified investor who is an investor in the fund. The certificate  
235.3 must state that the credit is subject to revocation if the qualified investor or qualified  
235.4 fund does not hold the investment in the qualified small business for at least three years,  
235.5 consisting of the calendar year in which the investment was made and the two following  
235.6 years. The three-year holding period does not apply if:

235.7 (1) the investment by the qualified investor or qualified fund becomes worthless  
235.8 before the end of the three-year period;

235.9 (2) 80 percent or more of the assets of the qualified small business is sold before  
235.10 the end of the three-year period;

235.11 (3) the qualified small business is sold before the end of the three-year period;

235.12 (4) the qualified small business's common stock begins trading on a public exchange  
235.13 before the end of the three-year period; or

235.14 (5) the qualified investor dies before the end of the three-year period.

235.15 (h) The commissioner must notify the commissioner of revenue of credit certificates  
235.16 issued under this section.

235.17 **EFFECTIVE DATE.** This section is effective for taxable years beginning after  
235.18 December 31, 2016.

235.19 Sec. 28. Minnesota Statutes 2014, section 116J.8737, subdivision 12, is amended to  
235.20 read:

235.21 Subd. 12. **Sunset.** This section expires for taxable years beginning after December  
235.22 31, ~~2016~~ 2017, except that reporting requirements under subdivision 6 and revocation  
235.23 of credits under subdivision 7 remain in effect through ~~2018~~ 2019 for qualified  
235.24 investors and qualified funds, and through ~~2020~~ 2021 for qualified small businesses,  
235.25 reporting requirements under subdivision 9 remain in effect through ~~2021~~ 2022, and the  
235.26 appropriation in subdivision 11 remains in effect through ~~2020~~ 2021.

235.27 **EFFECTIVE DATE.** This section is effective the day following final enactment.

235.28 Sec. 29. Minnesota Statutes 2014, section 154.001, subdivision 2, is amended to read:

235.29 Subd. 2. **Board of Barber Examiners.** (a) A Board of Barber Examiners is  
235.30 established to consist of ~~three~~ four barber members and one public member, as defined in  
235.31 section 214.02, appointed by the governor.

235.32 (b) The barber members shall be persons who have practiced as registered barbers in  
235.33 this state for at least five years immediately prior to their appointment; shall be graduates

236.1 from the 12th grade of a high school or have equivalent education, and shall have  
236.2 knowledge of the matters to be taught in registered barber schools, as set forth in section  
236.3 154.07. One of the barber members shall be a member of, or recommended by, a union of  
236.4 journeymen barbers that has existed at least two years, and one barber member shall be a  
236.5 member of, or recommended by, a professional organization of barbers.

236.6 **EFFECTIVE DATE.** This section is effective August 1, 2016.

236.7 Sec. 30. Minnesota Statutes 2014, section 154.002, is amended to read:

236.8 **154.002 OFFICERS; COMPENSATION; FEES; EXPENSES.**

236.9 The Board of Barber Examiners shall annually elect a chair and secretary. It shall  
236.10 adopt and use a common seal for the authentication of its orders and records. The board  
236.11 shall appoint an executive secretary or enter into an interagency agreement to procure the  
236.12 services of an executive secretary. The executive secretary shall not be a member of the  
236.13 board and shall be in the unclassified civil service. The position of executive secretary  
236.14 may be a part-time position.

236.15 The executive secretary shall keep a record of all proceedings of the board. The  
236.16 expenses of administering this chapter shall be paid from the appropriations made to  
236.17 the Board of Barber Examiners.

236.18 Each member of the board shall take the oath provided by law for public officers.

236.19 A majority of the board, in meeting assembled, may perform and exercise all the  
236.20 duties and powers devolving upon the board.

236.21 The members of the board shall receive compensation, as provided in section  
236.22 214.09, for each day spent on board activities, but not to exceed 20 days in any calendar  
236.23 month nor 100 days in any calendar year.

236.24 The board shall have authority to employ such inspectors, clerks, deputies, and other  
236.25 assistants as it may deem necessary to carry out the provisions of this chapter.

236.26 **EFFECTIVE DATE.** This section is effective August 1, 2016.

236.27 Sec. 31. Minnesota Statutes 2015 Supplement, section 154.003, is amended to read:

236.28 **154.003 FEES.**

236.29 (a) The fees collected, as required in this chapter, chapter 214, and the rules of the  
236.30 board, shall be paid to the board. The board shall deposit the fees in the general fund  
236.31 in the state treasury.

236.32 (b) The board shall charge the following fees:

236.33 (1) examination and certificate, registered barber, \$85;

- 237.1 (2) retake of written examination, ~~registered barber~~, \$10;
- 237.2 ~~(3) examination and certificate, apprentice, \$80;~~
- 237.3 ~~(4) retake of written examination, apprentice, \$10;~~
- 237.4 ~~(5)~~ (3) examination and certificate, instructor, \$180;
- 237.5 ~~(6)~~ (4) certificate, instructor, \$65;
- 237.6 ~~(7)~~ (5) temporary teacher ~~or apprentice~~ permit, \$80;
- 237.7 ~~(8)~~ (6) temporary registered barber, military, \$85;
- 237.8 ~~(9)~~ (7) temporary barber instructor, military, \$180;
- 237.9 ~~(10) temporary apprentice barber, military, \$80;~~
- 237.10 ~~(11)~~ (8) renewal of registration, registered barber, \$80;
- 237.11 ~~(12) renewal of registration, apprentice, \$70;~~
- 237.12 ~~(13)~~ (9) renewal of registration, instructor, \$80;
- 237.13 ~~(14)~~ (10) renewal of temporary teacher permit, \$65;
- 237.14 ~~(15)~~ (11) student permit, \$45;
- 237.15 ~~(16)~~ (12) renewal of student permit, \$25;
- 237.16 ~~(17)~~ (13) initial shop registration, \$85;
- 237.17 ~~(18)~~ (14) initial school registration, \$1,030;
- 237.18 ~~(19)~~ (15) renewal shop registration, \$85;
- 237.19 ~~(20)~~ (16) renewal school registration, \$280;
- 237.20 ~~(21)~~ (17) restoration of registered barber registration, \$95;
- 237.21 ~~(22) restoration of apprentice registration, \$90;~~
- 237.22 ~~(23)~~ (18) restoration of shop registration, \$105;
- 237.23 ~~(24)~~ (19) change of ownership or location, \$55;
- 237.24 ~~(25)~~ (20) duplicate registration, \$40;
- 237.25 ~~(26)~~ (21) home study course, \$75;
- 237.26 ~~(27)~~ (22) letter of registration verification, \$25; and
- 237.27 ~~(28)~~ (23) reinspection, \$100.

237.28 **EFFECTIVE DATE.** This section is effective August 1, 2016.

237.29 Sec. 32. Minnesota Statutes 2014, section 154.01, is amended to read:

237.30 **154.01 REGISTRATION MANDATORY.**

237.31 (a) The registration of the practice of barbering serves the public health and safety of

237.32 the people of the state of Minnesota by ensuring that individuals seeking to practice the

237.33 profession of barbering are appropriately trained in the use of the chemicals, tools, and

238.1 implements of barbering and demonstrate the skills necessary to conduct barber services  
 238.2 in a safe, sanitary, and appropriate environment required for infection control.

238.3 ~~(a)~~ (b) No person shall practice, offer to practice, or attempt to practice barbering  
 238.4 without a current certificate of registration as a registered barber, issued pursuant to  
 238.5 provisions of sections 154.001, 154.002, 154.003, 154.01 to ~~154.161~~ 154.162, 154.19 to  
 238.6 154.21, and 154.24 to ~~154.26~~ 154.28 by the Board of Barber Examiners.

238.7 ~~(b)~~ No person shall serve, offer to serve, or attempt to serve as an apprentice under a  
 238.8 registered barber without a current certificate of registration as a registered apprentice or  
 238.9 temporary apprentice permit issued pursuant to provisions of sections 154.001, 154.002,  
 238.10 154.003, 154.01 to 154.161, 154.19 to 154.21, and 154.24 to 154.26 by the Board of  
 238.11 Barber Examiners. The registered apprentice shall, prior to or immediately upon issuance  
 238.12 of the apprentice's certificate of registration, and immediately after changing employment,  
 238.13 advise the board of the name, address, and certificate number of the registered barber  
 238.14 under whom the registered apprentice is working.

238.15 (c) A registered barber must only provide barbering services in a registered barber  
 238.16 shop or barber school, unless prior authorization is given by the board.

238.17 ~~(e)~~ (d) No person shall operate a barber shop unless it is at all times under the direct  
 238.18 supervision and management of a registered barber and the owner or operator of the barber  
 238.19 shop possesses a current shop registration card, issued to the barber shop establishment  
 238.20 address, under sections 154.001, 154.002, 154.003, 154.01 to ~~154.161~~ 154.162, 154.19 to  
 238.21 154.21, and 154.24 to ~~154.26~~ 154.28 by the Board of Barber Examiners.

238.22 ~~(d)~~ (e) No person shall serve, offer to serve, or attempt to serve as an instructor  
 238.23 of barbering without a current certificate of registration as a registered instructor of  
 238.24 barbering or a temporary permit as an instructor of barbering, as provided for the board  
 238.25 by rule, issued under sections 154.001, 154.002, 154.003, 154.01 to ~~154.161~~ 154.162,  
 238.26 154.19 to 154.21, and 154.24 to ~~154.26~~ 154.28 by the Board of Barber Examiners. Barber  
 238.27 instruction must be provided in registered barber schools only.

238.28 ~~(e)~~ (f) No person shall operate a barber school unless the owner or operator possesses  
 238.29 a current certificate of registration as a barber school, issued under sections 154.001,  
 238.30 154.002, 154.003, 154.01 to ~~154.161~~ 154.162, 154.19 to 154.21, and 154.24 to ~~154.26~~  
 238.31 154.28 by the Board of Barber Examiners.

238.32 **EFFECTIVE DATE.** This section is effective August 1, 2016.

238.33 Sec. 33. Minnesota Statutes 2014, section 154.02, is amended to read:

238.34 **154.02 WHAT CONSTITUTES BARBERING DEFINITIONS.**

239.1 Subdivision 1. **What constitutes barbering.** Any one or any combination of the  
 239.2 following practices when done upon the head, face, and neck for cosmetic purposes and  
 239.3 not for the treatment of disease or physical or mental ailments and when done for payment  
 239.4 directly or indirectly or without payment for the public generally constitutes the practice  
 239.5 of barbering within the meaning of sections 154.001, 154.002, 154.003, 154.01 to ~~154.161~~  
 239.6 154.162, 154.19 to 154.21, and 154.24 to ~~154.26~~ 154.28: to shave the face or neck, trim  
 239.7 the beard, clean, condition, cut or bob, color, shape, or straighten the hair of any person  
 239.8 of either sex for compensation or other reward received by the person performing such  
 239.9 service or any other person; to give facial and scalp massage ~~or treatments~~ with oils,  
 239.10 creams, lotions, or other preparations either by hand or mechanical appliances; to singe,  
 239.11 shampoo the hair, or apply hair tonics; or to apply cosmetic preparations, antiseptics,  
 239.12 powders, oils, clays, or lotions to hair, scalp, face, or neck.

239.13 Subd. 2. **Barber school.** A "barber school" is a place that holds a registration as a  
 239.14 barber school in which barbering, as defined in subdivision 1, is practiced by registered  
 239.15 student barbers under the direction of registered barber instructors for the purpose of  
 239.16 learning and teaching barber skills.

239.17 Subd. 3. **Barber shop.** A "barber shop" is a place other than a barber school that  
 239.18 holds a registration as a barber shop under this chapter in which barbering, as defined in  
 239.19 subdivision 1, is practiced.

239.20 Subd. 4. **Certificate of registration.** A "certificate of registration" means the  
 239.21 certificate issued to an individual, barber shop, or barber school that is in compliance  
 239.22 with the requirements of sections 154.001, 154.002, 154.003, 154.01 to 154.162, 154.19  
 239.23 to 154.21, and 154.24 to 154.28.

239.24 Subd. 5. **Designated registered barber.** The "designated registered barber" is a  
 239.25 registered barber designated as the manager of a barber shop.

239.26 Subd. 6. **Registered barber.** A "registered barber" is an individual who, for  
 239.27 compensation, performs the personal services as defined in subdivision 1, in compliance  
 239.28 with this chapter.

239.29 **EFFECTIVE DATE.** This section is effective August 1, 2016.

239.30 Sec. 34. Minnesota Statutes 2014, section 154.04, is amended to read:

239.31 **154.04 PERSONS EXEMPT FROM REGISTRATION.**

239.32 The following persons are exempt from the provisions of sections 154.001, 154.002,  
 239.33 154.003, 154.01 to ~~154.161~~ 154.162, 154.19 to 154.21, and 154.24 to ~~154.26~~ 154.28 while  
 239.34 in the proper discharge of their professional duties:

240.1 (1) persons authorized by the law of this state to practice medicine, surgery,  
240.2 osteopathy, and chiropractic;

240.3 (2) commissioned medical or surgical officers of the United States armed services;

240.4 (3) registered nurses, licensed practical nurses, and nursing aides performing  
240.5 services under the direction and supervision of a licensed physician or licensed registered  
240.6 nurse, provided, however, that no additional compensation shall be paid for such service  
240.7 and patients who are so attended shall not be charged for barbering;

240.8 (4) licensed cosmetologists, when providing cosmetology services as defined  
240.9 in section 155A.23, subdivision 3, provided, however, that cosmetologists shall not  
240.10 hold themselves out as barbers or, ~~except in the case of nail technicians,~~ practice their  
240.11 occupation in a barber shop; and

240.12 (5) persons who perform barbering services for charitable purposes in nursing  
240.13 homes, shelters, missions, individual homes, or other similar facilities, provided, however,  
240.14 that no direct or indirect compensation is received for the services, and that persons who  
240.15 receive barbering services are not charged for the services.

240.16 **EFFECTIVE DATE.** This section is effective August 1, 2016.

240.17 Sec. 35. Minnesota Statutes 2014, section 154.05, is amended to read:

240.18 **154.05 WHO MAY RECEIVE CERTIFICATES OF REGISTRATION AS A**  
240.19 **REGISTERED BARBER.**

240.20 (a) A person is qualified to receive a certificate of registration as a registered barber  
240.21 if the person:

240.22 (1) ~~who is qualified under the provisions of section 154.06~~ has successfully  
240.23 completed ten grades of education;

240.24 (2) ~~who has practiced as a registered apprentice for a period of 12 months under the~~  
240.25 ~~immediate personal supervision of a registered barber; and~~ (2) has successfully completed  
240.26 1,500 hours of study in a board-approved barber school; and

240.27 (3) ~~who has passed an examination conducted by the board to determine fitness to~~  
240.28 ~~practice barbering~~

240.29 (3) has passed an examination conducted by the board to determine fitness to  
240.30 practice barbering.

240.31 ~~An apprentice~~ (b) A first-time applicant for a certificate of registration to practice as a  
240.32 registered barber who fails to pass the comprehensive examination conducted by the board  
240.33 and who fails to pass a onetime retake of the written examination, shall ~~continue to practice~~

241.1 ~~as an apprentice for~~ complete an additional ~~300~~ 500 hours of barber education before being  
241.2 eligible to retake the comprehensive examination as many times as necessary to pass.

241.3 **EFFECTIVE DATE.** This section is effective August 1, 2016.

241.4 Sec. 36. Minnesota Statutes 2014, section 154.065, subdivision 2, is amended to read:

241.5 Subd. 2. **Qualifications.** A person is qualified to receive a certificate of registration  
241.6 as an instructor of barbering who:

241.7 (1) is a graduate of an approved high school, or its equivalent, as determined by  
241.8 examination by the Department of Education;

241.9 (2) has successfully completed vocational instructor training from a board-approved  
241.10 program or accredited college or university program that includes the following courses or  
241.11 their equivalents as determined by the board:

241.12 (i) introduction to career and technical education training;

241.13 (ii) philosophy and practice of career and technical education;

241.14 (iii) course development for career and technical education;

241.15 (iv) instructional methods for career and technical education; and

241.16 (v) human relations;

241.17 (3) is currently a registered barber and has at least three years experience as  
241.18 a registered barber in this state, or its equivalent in another state or jurisdiction as  
241.19 determined by the board; and

241.20 (4) has passed an examination conducted by the board to determine fitness to  
241.21 instruct in barbering.

241.22 **EFFECTIVE DATE.** This section is effective August 1, 2016.

241.23 Sec. 37. Minnesota Statutes 2014, section 154.065, subdivision 4, is amended to read:

241.24 Subd. 4. **Examinations.** Examinations under this section shall be held not to exceed  
241.25 twice a year at times and at a place or places to be determined by the board. In case of  
241.26 an emergency, there being no registered instructor of barbering available, a temporary  
241.27 certificate as an instructor of barbering, ~~valid only until the results of the next examination~~  
241.28 ~~are released~~, may be issued upon such terms and conditions as the board may prescribe.

241.29 **EFFECTIVE DATE.** This section is effective August 1, 2016.

241.30 Sec. 38. Minnesota Statutes 2014, section 154.07, is amended to read:

241.31 **154.07 BARBER SCHOOLS; REQUIREMENTS.**

242.1 Subdivision 1. **Admission requirements; course of instruction.** No barber school  
242.2 shall be approved by the board unless it requires, as a prerequisite to admission, ten grades  
242.3 of an approved school or its equivalent, as determined by educational transcript, high  
242.4 school diploma, high school equivalency certificate, or an examination conducted by the  
242.5 commissioner of education, which shall issue a certificate that the student has passed the  
242.6 required examination, and unless it requires, as a prerequisite to graduation, a course of  
242.7 instruction of at least 1,500 hours; of not more than ~~eight~~ ten hours of schooling in any  
242.8 one working day. The course of instruction must include the following subjects: scientific  
242.9 fundamentals for barbering; hygiene; practical study of the hair, skin, muscles, and  
242.10 nerves; structure of the head, face, and neck; elementary chemistry relating to sanitation;  
242.11 disinfection; sterilization and antiseptics; diseases of the skin, hair, and glands; massaging  
242.12 and manipulating the muscles of the face and neck; haircutting; shaving; trimming the  
242.13 beard; bleaching, tinting and dyeing the hair; and the chemical waving and straightening  
242.14 of hair.

242.15 Subd. 3. **Costs.** It is permissible for barber schools to make a reasonable charge for  
242.16 materials used and services rendered by students for work done in the schools by students.

242.17 Subd. 3a. **Number of instructors.** There must be one registered instructor of  
242.18 barbering for every ~~17~~ 20 students ~~or minor fraction in excess of 17~~ in attendance at the  
242.19 same time. Instruction must not be performed by persons not possessing a certificate of  
242.20 registration as an instructor of barbering or a temporary permit as an instructor of barbering.

242.21 Subd. 4. **Building requirements.** Each barber school must be conducted and  
242.22 operated in one building, or in connecting buildings, and a barber school must not have  
242.23 any department or branch in a building completely separated or removed from the  
242.24 remainder of the barber school.

242.25 Subd. 5. **Owner's requirements.** Any person may own ~~and operate~~ a barber school  
242.26 ~~if the person has had six years' continuous experience as a barber,~~ provided the person first  
242.27 secures from the board an annual certificate of registration as a barber school, keeps it  
242.28 prominently displayed, and before commencing business:

242.29 (1) files with the secretary of state a bond to the state approved by the attorney  
242.30 general in the sum of \$25,000, conditioned upon the faithful compliance of the barber  
242.31 school with sections 154.001, 154.002, 154.003, 154.01 to ~~154.161~~ 154.162, 154.19 to  
242.32 154.21, and 154.24 to ~~154.26~~ 154.28, and to pay all judgments that may be obtained  
242.33 against the school, or the owners thereof, on account of fraud, misrepresentation, or deceit  
242.34 practiced by them or their agents; and

242.35 (2) keeps prominently displayed on the exterior a substantial sign indicating that the  
242.36 establishment is a barber school.

243.1 Subd. 5a. **Student permits.** All barber schools upon receiving students shall  
243.2 immediately apply to the board for student permits upon forms for that purpose furnished  
243.3 by the board.

243.4 Subd. 5b. **Designated operator.** All barber schools shall be operated by a barber  
243.5 with no less than six years of continuous experience as a registered barber in this state or  
243.6 another state or jurisdiction as determined by the board. When a person who owns a barber  
243.7 school does not meet the requirements of this section to operate a barber school, the owner  
243.8 shall notify the board in writing and under oath of the identity of the person designated to  
243.9 operate the barber school and shall notify the board of any change of operator by telephone  
243.10 within 24 hours of such change, exclusive of Saturdays, Sundays, and legal holidays, and  
243.11 shall notify the board in writing and under oath within 72 hours of such change.

243.12 Subd. 6. **Operation by technical college or state institution.** A public technical  
243.13 college or a state institution may operate a barber school provided it has in its employment  
243.14 a qualified instructor holding a current certificate of registration as a barber instructor and  
243.15 provided that it secures from the board an annual certificate of registration and does so in  
243.16 accordance with sections 154.001, 154.002, 154.003, 154.01 to ~~154.161~~ 154.162, 154.19  
243.17 to 154.21, and 154.24 to ~~154.26~~ 154.28 and the rules of the board for barber schools but  
243.18 without the requirement to file a performance bond with the secretary of state.

243.19 **EFFECTIVE DATE.** This section is effective August 1, 2016.

243.20 Sec. 39. Minnesota Statutes 2014, section 154.08, is amended to read:

243.21 **154.08 APPLICATION; FEE.**

243.22 Each applicant for an examination shall:

243.23 (1) make application to the Board of Barber Examiners on blank forms prepared and  
243.24 furnished by it, the application to contain proof under the applicant's oath of the particular  
243.25 qualifications and identity of the applicant;

243.26 (2) provide all documentation required in support of the application;

243.27 (3) pay to the board the required fee; and

243.28 (4) ~~present a government-issued photo identification as proof of identity upon~~  
243.29 acceptance of the notarized application and present a corresponding government-issued  
243.30 photo identification when the applicant appears for examination.

243.31 **EFFECTIVE DATE.** This section is effective August 1, 2016.

243.32 Sec. 40. Minnesota Statutes 2014, section 154.09, is amended to read:

243.33 **154.09 EXAMINATIONS, CONDUCT AND SCOPE.**

244.1 The board shall conduct examinations of applicants for certificates of registration  
 244.2 to practice as registered barbers and ~~apprentices~~ not more than six times each year, at  
 244.3 such time and place as the board may determine. Additional written examinations may  
 244.4 be scheduled by the board and conducted by board staff as designated by the board. The  
 244.5 proprietor of a barber school must file an affidavit with the board of hours completed by  
 244.6 students applying to take the ~~apprentice~~ registered barber examination. Students must  
 244.7 complete ~~1,500 hours~~ the full 1,500-hour curriculum in a barber school approved by the  
 244.8 board within the past four years to be eligible for examination. Barber students who have  
 244.9 completed barber school more than four years prior to application, that have not obtained  
 244.10 a barber registration, license, or certificate in any jurisdiction must complete an additional  
 244.11 500 hours of barber school education to be eligible for the registered barber examination.  
 244.12 Registered barbers that fail to renew their registration for four or more years are required  
 244.13 to take the registered barber examination to reinstate the registration.

244.14 The examination of applicants for certificates of registration as barbers and  
 244.15 ~~apprentices~~ shall include a practical demonstration and a written and ~~oral~~ test. The  
 244.16 examination must cover the subjects ~~usually~~ taught in barber schools registered with the  
 244.17 board, including applicable state statute and rule.

244.18 **EFFECTIVE DATE.** This section is effective August 1, 2016.

244.19 Sec. 41. Minnesota Statutes 2014, section 154.10, subdivision 2, is amended to read:

244.20 Subd. 2. **Certificates of registration; fees.** When the provisions of this chapter  
 244.21 have been complied with, the board shall issue a certificate of registration as a registered  
 244.22 barber, ~~as a registered apprentice,~~ as a registered instructor of barbering, or as a registered  
 244.23 barber school, ~~a temporary apprentice permit,~~ a temporary permit as an instructor of  
 244.24 barbering, or a barber shop registration card upon payment of the required fee. Certificates  
 244.25 of registration, temporary permits, and shop registration cards are not transferable.

244.26 **EFFECTIVE DATE.** This section is effective August 1, 2016.

244.27 Sec. 42. Minnesota Statutes 2014, section 154.11, subdivision 1, is amended to read:

244.28 Subdivision 1. **Examination of nonresidents.** (a) A person who meets all of  
 244.29 the requirements for barber registration in sections 154.001, 154.002, 154.003, 154.01  
 244.30 to ~~154.161~~ 154.162, 154.19 to 154.21, and 154.24 to ~~154.26~~ 154.28 and either has a  
 244.31 currently active license, certificate of registration, or ~~an~~ equivalent as a practicing barber  
 244.32 or instructor of barbering as verified from another state or, if presenting foreign country  
 244.33 credentials as verified by a board-approved professional credential evaluation provider,

245.1 which in the discretion of the board has substantially the same requirements for registering  
 245.2 barbers and instructors of barbering as required by sections 154.001, 154.002, 154.003,  
 245.3 154.01 to ~~154.161~~ 154.162, 154.19 to 154.21, and 154.24 to ~~154.26~~ or can prove by sworn  
 245.4 affidavits practice as a barber or instructor of barbering in another state or country for at  
 245.5 least five years immediately prior to making application in this state, 154.28 shall, upon  
 245.6 payment of the required fee, be issued a certificate of registration without examination.

245.7 (b) Individuals without a current documented license, certificate of registration, or  
 245.8 equivalent, as verified in paragraph (a), must have a minimum of 1,500 hours of barber  
 245.9 education as verified by the barber school attended in the other state or if presenting foreign  
 245.10 country education as verified by a board-approved professional credential evaluation  
 245.11 provider, completed within the previous four years, which, in the discretion of the board,  
 245.12 has substantially the same requirements as required in sections 154.001, 154.002, 154.003,  
 245.13 154.01 to 154.162, 154.19 to 154.21, and 154.24 to 154.28 will be eligible for examination.

245.14 (c) Individuals unable to meet the requirements in paragraph (a) or (b) shall be  
 245.15 subject to all the requirements of section 154.05.

245.16 **EFFECTIVE DATE.** This section is effective August 1, 2016.

245.17 Sec. 43. Minnesota Statutes 2015 Supplement, section 154.11, subdivision 3, is  
 245.18 amended to read:

245.19 Subd. 3. **Temporary military permits.** (a) In accordance with section 197.4552,  
 245.20 the board shall issue a temporary:

245.21 ~~(1) permit for apprentice barbers;~~

245.22 ~~(2) (1) certificate for registered barbers; and~~

245.23 ~~(3) (2) certificate for registered barber instructors.~~

245.24 (b) Fees for temporary military permits and certificates of registration under this  
 245.25 subdivision are listed under section 154.003.

245.26 (c) Permits or certificates of registration issued under this subdivision are valid  
 245.27 for one year from the date of issuance, after which the individual must complete a full  
 245.28 application as required by section 197.4552.

245.29 **EFFECTIVE DATE.** This section is effective August 1, 2016.

245.30 Sec. 44. Minnesota Statutes 2014, section 154.14, is amended to read:

245.31 **154.14 CERTIFICATES OF REGISTRATION AND TEMPORARY PERMITS**  
 245.32 **TO BE DISPLAYED.**

246.1 Every holder of a certificate of registration as a registered barber ~~or registered~~  
 246.2 ~~apprentice or temporary apprentice permit~~ shall display the certificate or permit, with a  
 246.3 photograph of the certificate or permit holder that meets the same standards as required for  
 246.4 a United States passport, in a conspicuous place adjacent to or near the chair where work  
 246.5 is performed. Every holder of a certificate of registration as an instructor of barbering or  
 246.6 a temporary permit as an instructor of barbering shall display the certificate or permit,  
 246.7 with a photograph of the certificate or permit holder that meets the same standards as  
 246.8 required for a United States passport, in a conspicuous place within the barber school that  
 246.9 is accessible to the public. Every holder of a certificate of registration as a barber school  
 246.10 and of a barber shop registration card shall display it in a conspicuous place within the  
 246.11 establishment that is accessible to the public.

246.12 **EFFECTIVE DATE.** This section is effective August 1, 2016.

246.13 Sec. 45. Minnesota Statutes 2014, section 154.15, is amended to read:

246.14 **154.15 CERTIFICATES OF REGISTRATION MUST BE RENEWED**  
 246.15 **ANNUALLY.**

246.16 Subdivision 1. **Annual renewal required.** All registered barbers, ~~registered~~  
 246.17 ~~apprentices~~, and registered instructors of barbering who continue in active practice or  
 246.18 service shall, on or before December 31 each year, renew their certificates of registration  
 246.19 for the following year and pay the required fee. Every certificate of registration which  
 246.20 has not been renewed during the month of December in any year shall expire on the 31st  
 246.21 day of December in that year. All shop registration cards shall be renewed on or before  
 246.22 June 30 of each year upon payment of the required fee. All certificates of registration as  
 246.23 a barber school shall be renewed on or before December 31 of each year upon payment  
 246.24 of the required fee.

246.25 Subd. 2. **Effect of failure to renew.** A registered barber ~~or a registered apprentice~~  
 246.26 who has not renewed a certificate of registration may be reinstated within four years of  
 246.27 such failure to renew without examination upon the payment of the required restoration  
 246.28 fee for each year the certificate is lapsed. A registered instructor of barbering who has not  
 246.29 renewed a certificate of registration may be reinstated within four years of such failure to  
 246.30 renew without examination upon payment of the required restoration fee for each year  
 246.31 the certificate is lapsed. All registered barbers ~~and registered apprentices~~ who allow their  
 246.32 certificates of registration to lapse for more than four years shall be required to reexamine  
 246.33 before being issued a certificate of registration. All registered instructors of barbering who  
 246.34 allow their certificates of registration to lapse for more than four years shall be required

247.1 to reexamine before being issued a certificate of registration. A barber shop owner who  
247.2 has not renewed the barber shop certificate for more than one year may reinstate the  
247.3 barber shop registration upon payment of the restoration fee for each year the shop card  
247.4 was lapsed. If lapsed or unregistered status is discovered by the barber inspector during  
247.5 inspection, penalties under section 154.162 shall apply.

247.6 **EFFECTIVE DATE.** This section is effective August 1, 2016.

247.7 Sec. 46. Minnesota Statutes 2015 Supplement, section 154.161, subdivision 4, is  
247.8 amended to read:

247.9 Subd. 4. **Registration actions.** (a) With respect to a person who is a holder of or  
247.10 applicant for registration or a shop registration card under sections 154.001, 154.002,  
247.11 154.003, 154.01 to ~~154.161~~ 154.162, 154.19 to 154.21, and 154.24 to ~~154.26~~ 154.28, the  
247.12 board may by order deny, refuse to renew, suspend, temporarily suspend, or revoke the  
247.13 application, certificate of registration, or shop registration card, censure or reprimand the  
247.14 person, refuse to permit the person to sit for examination, or refuse to release the person's  
247.15 examination grades, if the board finds that such an order is in the public interest and that,  
247.16 based on a preponderance of the evidence presented, the person has:

247.17 (1) violated a statute, rule, or order that the board has adopted or issued or is  
247.18 empowered to enforce;

247.19 (2) engaged in conduct or acts that are fraudulent, deceptive, or dishonest, whether  
247.20 or not the conduct or acts relate to the practice of barbering, if the fraudulent, deceptive, or  
247.21 dishonest conduct or acts reflect adversely on the person's ability or fitness to engage in  
247.22 the practice of barbering;

247.23 (3) engaged in conduct or acts that constitute malpractice, are negligent, demonstrate  
247.24 incompetence, or are otherwise in violation of the standards in the rules of the board,  
247.25 where the conduct or acts relate to the practice of barbering;

247.26 (4) employed fraud or deception in obtaining a certificate of registration, shop  
247.27 registration card, renewal, or reinstatement, or in passing all or a portion of the examination;

247.28 (5) had a certificate of registration or shop registration card, right to examine, or  
247.29 other similar authority revoked in another jurisdiction;

247.30 (6) failed to meet any requirement for issuance or renewal of the person's certificate  
247.31 of registration or shop registration card;

247.32 (7) practiced as a barber while having an infectious or contagious disease;

247.33 (8) advertised by means of false or deceptive statements;

247.34 (9) demonstrated intoxication or indulgence in the use of drugs, including but not  
247.35 limited to narcotics as defined in section 152.01 or in United States Code, title 26, section

- 248.1 4731, barbiturates, amphetamines, benzedrine, dexedrine, or other sedatives, depressants,  
248.2 stimulants, or tranquilizers;
- 248.3 (10) demonstrated unprofessional conduct or practice;
- 248.4 (11) permitted an employee or other person under the person's supervision or  
248.5 control to practice as a registered barber, ~~registered apprentice~~, or registered instructor  
248.6 of barbering unless that person has (i) a current certificate of registration as a registered  
248.7 barber, ~~registered apprentice~~, or registered instructor of barbering, (ii) a temporary  
248.8 apprentice permit, or (iii) a temporary permit as an instructor of barbering;
- 248.9 (12) practices, offered to practice, or attempted to practice by misrepresentation;
- 248.10 (13) failed to display a certificate of registration as required by section 154.14;
- 248.11 (14) used any room or place of barbering that is also used for any other purpose, or  
248.12 used any room or place of barbering that violates the board's rules governing sanitation;
- 248.13 (15) in the case of a barber, ~~apprentice~~, or other person working in or in charge of  
248.14 any barber shop, or any person in a barber school engaging in the practice of barbering,  
248.15 failed to use separate and clean towels for each customer or patron, or to discard and  
248.16 launder each towel after being used once;
- 248.17 (16) in the case of a barber or other person in charge of any barber shop or barber  
248.18 school, (i) failed to supply in a sanitary manner clean hot and cold water in quantities  
248.19 necessary to conduct the shop or barbering service for the school, (ii) failed to have water  
248.20 and sewer connections from the shop or barber school with municipal water and sewer  
248.21 systems where they are available for use, or (iii) failed or refused to maintain a receptacle  
248.22 for hot water of a capacity of at least five gallons;
- 248.23 (17) refused to permit the board to make an inspection permitted or required by  
248.24 sections 154.001, 154.002, 154.003, 154.01 to ~~154.161~~ 154.162, 154.19 to 154.21, and  
248.25 154.24 to ~~154.26~~ 154.28, or failed to provide the board or the attorney general on behalf  
248.26 of the board with any documents or records they request;
- 248.27 (18) failed promptly to renew a certificate of registration or shop registration card  
248.28 when remaining in practice, pay the required fee, or issue a worthless check;
- 248.29 (19) ~~failed to supervise a registered apprentice or temporary apprentice~~, or permitted  
248.30 the practice of barbering by a person not registered with the board or not holding a  
248.31 temporary permit;
- 248.32 (20) refused to serve a customer because of race, color, creed, religion, disability,  
248.33 national origin, or sex;
- 248.34 (21) failed to comply with a provision of sections 136A.82 to 136A.834, or a  
248.35 provision of another chapter that relates to barber schools; or

249.1 (22) with respect to temporary suspension orders, has committed an act, engaged in  
249.2 conduct, or committed practices that the board, or complaint committee if authorized by the  
249.3 board, has determined may result or may have resulted in an immediate threat to the public.

249.4 (b) In lieu of or in addition to any remedy under paragraph (a), the board may  
249.5 as a condition of continued registration, termination of suspension, reinstatement of  
249.6 registration, examination, or release of examination results, require that the person:

249.7 (1) submit to a quality review of the person's ability, skills, or quality of work,  
249.8 conducted in a manner and by a person or entity that the board determines; or

249.9 (2) complete to the board's satisfaction continuing education as the board requires.

249.10 (c) Service of an order under this subdivision is effective if the order is served  
249.11 personally on, or is served by certified mail to the most recent address provided to the  
249.12 board by the certificate holder, applicant, or counsel of record. The order must state the  
249.13 reason for the entry of the order.

249.14 (d) Except as provided in subdivision 5, paragraph (c), all hearings under this  
249.15 subdivision must be conducted in accordance with the Administrative Procedure Act.

249.16 **EFFECTIVE DATE.** This section is effective August 1, 2016.

249.17 Sec. 47. Minnesota Statutes 2014, section 154.161, subdivision 7, is amended to read:

249.18 Subd. 7. **Reinstatement.** The board may reinstate a suspended, revoked, or  
249.19 surrendered certificate of registration or shop registration card, on petition of the former  
249.20 or suspended registrant. The board may in its sole discretion place any conditions on  
249.21 reinstatement of a suspended, revoked, or surrendered certificate of registration or shop  
249.22 registration card that it finds appropriate and necessary to ensure that the purposes of  
249.23 sections 154.001, 154.002, 154.003, 154.01 to ~~154.161~~ 154.162, 154.19 to 154.21, and  
249.24 154.24 to ~~154.26~~ 154.28 are met. No certificate of registration or shop registration card  
249.25 may be reinstated until the former registrant has completed at least one-half of the  
249.26 suspension period.

249.27 **EFFECTIVE DATE.** This section is effective August 1, 2016.

249.28 Sec. 48. Minnesota Statutes 2014, section 154.162, is amended to read:

249.29 **154.162 ADMINISTRATIVE PENALTIES.**

249.30 The board shall impose and collect the following penalties:

249.31 (1) missing or lapsed shop registration discovered upon inspection; penalty imposed  
249.32 on shop owner: up to \$500;

250.1 (2) ~~unregistered apprentice or registered~~ barber, first occurrence discovered upon  
250.2 inspection; penalty imposed on shop owner and unlicensed or unregistered individual:  
250.3 up to \$500; and

250.4 (3) ~~unregistered apprentice or registered~~ barber, second occurrence discovered upon  
250.5 inspection; penalty imposed on shop owner and unlicensed or unregistered individual:  
250.6 up to \$1,000.

250.7 **EFFECTIVE DATE.** This section is effective August 1, 2016.

250.8 Sec. 49. Minnesota Statutes 2014, section 154.19, is amended to read:

250.9 **154.19 VIOLATIONS.**

250.10 Each of the following constitutes a misdemeanor:

250.11 (1) The violation of any of the provisions of section 154.01;

250.12 (2) Permitting any person in one's employ, supervision, or control to practice as a  
250.13 registered barber ~~or registered apprentice~~ unless that person has a certificate of registration  
250.14 as a registered barber ~~or registered apprentice~~;

250.15 (3) Obtaining or attempting to obtain a certificate of registration for money other  
250.16 than the required fee, or any other thing of value, or by fraudulent misrepresentation;

250.17 (4) Practicing or attempting to practice by fraudulent misrepresentation;

250.18 (5) The willful failure to display a certificate of registration as required by section  
250.19 154.14;

250.20 (6) The use of any room or place for barbering which is also used for residential or  
250.21 business purposes, except the sale of hair tonics, lotions, creams, cutlery, toilet articles,  
250.22 cigars, tobacco, candies in original package, and such commodities as are used and sold in  
250.23 barber shops, and except that shoeshining and an agency for the reception and delivery of  
250.24 laundry, or either, may be conducted in a barber shop without the same being construed  
250.25 as a violation of this section, unless a substantial partition of ceiling height separates the  
250.26 portion used for residential or business purposes, and where a barber shop is situated in a  
250.27 residence, poolroom, confectionery, store, restaurant, garage, clothing store, liquor store,  
250.28 hardware store, or soft drink parlor, there must be an outside entrance leading into the  
250.29 barber shop independent of any entrance leading into such business establishment, except  
250.30 that this provision as to an outside entrance shall not apply to barber shops in operation  
250.31 at the time of the passage of this section and except that a barber shop and ~~beauty parlor~~  
250.32 cosmetology salon may be operated in conjunction, without the same being separated by  
250.33 partition of ceiling height;

251.1 (7) The failure or refusal of any barber or other person in charge of any barber shop,  
 251.2 or any person in barber schools or colleges doing barber service work, to use separate  
 251.3 and clean towels for each customer or patron, or to discard and launder each towel after  
 251.4 once being used;

251.5 (8) The failure or refusal by any barber or other person in charge of any barber shop  
 251.6 or barber school or barber college to supply clean hot and cold water in such quantities as  
 251.7 may be necessary to conduct such shop, or the barbering service of such school or college,  
 251.8 in a sanitary manner, or the failure or refusal of any such person to have water and sewer  
 251.9 connections from such shop, or barber school or college, with municipal water and sewer  
 251.10 systems where the latter are available for use, or the failure or refusal of any such person  
 251.11 to maintain a receptacle for hot water of a capacity of not less than five gallons;

251.12 (9) For the purposes of this section, barbers, students, ~~apprentices~~, or the proprietor  
 251.13 or manager of a barber shop, or barber school or barber college, shall be responsible for all  
 251.14 violations of the sanitary sanitation and disinfection provisions of this section, ~~and~~. If any  
 251.15 barber workstation in any barber shop, or barber school or barber college, upon inspection,  
 251.16 shall be found to be in an unsanitary condition, the person making such inspection shall  
 251.17 immediately issue an order to place the barber shop, or barber school, or barber college, in  
 251.18 a sanitary condition, in a manner and within a time satisfactory to the Board of Barber  
 251.19 Examiners, and for the failure to comply with such order the board shall immediately file a  
 251.20 complaint for the arrest of the persons upon whom the order was issued, and any registered  
 251.21 barber who shall fail to comply with the rules adopted by the Board of Barber Examiners,  
 251.22 with the approval of the state commissioner of health, or the violation or commission of  
 251.23 any of the offenses described in this section and section 154.161, subdivision 4, paragraph  
 251.24 (a), clauses (1), (3), and (4) to (12), shall be fined not less than \$10 or imprisoned for ten  
 251.25 days and not more than \$100 or imprisoned for 90 days.

251.26 **EFFECTIVE DATE.** This section is effective August 1, 2016.

251.27 Sec. 50. Minnesota Statutes 2014, section 154.21, is amended to read:

251.28 **154.21 PERJURY.**

251.29 The willful making of any false statement as to a material matter in any oath or  
 251.30 affidavit which is required by the provisions of sections 154.001, 154.002, 154.003,  
 251.31 154.01 to ~~154.161~~ 154.162, 154.19 to 154.21, and 154.24 to ~~154.26~~ 154.28 is perjury  
 251.32 and punishable as such.

251.33 **EFFECTIVE DATE.** This section is effective August 1, 2016.

252.1 Sec. 51. Minnesota Statutes 2014, section 154.24, is amended to read:

252.2 **154.24 RULES.**

252.3 The Board of Barber Examiners shall have authority to make reasonable rules for the  
252.4 administration of the provisions of sections 154.001, 154.002, 154.003, 154.01 to ~~154.161~~  
252.5 154.162, 154.19 to 154.21, and 154.24 to ~~154.26~~ 154.28 and prescribe ~~sanitary~~ sanitation  
252.6 and disinfection requirements for barber shops and barber schools, subject to the approval  
252.7 of the state commissioner of health. Any member of the board, or its agents or assistants,  
252.8 shall have authority to enter upon and to inspect any barber shop or barber school at any  
252.9 time during business hours. A copy of the rules adopted by the board shall be furnished by  
252.10 it to the owner or manager of each barber shop or barber school and such copy shall be  
252.11 posted in a conspicuous place in such barber shop or barber school.

252.12 The board shall keep a record of its proceedings relating to the issuance, refusal,  
252.13 renewal, suspension, and revocation of certificates of registration. This record shall  
252.14 contain the name, place of business, and residence of each registered barber ~~and registered~~  
252.15 ~~apprentice~~, and the date and number of the certificate of registration. This record shall be  
252.16 open to public inspection at all reasonable times.

252.17 **EFFECTIVE DATE.** This section is effective August 1, 2016.

252.18 Sec. 52. Minnesota Statutes 2014, section 154.25, is amended to read:

252.19 **154.25 NOT TO SERVE CERTAIN PERSONS.**

252.20 No person practicing the occupation of a barber in any barber shop, barber school, or  
252.21 college in this state shall knowingly serve a person afflicted, in a dangerous or infectious  
252.22 state of the disease, with ~~erysipelas, eczema, impetigo, sycosis, or any other~~ contagious or  
252.23 infectious disease. Any person so afflicted is hereby prohibited from being served in any  
252.24 barber shop, barber school, or college in this state. Any violation of this section shall be  
252.25 considered a misdemeanor as provided for in sections 154.001, 154.002, 154.003, 154.01  
252.26 to ~~154.161~~ 154.162, 154.19 to 154.21, and 154.24 to ~~154.26~~ 154.28.

252.27 **EFFECTIVE DATE.** This section is effective August 1, 2016.

252.28 Sec. 53. Minnesota Statutes 2014, section 161.368, is amended to read:

252.29 **161.368 HIGHWAY CONTRACTS WITH TRIBAL AUTHORITIES.**

252.30 (a) On behalf of the state, the commissioner may enter into agreements with Indian  
252.31 tribal authorities for the purpose of providing maintenance, design, and construction to  
252.32 highways on tribal lands. These agreements may include (1) a provision for waiver of

253.1 immunity from suit by a party to the contract on the part of the tribal authority with respect  
253.2 to any controversy arising out of the contract and (2) a provision conferring jurisdiction on  
253.3 state district courts to hear such a controversy.

253.4 (b) Notwithstanding section 161.32, for construction of highways on tribal lands  
253.5 in a reservation exempt from Public Law 83-280, the commissioner may: (1) award  
253.6 a preference for Indian-owned contractors to the same extent provided in the applicable  
253.7 Tribal Employment Rights Ordinance, but not to exceed ten percent; or (2) negotiate  
253.8 with the tribal authority and enter into an agreement for the tribal authority to award and  
253.9 administer the construction contract, with the commissioner providing funding for the  
253.10 state share of the project. If negotiating with the tribal authority, the commissioner must  
253.11 perform an independent cost estimate and determine that the cost proposed by the tribal  
253.12 authority is reasonable. An agreement negotiated with a tribal authority must include a  
253.13 clause requiring conformance with plans and specifications approved by the commissioner.

253.14 Sec. 54. Minnesota Statutes 2014, section 197.455, subdivision 1, is amended to read:

253.15 Subdivision 1. **Application.** (a) This section shall govern preference of a veteran  
253.16 under the civil service laws, charter provisions, ordinances, rules or regulations of a  
253.17 county, home rule charter or statutory city, town, school district, or other municipality  
253.18 or political subdivision of this state. Any provision in a law, charter, ordinance, rule or  
253.19 regulation contrary to the applicable provisions of this section is void to the extent of  
253.20 such inconsistency.

253.21 (b) Sections 197.46 to 197.481 also apply to a veteran who is an incumbent in a  
253.22 classified appointment in the state civil service and has completed the probationary period  
253.23 for that position, as defined under section 43A.16. In matters of dismissal from such a  
253.24 position, a qualified veteran has the irrevocable option of using the procedures described  
253.25 in sections 197.46 to 197.481, or the procedures provided in the collective bargaining  
253.26 agreement applicable to the person, but not both. For a qualified veteran electing to use  
253.27 the procedures of sections 197.46 to 197.481, the matters governed by those sections must  
253.28 not be considered grievances under a collective bargaining agreement, and if a veteran  
253.29 elects to appeal the dispute through those sections, the veteran is precluded from making  
253.30 an appeal under the grievance procedure of the collective bargaining agreement.

253.31 (c) A county, home rule charter or statutory city, town, school district, or other  
253.32 municipality or political subdivision may require a veteran to complete an initial hiring  
253.33 probationary period, as defined under section 43A.16. In matters of dismissal, a veteran  
253.34 employed by a county, home rule charter or statutory city, town, school district, or other

254.1 municipality or political subdivision is entitled to the same rights and legal protections  
 254.2 that state employees receive under paragraph (b).

254.3 Sec. 55. Minnesota Statutes 2015 Supplement, section 197.46, is amended to read:

254.4 **197.46 VETERANS PREFERENCE ACT; REMOVAL FORBIDDEN; RIGHT**  
 254.5 **OF MANDAMUS.**

254.6 (a) Any person whose rights may be in any way prejudiced contrary to any of the  
 254.7 provisions of this section, ~~shall be~~ is entitled to a writ of mandamus to remedy the wrong.  
 254.8 After any initial hiring probationary period expires, no person holding a position either in  
 254.9 the state civil service or by appointment or employment in the several counties any county,  
 254.10 cities home rule charter or statutory city, towns town, school districts and all district, or  
 254.11 any other political subdivisions subdivision in the state; who is a veteran separated from  
 254.12 the military service under honorable conditions, shall be removed from ~~such~~ the position  
 254.13 or employment except for incompetency or misconduct shown after a hearing, upon  
 254.14 due notice, upon stated charges, in writing.

254.15 (b) Any veteran who has been notified of the intent to discharge the veteran from an  
 254.16 appointed position or employment pursuant to this section shall be notified in writing of  
 254.17 ~~such~~ the intent to discharge and of the veteran's right to request a hearing within ~~60~~ 30  
 254.18 days of receipt of the notice of intent to discharge. The failure of a veteran to request a  
 254.19 hearing within the provided ~~60-day~~ 30-day period ~~shall constitute~~ constitutes a waiver  
 254.20 of the right to a hearing. ~~Such~~ The failure ~~shall~~ also ~~waive~~ waives all other available  
 254.21 legal remedies for reinstatement.

254.22 Request for a hearing concerning such a discharge shall be made in writing and  
 254.23 submitted by mail or personal service to the employment office of the concerned employer  
 254.24 or other appropriate office or person. If the veteran requests a hearing under this section,  
 254.25 ~~such~~ the written request must also contain the veteran's election to be heard by a civil  
 254.26 service board or commission, a merit authority, or ~~a three-person panel~~ an arbitrator  
 254.27 as defined in paragraph (c). If the veteran fails to identify the veteran's election, the  
 254.28 governmental subdivision may select the hearing body.

254.29 (c) In all governmental subdivisions having an established civil service board or  
 254.30 commission, or merit system authority, ~~such~~ the veteran may elect to have the hearing for  
 254.31 removal or discharge ~~shall be held~~ before ~~such~~ the civil service board or commission or  
 254.32 merit system authority, or before an arbitrator as specified in this paragraph. Where no  
 254.33 ~~such~~ civil service board or commission or merit system authority exists, ~~such~~ the hearing  
 254.34 shall be held by ~~a board of three persons appointed as follows: one by the governmental~~  
 254.35 ~~subdivision, one by the veteran, and the third by the two so selected~~ an arbitrator. In cases

255.1 where a hearing will be held by an arbitrator, the employer shall request from the Bureau  
255.2 of Mediation Services a list of seven persons to serve as an arbitrator. The employer  
255.3 shall strike the first name from the list and the parties shall alternately strike names from  
255.4 the list until the name of one arbitrator remains. After receiving each of the employer's  
255.5 elections to strike a person from the list, the veteran has 48 hours to strike a person from  
255.6 the list. The person remaining after the striking procedure must be the arbitrator. Upon the  
255.7 selection of the arbitrator, the employer shall notify the designated arbitrator and request  
255.8 available dates to hold the hearing. In the event that the hearing is authorized to be held  
255.9 before a three-person board an arbitrator, the governmental subdivision's notice of intent  
255.10 to discharge shall state that the veteran must respond within 60 30 days of receipt of the  
255.11 notice of intent to discharge, and provide in writing to the governmental subdivision the  
255.12 name, United States mailing address, and telephone number of the veteran's selected  
255.13 representative for the three-person board. The failure of a veteran to submit the name,  
255.14 address, and telephone number of the veteran's selected representative to the governmental  
255.15 subdivision by mail or by personal service within the provided notice's 60-day period, shall  
255.16 constitute a waiver of the veteran's right to the hearing and all other legal remedies available  
255.17 for reinstatement of the veteran's employment position. In the event the two persons  
255.18 selected by the veteran and governmental subdivision do not appoint the third person within  
255.19 ten days after the appointment of the last of the two, then the judge of the district court of  
255.20 the county wherein the proceeding is pending, or if there be more than one judge in said  
255.21 county then any judge in chambers, shall have jurisdiction to appoint, and Upon application  
255.22 of either or both of the two so selected shall appoint, the third person to the board and the  
255.23 person so appointed by the judge with the two first selected shall constitute the board.

255.24 (d) Either the veteran or the governmental subdivision may appeal from the decision  
255.25 of the board hearing body upon the charges to the district court by causing written notice  
255.26 of appeal, stating the grounds thereof of the appeal, to be served upon the other party  
255.27 within 15 days after notice of the decision and by filing the original notice of appeal  
255.28 with proof of service thereof in the office of the court administrator of the district court  
255.29 within ten days after service thereof. Nothing in section 197.455 or this section shall be  
255.30 construed to apply to the position of private secretary, superintendent of schools, or one  
255.31 chief deputy of any elected official or head of a department, or to any person holding a  
255.32 strictly confidential relation to the appointing officer. Nothing in this section shall be  
255.33 construed to apply to the position of teacher. The burden of establishing such relationship  
255.34 shall be upon the appointing officer in all proceedings and actions relating thereto.

255.35 (e) For disputes heard by a civil service board, commission or merit system  
255.36 authority, or an arbitrator, the political governmental subdivisions shall bear all costs

256.1 associated with the hearing but not including attorney fees for attorneys representing the  
256.2 veteran. ~~For disputes heard by a three-person panel, all parties shall bear equally all costs~~  
256.3 ~~associated with the hearing, but not including attorney fees for attorneys representing the~~  
256.4 ~~veteran.~~ If the veteran prevails in a dispute heard by a civil service board ~~or a three-person~~  
256.5 ~~panel,~~ commission or merit system authority, or an arbitrator and the hearing reverses ~~all~~  
256.6 ~~aspects of~~ the level of the alleged incompetency or misconduct requiring discharge, the  
256.7 governmental subdivision shall pay the veteran's reasonable attorney fees.

256.8 (f) All officers, boards, commissions, and employees shall conform to, comply with,  
256.9 and aid in all proper ways in carrying into effect the provisions of section 197.455 and this  
256.10 section notwithstanding any laws, charter provisions, ordinances or rules to the contrary.  
256.11 Any willful violation of such sections by officers, officials, or employees is a misdemeanor.

256.12 Sec. 56. [240A.085] JAMES METZEN MIGHTY DUCKS ICE CENTER  
256.13 DEVELOPMENT ACT.

256.14 Sections 240A.085 to 240A.11 may be cited as the James Metzen Mighty Ducks Ice  
256.15 Center Development Act.

256.16 Sec. 57. Minnesota Statutes 2014, section 290.01, subdivision 19b, is amended to read:

256.17 Subd. 19b. **Subtractions from federal taxable income.** For individuals, estates,  
256.18 and trusts, there shall be subtracted from federal taxable income:

256.19 (1) net interest income on obligations of any authority, commission, or  
256.20 instrumentality of the United States to the extent includable in taxable income for federal  
256.21 income tax purposes but exempt from state income tax under the laws of the United States;

256.22 (2) if included in federal taxable income, the amount of any overpayment of income  
256.23 tax to Minnesota or to any other state, for any previous taxable year, whether the amount  
256.24 is received as a refund or as a credit to another taxable year's income tax liability;

256.25 (3) the amount paid to others, less the amount used to claim the credit allowed under  
256.26 section 290.0674, not to exceed \$1,625 for each qualifying child in grades kindergarten  
256.27 to 6 and \$2,500 for each qualifying child in grades 7 to 12, for tuition, textbooks, and  
256.28 transportation of each qualifying child in attending an elementary or secondary school  
256.29 situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a  
256.30 resident of this state may legally fulfill the state's compulsory attendance laws, which  
256.31 is not operated for profit, and which adheres to the provisions of the Civil Rights Act  
256.32 of 1964 and chapter 363A. For the purposes of this clause, "tuition" includes fees or  
256.33 tuition as defined in section 290.0674, subdivision 1, clause (1). As used in this clause,  
256.34 "textbooks" includes books and other instructional materials and equipment purchased

257.1 or leased for use in elementary and secondary schools in teaching only those subjects  
257.2 legally and commonly taught in public elementary and secondary schools in this state.

257.3 Equipment expenses qualifying for deduction includes expenses as defined and limited in  
257.4 section 290.0674, subdivision 1, clause (3). "Textbooks" does not include instructional  
257.5 books and materials used in the teaching of religious tenets, doctrines, or worship, the  
257.6 purpose of which is to instill such tenets, doctrines, or worship, nor does it include books  
257.7 or materials for, or transportation to, extracurricular activities including sporting events,  
257.8 musical or dramatic events, speech activities, driver's education, or similar programs. No  
257.9 deduction is permitted for any expense the taxpayer incurred in using the taxpayer's or  
257.10 the qualifying child's vehicle to provide such transportation for a qualifying child. For  
257.11 purposes of the subtraction provided by this clause, "qualifying child" has the meaning  
257.12 given in section 32(c)(3) of the Internal Revenue Code;

257.13 (4) income as provided under section 290.0802;

257.14 (5) to the extent included in federal adjusted gross income, income realized on  
257.15 disposition of property exempt from tax under section 290.491;

257.16 (6) to the extent not deducted or not deductible pursuant to section 408(d)(8)(E)  
257.17 of the Internal Revenue Code in determining federal taxable income by an individual  
257.18 who does not itemize deductions for federal income tax purposes for the taxable year, an  
257.19 amount equal to 50 percent of the excess of charitable contributions over \$500 allowable  
257.20 as a deduction for the taxable year under section 170(a) of the Internal Revenue Code,  
257.21 under the provisions of Public Law 109-1 and Public Law 111-126;

257.22 (7) for individuals who are allowed a federal foreign tax credit for taxes that do not  
257.23 qualify for a credit under section 290.06, subdivision 22, an amount equal to the carryover  
257.24 of subnational foreign taxes for the taxable year, but not to exceed the total subnational  
257.25 foreign taxes reported in claiming the foreign tax credit. For purposes of this clause,  
257.26 "federal foreign tax credit" means the credit allowed under section 27 of the Internal  
257.27 Revenue Code, and "carryover of subnational foreign taxes" equals the carryover allowed  
257.28 under section 904(c) of the Internal Revenue Code minus national level foreign taxes to  
257.29 the extent they exceed the federal foreign tax credit;

257.30 (8) in each of the five tax years immediately following the tax year in which an  
257.31 addition is required under subdivision 19a, clause (7), or 19c, clause (12), in the case of a  
257.32 shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the  
257.33 delayed depreciation. For purposes of this clause, "delayed depreciation" means the amount  
257.34 of the addition made by the taxpayer under subdivision 19a, clause (7), or subdivision 19c,  
257.35 clause (12), in the case of a shareholder of an S corporation, minus the positive value of

258.1 any net operating loss under section 172 of the Internal Revenue Code generated for the  
258.2 tax year of the addition. The resulting delayed depreciation cannot be less than zero;

258.3 (9) job opportunity building zone income as provided under section 469.316;

258.4 (10) to the extent included in federal taxable income, the amount of compensation  
258.5 paid to members of the Minnesota National Guard or other reserve components of the  
258.6 United States military for active service, including compensation for services performed  
258.7 under the Active Guard Reserve (AGR) program. For purposes of this clause, "active  
258.8 service" means (i) state active service as defined in section 190.05, subdivision 5a, clause  
258.9 (1); or (ii) federally funded state active service as defined in section 190.05, subdivision  
258.10 5b, and "active service" includes service performed in accordance with section 190.08,  
258.11 subdivision 3;

258.12 (11) to the extent included in federal taxable income, the amount of compensation  
258.13 paid to Minnesota residents who are members of the armed forces of the United States  
258.14 or United Nations for active duty performed under United States Code, title 10; or the  
258.15 authority of the United Nations;

258.16 (12) an amount, not to exceed \$10,000, equal to qualified expenses related to a  
258.17 qualified donor's donation, while living, of one or more of the qualified donor's organs  
258.18 to another person for human organ transplantation. For purposes of this clause, "organ"  
258.19 means all or part of an individual's liver, pancreas, kidney, intestine, lung, or bone marrow;  
258.20 "human organ transplantation" means the medical procedure by which transfer of a human  
258.21 organ is made from the body of one person to the body of another person; "qualified  
258.22 expenses" means unreimbursed expenses for both the individual and the qualified donor  
258.23 for (i) travel, (ii) lodging, and (iii) lost wages net of sick pay, except that such expenses  
258.24 may be subtracted under this clause only once; and "qualified donor" means the individual  
258.25 or the individual's dependent, as defined in section 152 of the Internal Revenue Code. An  
258.26 individual may claim the subtraction in this clause for each instance of organ donation for  
258.27 transplantation during the taxable year in which the qualified expenses occur;

258.28 (13) in each of the five tax years immediately following the tax year in which an  
258.29 addition is required under subdivision 19a, clause (8), or 19c, clause (13), in the case of a  
258.30 shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the  
258.31 addition made by the taxpayer under subdivision 19a, clause (8), or 19c, clause (13), in the  
258.32 case of a shareholder of a corporation that is an S corporation, minus the positive value of  
258.33 any net operating loss under section 172 of the Internal Revenue Code generated for the  
258.34 tax year of the addition. If the net operating loss exceeds the addition for the tax year, a  
258.35 subtraction is not allowed under this clause;

259.1 (14) to the extent included in the federal taxable income of a nonresident of  
259.2 Minnesota, compensation paid to a service member as defined in United States Code, title  
259.3 10, section 101(a)(5), for military service as defined in the Servicemembers Civil Relief  
259.4 Act, Public Law 108-189, section 101(2);

259.5 (15) to the extent included in federal taxable income, the amount of national service  
259.6 educational awards received from the National Service Trust under United States Code,  
259.7 title 42, sections 12601 to 12604, for service in an approved Americorps National Service  
259.8 program;

259.9 (16) to the extent included in federal taxable income, discharge of indebtedness  
259.10 income resulting from reacquisition of business indebtedness included in federal taxable  
259.11 income under section 108(i) of the Internal Revenue Code. This subtraction applies only  
259.12 to the extent that the income was included in net income in a prior year as a result of the  
259.13 addition under subdivision 19a, clause (13);

259.14 (17) the amount of the net operating loss allowed under section 290.095, subdivision  
259.15 11, paragraph (c);

259.16 (18) the amount of expenses not allowed for federal income tax purposes due  
259.17 to claiming the railroad track maintenance credit under section 45G(a) of the Internal  
259.18 Revenue Code;

259.19 (19) the amount of the limitation on itemized deductions under section 68(b) of the  
259.20 Internal Revenue Code;

259.21 (20) the amount of the phaseout of personal exemptions under section 151(d) of  
259.22 the Internal Revenue Code; and

259.23 ~~(21) to the extent included in federal taxable income, the amount of qualified~~  
259.24 ~~transportation fringe benefits described in section 132(f)(1)(A) and (B) of the Internal~~  
259.25 ~~Revenue Code. The subtraction is limited to the lesser of the amount of qualified~~  
259.26 ~~transportation fringe benefits received in excess of the limitations under section~~  
259.27 ~~132(f)(2)(A) of the Internal Revenue Code for the year or the difference between the~~  
259.28 ~~maximum qualified parking benefits excludable under section 132(f)(2)(B) of the~~  
259.29 ~~Internal Revenue Code minus the amount of transit benefits excludable under section~~  
259.30 ~~132(f)(2)(A) of the Internal Revenue Code~~ to the extent included in federal taxable  
259.31 income, compensation received from a pension or other retirement pay from the federal  
259.32 government for service in the military, as computed under United States Code, title 10,  
259.33 sections 1401 to 1414, 1447 to 1455, and 12733. The subtraction must not include any  
259.34 amount used to claim the credit allowed under section 290.0677.

259.35 **EFFECTIVE DATE.** The striking of the qualified fringe benefits subtraction is  
259.36 effective the day following final enactment, except the changes incorporated by federal

260.1 changes are effective retroactively at the same time as the changes were effective for  
260.2 federal purposes. The new subtraction for pension or other military retirement pay is  
260.3 effective for taxable years beginning after December 31, 2015.

260.4 Sec. 58. Minnesota Statutes 2014, section 327C.03, subdivision 6, is amended to read:

260.5 Subd. 6. **Payment to the Minnesota manufactured home relocation trust fund.**

260.6 In the event a park owner has been assessed under section 327C.095, subdivision 12,  
260.7 paragraph (c), the park owner may collect the ~~\$12~~ \$15 annual payment required by section  
260.8 327C.095, subdivision 12, for participation in the relocation trust fund, as a lump sum or,  
260.9 along with monthly lot rent, a fee of no more than ~~\$1~~ \$1.25 per month to cover the cost of  
260.10 participating in the relocation trust fund. The ~~\$1~~ \$1.25 fee must be separately itemized  
260.11 and clearly labeled "Minnesota manufactured home relocation trust fund."

260.12 Sec. 59. Minnesota Statutes 2014, section 327C.095, subdivision 12, is amended to read:

260.13 Subd. 12. **Payment to the Minnesota manufactured home relocation trust fund.**

260.14 (a) If a manufactured home owner is required to move due to the conversion of all or a  
260.15 portion of a manufactured home park to another use, the closure of a park, or cessation of  
260.16 use of the land as a manufactured home park, the manufactured park owner shall, upon  
260.17 the change in use, pay to the commissioner of management and budget for deposit in the  
260.18 Minnesota manufactured home relocation trust fund under section 462A.35, the lesser  
260.19 amount of the actual costs of moving or purchasing the manufactured home approved  
260.20 by the neutral third party and paid by the Minnesota Housing Finance Agency under  
260.21 subdivision 13, paragraph (a) or (e), or \$3,250 for each single section manufactured  
260.22 home, and \$6,000 for each multisection manufactured home, for which a manufactured  
260.23 home owner has made application for payment of relocation costs under subdivision 13,  
260.24 paragraph (c). The manufactured home park owner shall make payments required under  
260.25 this section to the Minnesota manufactured home relocation trust fund within 60 days of  
260.26 receipt of invoice from the neutral third party.

260.27 (b) A manufactured home park owner is not required to make the payment prescribed  
260.28 under paragraph (a), nor is a manufactured home owner entitled to compensation under  
260.29 subdivision 13, paragraph (a) or (e), if:

260.30 (1) the manufactured home park owner relocates the manufactured home owner to  
260.31 another space in the manufactured home park or to another manufactured home park at  
260.32 the park owner's expense;

261.1 (2) the manufactured home owner is vacating the premises and has informed the  
261.2 manufactured home park owner or manager of this prior to the mailing date of the closure  
261.3 statement under subdivision 1;

261.4 (3) a manufactured home owner has abandoned the manufactured home, or the  
261.5 manufactured home owner is not current on the monthly lot rental, personal property taxes;

261.6 (4) the manufactured home owner has a pending eviction action for nonpayment of  
261.7 lot rental amount under section 327C.09, which was filed against the manufactured home  
261.8 owner prior to the mailing date of the closure statement under subdivision 1, and the writ  
261.9 of recovery has been ordered by the district court;

261.10 (5) the conversion of all or a portion of a manufactured home park to another use,  
261.11 the closure of a park, or cessation of use of the land as a manufactured home park is the  
261.12 result of a taking or exercise of the power of eminent domain by a governmental entity  
261.13 or public utility; or

261.14 (6) the owner of the manufactured home is not a resident of the manufactured home  
261.15 park, as defined in section 327C.01, subdivision 9, or the owner of the manufactured home  
261.16 is a resident, but came to reside in the manufactured home park after the mailing date of  
261.17 the closure statement under subdivision 1.

261.18 (c) If the unencumbered fund balance in the manufactured home relocation trust  
261.19 fund is less than \$1,000,000 as of June 30 of each year, the commissioner of management  
261.20 and budget shall assess each manufactured home park owner by mail the total amount  
261.21 of ~~\$12~~ \$15 for each licensed lot in their park, payable on or before September 15 of that  
261.22 year. The commissioner of management and budget shall deposit any payments in the  
261.23 Minnesota manufactured home relocation trust fund. On or before July 15 of each year,  
261.24 the commissioner of management and budget shall prepare and distribute to park owners a  
261.25 letter explaining whether funds are being collected for that year, information about the  
261.26 collection, an invoice for all licensed lots, and a sample form for the park owners to collect  
261.27 information on which park residents have been accounted for. If assessed under this  
261.28 paragraph, the park owner may recoup the cost of the ~~\$12~~ \$15 assessment as a lump sum  
261.29 or as a monthly fee of no more than ~~\$4~~ \$1.25 collected from park residents together with  
261.30 monthly lot rent as provided in section 327C.03, subdivision 6. Park owners may adjust  
261.31 payment for lots in their park that are vacant or otherwise not eligible for contribution to  
261.32 the trust fund under section 327C.095, subdivision 12, paragraph (b), and deduct from the  
261.33 assessment accordingly.

261.34 (d) This subdivision and subdivision 13, paragraph (c), clause (5), are enforceable by  
261.35 the neutral third party, on behalf of the Minnesota Housing Finance Agency, or by action

262.1 in a court of appropriate jurisdiction. The court may award a prevailing party reasonable  
262.2 attorney fees, court costs, and disbursements.

262.3 Sec. 60. Minnesota Statutes 2014, section 327C.095, subdivision 13, is amended to read:

262.4 Subd. 13. **Change in use, relocation expenses; payments by park owner.** (a)

262.5 If a manufactured home owner is required to relocate due to the conversion of all or a  
262.6 portion of a manufactured home park to another use, the closure of a manufactured home  
262.7 park, or cessation of use of the land as a manufactured home park under subdivision 1,  
262.8 and the manufactured home owner complies with the requirements of this section, the  
262.9 manufactured home owner is entitled to payment from the Minnesota manufactured home  
262.10 relocation trust fund equal to the manufactured home owner's actual relocation costs for  
262.11 relocating the manufactured home to a new location within a 25-mile radius of the park  
262.12 that is being closed, up to a maximum of ~~\$4,000~~ \$7,000 for a single-section and ~~\$8,000~~  
262.13 \$12,500 for a multisection manufactured home. The actual relocation costs must include  
262.14 the reasonable cost of taking down, moving, and setting up the manufactured home,  
262.15 including equipment rental, utility connection and disconnection charges, minor repairs,  
262.16 modifications necessary for transportation of the home, necessary moving permits and  
262.17 insurance, moving costs for any appurtenances, which meet applicable local, state, and  
262.18 federal building and construction codes.

262.19 (b) A manufactured home owner is not entitled to compensation under paragraph (a)  
262.20 if the manufactured home park owner is not required to make a payment to the Minnesota  
262.21 manufactured home relocation trust fund under subdivision 12, paragraph (b).

262.22 (c) Except as provided in paragraph (e), in order to obtain payment from the  
262.23 Minnesota manufactured home relocation trust fund, the manufactured home owner shall  
262.24 submit to the neutral third party and the Minnesota Housing Finance Agency, with a copy  
262.25 to the park owner, an application for payment, which includes:

262.26 (1) a copy of the closure statement under subdivision 1;

262.27 (2) a copy of the contract with a moving or towing contractor, which includes the  
262.28 relocation costs for relocating the manufactured home;

262.29 (3) a statement with supporting materials of any additional relocation costs as  
262.30 outlined in subdivision 1;

262.31 (4) a statement certifying that none of the exceptions to receipt of compensation  
262.32 under subdivision 12, paragraph (b), apply to the manufactured home owner;

262.33 (5) a statement from the manufactured park owner that the lot rental is current  
262.34 and that the annual ~~\$12~~ \$15 payments to the Minnesota manufactured home relocation  
262.35 trust fund have been paid when due; and

263.1 (6) a statement from the county where the manufactured home is located certifying  
263.2 that personal property taxes for the manufactured home are paid through the end of that year.

263.3 (d) If the neutral third party has acted reasonably and does not approve or deny  
263.4 payment within 45 days after receipt of the information set forth in paragraph (c), the  
263.5 payment is deemed approved. Upon approval and request by the neutral third party,  
263.6 the Minnesota Housing Finance Agency shall issue two checks in equal amount for 50  
263.7 percent of the contract price payable to the mover and towing contractor for relocating  
263.8 the manufactured home in the amount of the actual relocation cost, plus a check to the  
263.9 home owner for additional certified costs associated with third-party vendors, that were  
263.10 necessary in relocating the manufactured home. The moving or towing contractor shall  
263.11 receive 50 percent upon execution of the contract and 50 percent upon completion of  
263.12 the relocation and approval by the manufactured home owner. The moving or towing  
263.13 contractor may not apply the funds to any other purpose other than relocation of the  
263.14 manufactured home as provided in the contract. A copy of the approval must be forwarded  
263.15 by the neutral third party to the park owner with an invoice for payment of the amount  
263.16 specified in subdivision 12, paragraph (a).

263.17 (e) In lieu of collecting a relocation payment from the Minnesota manufactured  
263.18 home relocation trust fund under paragraph (a), the manufactured home owner may collect  
263.19 an amount from the fund after reasonable efforts to relocate the manufactured home  
263.20 have failed due to the age or condition of the manufactured home, or because there are  
263.21 no manufactured home parks willing or able to accept the manufactured home within a  
263.22 25-mile radius. A manufactured home owner may tender title of the manufactured home in  
263.23 the manufactured home park to the manufactured home park owner, and collect an amount  
263.24 to be determined by an independent appraisal. The appraiser must be agreed to by both  
263.25 the manufactured home park owner and the manufactured home owner. If the appraised  
263.26 market value cannot be determined, the tax market value, averaged over a period of five  
263.27 years, can be used as a substitute. The maximum amount that may be reimbursed under  
263.28 the fund is a maximum of ~~\$5,000~~ \$8,000 for a single-section and ~~\$9,000~~ \$14,500 for a  
263.29 multisection manufactured home. The minimum amount that may be reimbursed under the  
263.30 fund is \$2,000 for a single section and \$4,000 for a multisection manufactured home. The  
263.31 manufactured home owner shall deliver to the manufactured home park owner the current  
263.32 certificate of title to the manufactured home duly endorsed by the owner of record, and  
263.33 valid releases of all liens shown on the certificate of title, and a statement from the county  
263.34 where the manufactured home is located evidencing that the personal property taxes have  
263.35 been paid. The manufactured home owner's application for funds under this paragraph  
263.36 must include a document certifying that the manufactured home cannot be relocated, that

264.1 the lot rental is current, that the annual ~~\$12~~ \$15 payments to the Minnesota manufactured  
264.2 home relocation trust fund have been paid when due, that the manufactured home owner  
264.3 has chosen to tender title under this section, and that the park owner agrees to make a  
264.4 payment to the commissioner of management and budget in the amount established in  
264.5 subdivision 12, paragraph (a), less any documented costs submitted to the neutral third  
264.6 party, required for demolition and removal of the home, and any debris or refuse left on the  
264.7 lot, not to exceed \$1,000. The manufactured home owner must also provide a copy of the  
264.8 certificate of title endorsed by the owner of record, and certify to the neutral third party,  
264.9 with a copy to the park owner, that none of the exceptions to receipt of compensation under  
264.10 subdivision 12, paragraph (b), clauses (1) to (6), apply to the manufactured home owner,  
264.11 and that the home owner will vacate the home within 60 days after receipt of payment or the  
264.12 date of park closure, whichever is earlier, provided that the monthly lot rent is kept current.

264.13 (f) The Minnesota Housing Finance Agency must make a determination of the  
264.14 amount of payment a manufactured home owner would have been entitled to under a local  
264.15 ordinance in effect on May 26, 2007. Notwithstanding paragraph (a), the manufactured  
264.16 home owner's compensation for relocation costs from the fund under section 462A.35, is  
264.17 the greater of the amount provided under this subdivision, or the amount under the local  
264.18 ordinance in effect on May 26, 2007, that is applicable to the manufactured home owner.  
264.19 Nothing in this paragraph is intended to increase the liability of the park owner.

264.20 (g) Neither the neutral third party nor the Minnesota Housing Finance Agency shall  
264.21 be liable to any person for recovery if the funds in the Minnesota manufactured home  
264.22 relocation trust fund are insufficient to pay the amounts claimed. The Minnesota Housing  
264.23 Finance Agency shall keep a record of the time and date of its approval of payment to a  
264.24 claimant.

264.25 (h) The agency shall report to the chairs of the senate Finance Committee and  
264.26 house of representatives Ways and Means Committee by January 15 of each year on  
264.27 the Minnesota manufactured home relocation trust fund, including the account balance,  
264.28 payments to claimants, the amount of any advances to the fund, the amount of any  
264.29 insufficiencies encountered during the previous calendar year, and any administrative  
264.30 charges or expenses deducted from the trust fund balance. If sufficient funds become  
264.31 available, the Minnesota Housing Finance Agency shall pay the manufactured home  
264.32 owner whose unpaid claim is the earliest by time and date of approval.

264.33 Sec. 61. PLAQUE OR MARKER AUTHORIZED TO HONOR CAPITOL  
264.34 CONSTRUCTION WORKERS.

265.1 (a) The commissioner of administration shall place a plaque or three-dimensional  
265.2 marker in the State Capitol building in a space easily visible to public visitors to recognize  
265.3 and honor the efforts and sacrifice of workers who constructed the State Capitol building,  
265.4 as well as those who worked on subsequent projects to preserve the building. The plaque  
265.5 or marker shall specifically honor the six workers who died during construction of the State  
265.6 Capitol building. The Capitol Area Architectural and Planning Board and the Minnesota  
265.7 Historical Society shall set the parameters and location for the memorial plaque or marker.

265.8 (b) The Capitol Area Architectural and Planning Board shall conduct an opportunity  
265.9 contest for sixth graders from across the state to submit designs for the memorial plaque  
265.10 or marker. The board shall select a design from those submissions to be used as a basis for  
265.11 the final production of this plaque or marker by January 1, 2017. The memorial plaque or  
265.12 marker shall be installed during the State Capitol remodel.

265.13 **Sec. 62. STUDY ON VETERANS' UNMET NEEDS FOR BEHAVIOR AND**  
265.14 **MENTAL HEALTH SERVICES.**

265.15 The commissioner of veterans affairs shall perform a study to quantify and describe  
265.16 unmet needs amongst Minnesota veterans for behavioral and mental health services. The  
265.17 study will include conducting focus groups of stakeholders, including veterans and their  
265.18 families, representatives of the United States Veterans Administration, community referral  
265.19 centers, and county veteran service officers. The commissioner of veterans affairs may  
265.20 contract with a statewide nonprofit organization to conduct the study. The commissioner  
265.21 of veterans affairs shall report by February 15, 2017, to the chairs and ranking minority  
265.22 members of the committees in the house of representatives and the senate with jurisdiction  
265.23 over veterans policy and budget with the findings of the study and with recommendations  
265.24 about how current services provided to veterans could be expanded to better meet the  
265.25 needs identified by the study.

265.26 **Sec. 63. FEASIBILITY STUDY ON PARTNERSHIPS TO PROVIDE INTERIM**  
265.27 **HOUSING FOR DISABLED VETERANS.**

265.28 The commissioner of veterans affairs shall study the feasibility of partnering with  
265.29 an established nonprofit organization to provide interim housing for disabled veterans in  
265.30 conjunction with fully integrated and customizable support services. The commissioner of  
265.31 veterans affairs shall submit a report including its findings and recommendations regarding  
265.32 the feasibility of such a partnership to the chairs and ranking minority members of the  
265.33 standing committees in the house of representatives and the senate having jurisdiction  
265.34 over veterans affairs by February 15, 2017.

266.1 Sec. 64. **MEMORIAL COMMEMORATING RECIPIENTS OF THE MEDAL**  
266.2 **OF HONOR.**

266.3 Subdivision 1. Medal of Honor Memorial on the State Capitol grounds. Subject  
266.4 to approval by the Capitol Area Architectural and Planning Board, the commissioner of  
266.5 administration shall place a memorial on the State Capitol grounds to honor Minnesotans  
266.6 awarded the Medal of Honor.

266.7 Subd. 2. Gifts and grants. The commissioner of veterans affairs may solicit gifts,  
266.8 grants, or donations of any kind from any private or public source to carry out the purposes  
266.9 of this section. A Medal of Honor Memorial account is created in the special revenue  
266.10 fund. All gifts, grants, or donations received by the commissioner shall be deposited in a  
266.11 Medal of Honor Memorial account in the special revenue fund. Money in the account is  
266.12 appropriated to the commissioner of administration for predesign, design, construction,  
266.13 and ongoing maintenance of the memorial.

266.14 Subd. 3. Restrictions. Money deposited in the Medal of Honor Memorial account  
266.15 is not available until the commissioner of management and budget has determined an  
266.16 amount sufficient to complete predesign of the memorial has been committed to the project  
266.17 from nonstate sources. The commissioner of administration shall not begin construction  
266.18 on this project until money in the account is sufficient to pay for all costs related to  
266.19 construction and ongoing maintenance of the memorial.

266.20 Sec. 65. **LEGISLATIVE ADVISORY COMMISSION; FEDERAL FUNDS.**

266.21 The commissioner of management and budget, in consultation with legislative  
266.22 nonpartisan fiscal staff, shall review and recommend the federal funds that should not be  
266.23 subject to review by the Legislative Advisory Commission, under Minnesota Statutes,  
266.24 section 3.3005. The commissioner shall make this recommendation before the 2017  
266.25 regular legislative session.

266.26 Sec. 66. **LEGISLATIVE SURROGACY COMMISSION.**

266.27 Subdivision 1. Membership. The Legislative Commission on Surrogacy shall  
266.28 consist of 15 members, appointed as follows:

- 266.29 (1) three members of the senate appointed by the senate majority leader;  
266.30 (2) three members of the senate appointed by the senate minority leader;  
266.31 (3) three members of the house of representatives appointed by the speaker of the  
266.32 house;  
266.33 (4) three members of the house of representatives appointed by the house of  
266.34 representatives minority leader;

- 267.1 (5) the commissioner of human services or the commissioner's designee;  
267.2 (6) the commissioner of health or the commissioner's designee; and  
267.3 (7) a family court referee appointed by the chief justice of the state Supreme Court.

267.4 Appointments must be made by June 1, 2016.

267.5 Subd. 2. **Chair.** The commission shall elect a chair from among its members.

267.6 Subd. 3. **Meetings.** The ranking majority member of the commission who is  
267.7 appointed by the senate majority leader shall convene the first meeting by July 1, 2016.  
267.8 The commission shall have at least six meetings but may not have more than ten meetings.

267.9 Subd. 4. **Conflict of interest.** A commission member may not participate in or  
267.10 vote on a decision of the commission in which the member has either a direct or indirect  
267.11 personal financial interest. A witness at a public meeting of the commission must disclose  
267.12 any financial conflict of interest.

267.13 Subd. 5. **Duties.** The commission shall develop recommendations on public policy  
267.14 and laws regarding surrogacy. To develop the recommendations, the commission shall  
267.15 study surrogacy through public hearings, research, and deliberation. Topics for study  
267.16 include, but are not limited to:

267.17 (1) potential health and psychological effects and benefits on women who serve  
267.18 as surrogates;

267.19 (2) potential health and psychological effects and benefits on children born of  
267.20 surrogates;

267.21 (3) business practices of the fertility industry, including attorneys, brokers, and  
267.22 clinics;

267.23 (4) considerations related to different forms of surrogacy;

267.24 (5) considerations related to the potential exploitation of women in surrogacy  
267.25 arrangements;

267.26 (6) contract law implications when a surrogacy contract is breached;

267.27 (7) potential conflicts with statutes governing private adoption and termination  
267.28 of parental rights;

267.29 (8) potential for legal conflicts related to third-party reproduction, including conflicts  
267.30 between or amongst the surrogate mother, the intended parents, the child, insurance  
267.31 companies, and medical professionals;

267.32 (9) public policy determinations of other jurisdictions with regard to surrogacy; and

267.33 (10) information to be provided to a child born of a surrogate about the child's  
267.34 biological and gestational parents.

267.35 Subd. 6. **Reporting.** The commission must submit a report including its  
267.36 recommendations and may draft legislation to implement its recommendations to

268.1 the chairs and ranking minority members of the legislative committees with primary  
268.2 jurisdiction over health and judiciary in the house of representatives and senate by  
268.3 December 15, 2016. On topics where the commission fails to reach consensus, a majority  
268.4 and minority report shall be issued.

268.5 Subd. 7. **Staffing.** The Legislative Coordinating Commission shall provide staffing  
268.6 and administrative support to the commission.

268.7 Subd. 8. **Expiration.** The commission expires the day after submitting the report  
268.8 required under subdivision 6.

268.9 **EFFECTIVE DATE.** This section is effective the day following final enactment.

268.10 Sec. 67. **LCPFP STUDY OF JOINT BUDGET TARGET PROCESS; TIMING.**

268.11 The Legislative Commission on Planning and Fiscal Policy shall study and make  
268.12 recommendations to the legislature by January 15, 2017, on the process and timing for  
268.13 the legislature to establish joint budget targets. In preparing its recommendations, the  
268.14 commission must take public testimony.

268.15 Sec. 68. **RULEMAKING.**

268.16 The Board of Barber Examiners may use expedited rulemaking procedures under  
268.17 Minnesota Statutes, section 14.389, to amend Minnesota Rules, chapter 2100, to conform  
268.18 with sections 29 to 52 and sections 69 and 70.

268.19 **EFFECTIVE DATE.** This section is effective August 1, 2016.

268.20 Sec. 69. **TRANSITIONING APPRENTICE BARBERS TO REGISTERED**  
268.21 **BARBERS.**

268.22 An apprentice barber practicing on August 1, 2016, is eligible to apply for registered  
268.23 barber status. An apprentice barber must take the registered barber examination to become  
268.24 a registered barber. All apprentice barber registrations will be discontinued on December  
268.25 31, 2017.

268.26 **EFFECTIVE DATE.** This section is effective August 1, 2016.

268.27 Sec. 70. **REPEALER.**

268.28 Minnesota Statutes 2014, sections 154.03; 154.06; 154.11, subdivision 2; and  
268.29 154.12, are repealed effective August 1, 2016.

## ARTICLE 14

## MISCELLANEOUS

Section 1. [290.0685] CREDIT FOR PARENTS OF STILLBORN CHILDREN.

Subdivision 1. Credit allowed. (a) An individual is allowed a credit against the tax imposed by this chapter equal to \$2,000 for each birth for which a certificate of birth resulting in stillbirth has been issued under section 144.2151. The credit under this section is allowed only in the taxable year in which the stillbirth occurred and if the child would have been a dependent of the taxpayer as defined in section 152 of the Internal Revenue Code.

(b) For a nonresident or part-year resident, the credit must be allocated based on the percentage calculated under section 290.06, subdivision 2c, paragraph (e).

Subd. 2. Credit refundable. If the amount of credit that an individual is allowed under this section exceeds the individual's tax liability under this chapter, the commissioner shall refund the excess to the individual.

Subd. 3. Appropriation. An amount sufficient to pay the refunds required by this section is appropriated to the commissioner from the general fund.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2015.

Sec. 2. Minnesota Statutes 2014, section 297A.62, subdivision 3, is amended to read:

Subd. 3. Manufactured housing and park trailers; modular housing. (a) For retail sales of manufactured homes as defined in section 327.31, subdivision 6, for residential uses, the sales tax under subdivisions 1 and 1a is imposed on 65 percent of the dealer's cost of the manufactured home. For retail sales of new or used park trailers, as defined in section 168.002, subdivision 23, the sales tax under subdivisions 1 and 1a is imposed on 65 percent of the sales price of the park trailer.

(b) For retail sales of a modular home as defined in section 297A.668, subdivision 8, paragraph (b), for residential uses, the sales tax under subdivisions 1 and 1a is imposed on 65 percent of the modular home manufacturer's sales price of the modular home.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2016.

Sec. 3. Minnesota Statutes 2014, section 299A.41, subdivision 3, is amended to read:

270.1 Subd. 3. **Killed in the line of duty.** "Killed in the line of duty" does not include  
 270.2 deaths from natural causes, except as provided in this subdivision. In the case of a ~~peace~~  
 270.3 public safety officer, "killed in the line of duty" includes the death of ~~an~~ a public safety  
 270.4 officer caused by accidental means while the ~~peace~~ public safety officer is acting in the  
 270.5 course and scope of duties as a ~~peace~~ public safety officer. Killed in the line of duty also  
 270.6 means if a public safety officer dies as the direct and proximate result of a heart attack,  
 270.7 stroke, or vascular rupture, that officer shall be presumed to have died as the direct and  
 270.8 proximate result of a personal injury sustained in the line of duty if:

270.9 (1) that officer, while on duty:

270.10 (i) engaged in a situation, and that engagement involved nonroutine stressful or  
 270.11 strenuous physical law enforcement, fire suppression, rescue, hazardous material response,  
 270.12 emergency medical services, prison security, disaster relief, or other emergency response  
 270.13 activity; or

270.14 (ii) participated in a training exercise, and that participation involved nonroutine  
 270.15 stressful or strenuous physical activity;

270.16 (2) that officer died as a result of a heart attack, stroke, or vascular rupture suffered:

270.17 (i) while engaging or participating under clause (1);

270.18 (ii) while still on duty after engaging or participating under clause (1); or

270.19 (iii) not later than 24 hours after engaging or participating under clause (1); and

270.20 (3) the presumption is not overcome by competent medical evidence to the contrary.

270.21 **EFFECTIVE DATE.** This section is effective the day following final enactment.

270.22 Sec. 4. Minnesota Statutes 2014, section 299A.41, subdivision 4, is amended to read:

270.23 Subd. 4. **Public safety officer.** "Public safety officer" includes:

270.24 (1) a peace officer defined in section 626.84, subdivision 1, paragraph (c) or (d);

270.25 (2) a correction officer employed at a correctional facility and charged with  
 270.26 maintaining the safety, security, discipline, and custody of inmates at the facility;

270.27 (3) an individual employed on a full-time basis by the state or by a fire department of  
 270.28 a governmental subdivision of the state, who is engaged in any of the following duties:

270.29 (i) firefighting;

270.30 (ii) emergency motor vehicle operation;

270.31 (iii) investigation into the cause and origin of fires;

270.32 (iv) the provision of emergency medical services; or

270.33 (v) hazardous material responder;

270.34 (4) a legally enrolled member of a volunteer fire department or member of an

270.35 independent nonprofit firefighting corporation who is engaged in the hazards of firefighting;

271.1 (5) a good samaritan while complying with the request or direction of a public  
271.2 safety officer to assist the officer;

271.3 (6) a reserve police officer or a reserve deputy sheriff while acting under the  
271.4 supervision and authority of a political subdivision;

271.5 (7) a driver or attendant with a licensed basic or advanced life-support transportation  
271.6 service who is engaged in providing emergency care;

271.7 (8) a first responder who is certified by the emergency medical services regulatory  
271.8 board to perform basic emergency skills before the arrival of a licensed ambulance service  
271.9 and who is a member of an organized service recognized by a local political subdivision  
271.10 to respond to medical emergencies to provide initial medical care before the arrival of  
271.11 an ambulance; and

271.12 (9) a person, other than a state trooper, employed by the commissioner of public  
271.13 safety and assigned to the State Patrol, whose primary employment duty is either Capitol  
271.14 security or the enforcement of commercial motor vehicle laws and regulations.

271.15 **EFFECTIVE DATE.** This section is effective the day following final enactment.

271.16 Sec. 5. **APPROPRIATION; PUBLIC SAFETY.**

271.17 \$260,000 in fiscal year 2017 is appropriated from the general fund to the  
271.18 commissioner of public safety for payment of public safety officer survivor benefits. This  
271.19 is added to the appropriation in Laws 2015, chapter 75, article 1, section 5, subdivision 2,  
271.20 paragraph (b).

## 271.21 **ARTICLE 15**

### 271.22 **CHILDREN AND FAMILIES**

271.23 Section 1. Minnesota Statutes 2014, section 145.4716, subdivision 2, is amended to read:

271.24 Subd. 2. **Duties of director.** The director of child sex trafficking prevention is  
271.25 responsible for the following:

271.26 (1) developing and providing comprehensive training on sexual exploitation of  
271.27 youth for social service professionals, medical professionals, public health workers, and  
271.28 criminal justice professionals;

271.29 (2) collecting, organizing, maintaining, and disseminating information on sexual  
271.30 exploitation and services across the state, including maintaining a list of resources on the  
271.31 Department of Health Web site;

271.32 (3) monitoring and applying for federal funding for antitrafficking efforts that may  
271.33 benefit victims in the state;

272.1 (4) managing grant programs established under sections 145.4716 to 145.4718,  
272.2 and 609.3241, paragraph (c), clause (3);

272.3 (5) managing the request for proposals for grants for comprehensive services,  
272.4 including trauma-informed, culturally specific services;

272.5 (6) identifying best practices in serving sexually exploited youth, as defined in  
272.6 section 260C.007, subdivision 31;

272.7 (7) providing oversight of and technical support to regional navigators pursuant to  
272.8 section 145.4717;

272.9 (8) conducting a comprehensive evaluation of the statewide program for safe harbor  
272.10 of sexually exploited youth; and

272.11 (9) developing a policy consistent with the requirements of chapter 13 for sharing  
272.12 data related to sexually exploited youth, as defined in section 260C.007, subdivision 31,  
272.13 among regional navigators and community-based advocates.

272.14 Sec. 2. Minnesota Statutes 2014, section 145.4716, is amended by adding a subdivision  
272.15 to read:

272.16 Subd. 3. **Youth eligible for services.** Youth 24 years of age or younger shall be  
272.17 eligible for all services, support, and programs provided under this section and section  
272.18 145.4717, and all shelter, housing beds, and services provided by the commissioner of  
272.19 human services to sexually exploited youth and youth at risk of sexual exploitation.

272.20 Sec. 3. Minnesota Statutes 2014, section 256D.051, subdivision 6b, is amended to read:

272.21 Subd. 6b. **Federal reimbursement.** (a) Federal financial participation from  
272.22 the United States Department of Agriculture for food stamp employment and training  
272.23 expenditures that are eligible for reimbursement through the food stamp employment and  
272.24 training program are dedicated funds and are annually appropriated to the commissioner  
272.25 of human services for the operation of the food stamp employment and training program.

272.26 (b) The appropriation must be used for skill attainment through employment,  
272.27 training, and support services for food stamp participants. By February 15, 2017, the  
272.28 commissioner shall report to the chairs and ranking minority members of the legislative  
272.29 committees having jurisdiction over the food stamp employment and training program on  
272.30 the progress of securing additional federal reimbursement dollars under this program.

272.31 (c) Federal financial participation for the nonstate portion of food stamp employment  
272.32 and training costs must be paid to the county agency or service provider that incurred  
272.33 the costs.

272.34 **EFFECTIVE DATE.** This section is effective October 1, 2016.

273.1 Sec. 4. Minnesota Statutes 2014, section 256N.26, subdivision 3, is amended to read:

273.2 Subd. 3. **Basic monthly rate.** From ~~January 1, 2015~~ July 1, 2017, to June 30, 2016  
273.3 2018, the basic monthly rate must be according to the following schedule:

273.4	Ages 0-5	<del>\$565</del> <u>\$650</u> per month
273.5	Ages 6-12	<del>\$670</del> <u>\$770</u> per month
273.6	Ages 13 and older	<del>\$790</del> <u>\$910</u> per month

273.7 Sec. 5. Minnesota Statutes 2015 Supplement, section 256P.06, subdivision 3, is  
273.8 amended to read:

273.9 Subd. 3. **Income inclusions.** The following must be included in determining the  
273.10 income of an assistance unit:

273.11 (1) earned income; and

273.12 (2) unearned income, which includes:

273.13 (i) interest and dividends from investments and savings;

273.14 (ii) capital gains as defined by the Internal Revenue Service from any sale of real  
273.15 property;

273.16 (iii) proceeds from rent and contract for deed payments in excess of the principal  
273.17 and interest portion owed on property;

273.18 (iv) income from trusts, excluding special needs and supplemental needs trusts;

273.19 (v) interest income from loans made by the participant or household;

273.20 (vi) cash prizes and winnings;

273.21 (vii) unemployment insurance income;

273.22 (viii) retirement, survivors, and disability insurance payments;

273.23 (ix) nonrecurring income over \$60 per quarter unless earmarked and used for the  
273.24 purpose for which it is intended. Income and use of this income is subject to verification  
273.25 requirements under section 256P.04;

273.26 (x) retirement benefits;

273.27 (xi) cash assistance benefits, as defined by each program in chapters 119B, 256D,  
273.28 256I, and 256J;

273.29 (xii) tribal per capita payments unless excluded by federal and state law;

273.30 (xiii) income and payments from service and rehabilitation programs that meet  
273.31 or exceed the state's minimum wage rate;

273.32 (xiv) income from members of the United States armed forces unless excluded from  
273.33 income taxes according to federal or state law;

273.34 (xv) all child support payments for programs under chapters 119B, 256D, and 256I;

274.1 (xvi) the amount of ~~current~~ child support received that exceeds \$100 for assistance  
274.2 units with one child and \$200 for assistance units with two or more children for programs  
274.3 under chapter 256J; and  
274.4 (xvii) spousal support.

274.5 Sec. 6. **[260C.125] CASE TRANSFER PROCESS.**

274.6 Subdivision 1. **Purpose.** This section pertains to the transfer of responsibility for  
274.7 the placement and care of an Indian child in out-of-home placement from the responsible  
274.8 social services agency to a tribal title IV-E agency or an Indian tribe in and outside of  
274.9 Minnesota with a title IV-E agreement.

274.10 Subd. 2. **Establishment of transfer procedures.** The responsible social services  
274.11 agency shall establish and maintain procedures, in consultation with Indian tribes, for the  
274.12 transfer of responsibility for placement and care of a child to a tribal agency. Transfer of a  
274.13 child's case under this section shall not affect the child's title IV-E and Medicaid eligibility.

274.14 Subd. 3. **Title IV-E eligibility.** If a child's title IV-E eligibility has not been  
274.15 determined by the responsible social services agency by the time of transfer, it shall be  
274.16 established at the time of the transfer by the responsible social services agency.

274.17 Subd. 4. **Documentation and information.** Essential documents and information  
274.18 shall be transferred to a tribal agency, including but not limited to:

274.19 (1) district court judicial determinations to the effect that continuation in the home  
274.20 from which the child was removed would be contrary to the welfare of the child and that  
274.21 reasonable efforts were made to ensure placement prevention and family reunification  
274.22 pursuant to section 260.012;

274.23 (2) documentation related to the child's permanency proceeding under sections  
274.24 260C.503 to 260C.521;

274.25 (3) documentation from the responsible social services agency related to the child's  
274.26 title IV-E eligibility;

274.27 (4) documentation regarding the child's eligibility or potential eligibility for other  
274.28 federal benefits;

274.29 (5) the child's case plan, developed pursuant to the Social Security Act, United  
274.30 States Code, title 42, sections 675(1) and 675a, including health and education records  
274.31 of the child pursuant to the Social Security Act, United States Code, title 42, section  
274.32 675(1)(c); and section 260C.212, subdivision 1, and information; and

274.33 (6) documentation of the child's placement setting, including a copy of the most  
274.34 recent provider's license.

275.1 Sec. 7. Minnesota Statutes 2015 Supplement, section 260C.203, is amended to read:

275.2 **260C.203 ADMINISTRATIVE OR COURT REVIEW OF PLACEMENTS.**

275.3 (a) Unless the court is conducting the reviews required under section 260C.202,  
275.4 there shall be an administrative review of the out-of-home placement plan of each child  
275.5 placed in foster care no later than 180 days after the initial placement of the child in foster  
275.6 care and at least every six months thereafter if the child is not returned to the home of the  
275.7 parent or parents within that time. The out-of-home placement plan must be monitored and  
275.8 updated at each administrative review. The administrative review shall be conducted by  
275.9 the responsible social services agency using a panel of appropriate persons at least one of  
275.10 whom is not responsible for the case management of, or the delivery of services to, either  
275.11 the child or the parents who are the subject of the review. The administrative review shall  
275.12 be open to participation by the parent or guardian of the child and the child, as appropriate.

275.13 (b) As an alternative to the administrative review required in paragraph (a), the court  
275.14 may, as part of any hearing required under the Minnesota Rules of Juvenile Protection  
275.15 Procedure, conduct a hearing to monitor and update the out-of-home placement plan  
275.16 pursuant to the procedure and standard in section 260C.201, subdivision 6, paragraph  
275.17 (d). The party requesting review of the out-of-home placement plan shall give parties to  
275.18 the proceeding notice of the request to review and update the out-of-home placement  
275.19 plan. A court review conducted pursuant to section 260C.141, subdivision 2; 260C.193;  
275.20 260C.201, subdivision 1; 260C.202; 260C.204; 260C.317; or 260D.06 shall satisfy the  
275.21 requirement for the review so long as the other requirements of this section are met.

275.22 (c) As appropriate to the stage of the proceedings and relevant court orders, the  
275.23 responsible social services agency or the court shall review:

275.24 (1) the safety, permanency needs, and well-being of the child;

275.25 (2) the continuing necessity for and appropriateness of the placement;

275.26 (3) the extent of compliance with the out-of-home placement plan;

275.27 (4) the extent of progress that has been made toward alleviating or mitigating the  
275.28 causes necessitating placement in foster care;

275.29 (5) the projected date by which the child may be returned to and safely maintained in  
275.30 the home or placed permanently away from the care of the parent or parents or guardian; and

275.31 (6) the appropriateness of the services provided to the child.

275.32 (d) When a child is age 14 or older;

275.33 (1) in addition to any administrative review conducted by the responsible social  
275.34 services agency, at the in-court review required under section 260C.317, subdivision  
275.35 3, clause (3), or 260C.515, subdivision 5 or 6, the court shall review the independent  
275.36 living plan required under section 260C.212, subdivision 1, paragraph (c), clause (12),

276.1 and the provision of services to the child related to the well-being of the child as the  
276.2 child prepares to leave foster care. The review shall include the actual plans related to  
276.3 each item in the plan necessary to the child's future safety and well-being when the child  
276.4 is no longer in foster care; and

276.5 ~~(e) At the court review required under paragraph (d) for a child age 14 or older,~~  
276.6 ~~the following procedures apply:~~

276.7 ~~(1) six months before the child is expected to be discharged from foster care, the~~  
276.8 ~~responsible social services agency shall give the written notice required under section~~  
276.9 ~~260C.451, subdivision 1, regarding the right to continued access to services for certain~~  
276.10 ~~children in foster care past age 18 and of the right to appeal a denial of social services~~  
276.11 ~~under section 256.045. The agency shall file a copy of the notice, including the right to~~  
276.12 ~~appeal a denial of social services, with the court. If the agency does not file the notice by~~  
276.13 ~~the time the child is age 17-1/2, the court shall require the agency to give it;~~

276.14 (2) consistent with the requirements of the independent living plan, the court shall  
276.15 review progress toward or accomplishment of the following goals:

276.16 (i) the child has obtained a high school diploma or its equivalent;

276.17 (ii) the child has completed a driver's education course or has demonstrated the  
276.18 ability to use public transportation in the child's community;

276.19 (iii) the child is employed or enrolled in postsecondary education;

276.20 (iv) the child has applied for and obtained postsecondary education financial aid for  
276.21 which the child is eligible;

276.22 (v) the child has health care coverage and health care providers to meet the child's  
276.23 physical and mental health needs;

276.24 (vi) the child has applied for and obtained disability income assistance for which  
276.25 the child is eligible;

276.26 (vii) the child has obtained affordable housing with necessary supports, which does  
276.27 not include a homeless shelter;

276.28 (viii) the child has saved sufficient funds to pay for the first month's rent and a  
276.29 damage deposit;

276.30 (ix) the child has an alternative affordable housing plan, which does not include a  
276.31 homeless shelter, if the original housing plan is unworkable;

276.32 (x) the child, if male, has registered for the Selective Service; and

276.33 (xi) the child has a permanent connection to a caring adult; and

276.34 (3) ~~the court shall ensure that the responsible agency in conjunction with the~~  
276.35 ~~placement provider assists the child in obtaining the following documents prior to the~~  
276.36 ~~child's leaving foster care: a Social Security card; the child's birth certificate; a state~~

277.1 identification card or driver's license, tribal enrollment identification card, green card, or  
277.2 school visa; the child's school, medical, and dental records; a contact list of the child's  
277.3 medical, dental, and mental health providers; and contact information for the child's  
277.4 siblings, if the siblings are in foster care.

277.5 (f) For a child who will be discharged from foster care at age 18 or older, the  
277.6 responsible social services agency is required to develop a personalized transition plan as  
277.7 directed by the youth. The transition plan must be developed during the 90-day period  
277.8 immediately prior to the expected date of discharge. The transition plan must be as  
277.9 detailed as the child may elect and include specific options on housing, health insurance,  
277.10 education, local opportunities for mentors and continuing support services, and work force  
277.11 supports and employment services. The agency shall ensure that the youth receives, at  
277.12 no cost to the youth, a copy of the youth's consumer credit report as defined in section  
277.13 13C.001 and assistance in interpreting and resolving any inaccuracies in the report. The  
277.14 plan must include information on the importance of designating another individual to  
277.15 make health care treatment decisions on behalf of the child if the child becomes unable  
277.16 to participate in these decisions and the child does not have, or does not want, a relative  
277.17 who would otherwise be authorized to make these decisions. The plan must provide the  
277.18 child with the option to execute a health care directive as provided under chapter 145C.  
277.19 The agency shall also provide the youth with appropriate contact information if the youth  
277.20 needs more information or needs help dealing with a crisis situation through age 21.

277.21 Sec. 8. Minnesota Statutes 2015 Supplement, section 260C.212, subdivision 1, is  
277.22 amended to read:

277.23 Subdivision 1. **Out-of-home placement; plan.** (a) An out-of-home placement plan  
277.24 shall be prepared within 30 days after any child is placed in foster care by court order or a  
277.25 voluntary placement agreement between the responsible social services agency and the  
277.26 child's parent pursuant to section 260C.227 or chapter 260D.

277.27 (b) An out-of-home placement plan means a written document which is prepared  
277.28 by the responsible social services agency jointly with the parent or parents or guardian  
277.29 of the child and in consultation with the child's guardian ad litem, the child's tribe, if the  
277.30 child is an Indian child, the child's foster parent or representative of the foster care facility,  
277.31 and, where appropriate, the child. When a child is age 14 or older, the child may include  
277.32 two other individuals on the team preparing the child's out-of-home placement plan. The  
277.33 child may select one member of the case planning team to be designated as the child's  
277.34 advisor and to advocate with respect to the application of the reasonable and prudent  
277.35 parenting standards. The responsible social services agency may reject an individual

278.1 selected by the child if the agency has good cause to believe that the individual would  
278.2 not act in the best interest of the child. For a child in voluntary foster care for treatment  
278.3 under chapter 260D, preparation of the out-of-home placement plan shall additionally  
278.4 include the child's mental health treatment provider. For a child 18 years of age or older,  
278.5 the responsible social services agency shall involve the child and the child's parents as  
278.6 appropriate. As appropriate, the plan shall be:

278.7 (1) submitted to the court for approval under section 260C.178, subdivision 7;

278.8 (2) ordered by the court, either as presented or modified after hearing, under section  
278.9 260C.178, subdivision 7, or 260C.201, subdivision 6; and

278.10 (3) signed by the parent or parents or guardian of the child, the child's guardian ad  
278.11 litem, a representative of the child's tribe, the responsible social services agency, and, if  
278.12 possible, the child.

278.13 (c) The out-of-home placement plan shall be explained to all persons involved in its  
278.14 implementation, including the child who has signed the plan, and shall set forth:

278.15 (1) a description of the foster care home or facility selected, including how the  
278.16 out-of-home placement plan is designed to achieve a safe placement for the child in the  
278.17 least restrictive, most family-like, setting available which is in close proximity to the home  
278.18 of the parent or parents or guardian of the child when the case plan goal is reunification,  
278.19 and how the placement is consistent with the best interests and special needs of the child  
278.20 according to the factors under subdivision 2, paragraph (b);

278.21 (2) the specific reasons for the placement of the child in foster care, and when  
278.22 reunification is the plan, a description of the problems or conditions in the home of the  
278.23 parent or parents which necessitated removal of the child from home and the changes the  
278.24 parent or parents must make ~~in order~~ for the child to safely return home;

278.25 (3) a description of the services offered and provided to prevent removal of the child  
278.26 from the home and to reunify the family including:

278.27 (i) the specific actions to be taken by the parent or parents of the child to eliminate  
278.28 or correct the problems or conditions identified in clause (2), and the time period during  
278.29 which the actions are to be taken; and

278.30 (ii) the reasonable efforts, or in the case of an Indian child, active efforts to be made  
278.31 to achieve a safe and stable home for the child including social and other supportive  
278.32 services to be provided or offered to the parent or parents or guardian of the child, the  
278.33 child, and the residential facility during the period the child is in the residential facility;

278.34 (4) a description of any services or resources that were requested by the child or the  
278.35 child's parent, guardian, foster parent, or custodian since the date of the child's placement

279.1 in the residential facility, and whether those services or resources were provided and if  
279.2 not, the basis for the denial of the services or resources;

279.3 (5) the visitation plan for the parent or parents or guardian, other relatives as defined  
279.4 in section 260C.007, subdivision 26b or 27, and siblings of the child if the siblings are not  
279.5 placed together in foster care, and whether visitation is consistent with the best interest  
279.6 of the child, during the period the child is in foster care;

279.7 (6) when a child cannot return to or be in the care of either parent, documentation  
279.8 of steps to finalize adoption as the permanency plan for the child through reasonable  
279.9 efforts to place the child for adoption. At a minimum, the documentation must include  
279.10 consideration of whether adoption is in the best interests of the child, child-specific  
279.11 recruitment efforts such as relative search and the use of state, regional, and national  
279.12 adoption exchanges to facilitate orderly and timely placements in and outside of the state.  
279.13 A copy of this documentation shall be provided to the court in the review required under  
279.14 section 260C.317, subdivision 3, paragraph (b);

279.15 (7) when a child cannot return to or be in the care of either parent, documentation  
279.16 of steps to finalize the transfer of permanent legal and physical custody to a relative as  
279.17 the permanency plan for the child. This documentation must support the requirements of  
279.18 the kinship placement agreement under section 256N.22 and must include the reasonable  
279.19 efforts used to determine that it is not appropriate for the child to return home or be  
279.20 adopted, and reasons why permanent placement with a relative through a Northstar kinship  
279.21 assistance arrangement is in the child's best interest; how the child meets the eligibility  
279.22 requirements for Northstar kinship assistance payments; agency efforts to discuss adoption  
279.23 with the child's relative foster parent and reasons why the relative foster parent chose not  
279.24 to pursue adoption, if applicable; and agency efforts to discuss with the child's parent or  
279.25 parents the permanent transfer of permanent legal and physical custody or the reasons  
279.26 why these efforts were not made;

279.27 (8) efforts to ensure the child's educational stability while in foster care, ~~including~~  
279.28 for a child who attained the minimum age for compulsory school attendance under state  
279.29 law and is enrolled full time in elementary or secondary school, or instructed in elementary  
279.30 or secondary education at home, or instructed in an independent study elementary or  
279.31 secondary program, or incapable of attending school on a full-time basis due to a medical  
279.32 condition that is documented and supported by regularly updated information in the child's  
279.33 case plan. Educational stability efforts include:

279.34 (i) efforts to ensure that the child remains in the same school in which the child was  
279.35 enrolled prior to placement or upon the child's move from one placement to another,

280.1 including efforts to work with the local education authorities to ensure the child's  
280.2 educational stability and attendance; or

280.3 (ii) if it is not in the child's best interest to remain in the same school that the child  
280.4 was enrolled in prior to placement or move from one placement to another, efforts to  
280.5 ensure immediate and appropriate enrollment for the child in a new school;

280.6 (9) the educational records of the child including the most recent information  
280.7 available regarding:

280.8 (i) the names and addresses of the child's educational providers;

280.9 (ii) the child's grade level performance;

280.10 (iii) the child's school record;

280.11 (iv) a statement about how the child's placement in foster care takes into account  
280.12 proximity to the school in which the child is enrolled at the time of placement; and

280.13 (v) any other relevant educational information;

280.14 (10) the efforts by the ~~local~~ responsible social services agency to ensure the oversight  
280.15 and continuity of health care services for the foster child, including:

280.16 (i) the plan to schedule the child's initial health screens;

280.17 (ii) how the child's known medical problems and identified needs from the screens,  
280.18 including any known communicable diseases, as defined in section 144.4172, subdivision  
280.19 2, ~~will~~ shall be monitored and treated while the child is in foster care;

280.20 (iii) how the child's medical information ~~will~~ shall be updated and shared, including  
280.21 the child's immunizations;

280.22 (iv) who is responsible to coordinate and respond to the child's health care needs,  
280.23 including the role of the parent, the agency, and the foster parent;

280.24 (v) who is responsible for oversight of the child's prescription medications;

280.25 (vi) how physicians or other appropriate medical and nonmedical professionals ~~will~~  
280.26 shall be consulted and involved in assessing the health and well-being of the child and  
280.27 determine the appropriate medical treatment for the child; and

280.28 (vii) the responsibility to ensure that the child has access to medical care through  
280.29 either medical insurance or medical assistance;

280.30 (11) the health records of the child including information available regarding:

280.31 (i) the names and addresses of the child's health care and dental care providers;

280.32 (ii) a record of the child's immunizations;

280.33 (iii) the child's known medical problems, including any known communicable  
280.34 diseases as defined in section 144.4172, subdivision 2;

280.35 (iv) the child's medications; and

281.1 (v) any other relevant health care information such as the child's eligibility for  
281.2 medical insurance or medical assistance;

281.3 (12) an independent living plan for a child age 14 years of age or older, developed in  
281.4 consultation with the child. The child may select one member of the case planning team to  
281.5 be designated as the child's advisor and to advocate with respect to the application of the  
281.6 reasonable and prudent parenting standards in subdivision 14. The plan should include,  
281.7 but not be limited to, the following objectives:

281.8 (i) educational, vocational, or employment planning;

281.9 (ii) health care planning and medical coverage;

281.10 (iii) transportation including, where appropriate, assisting the child in obtaining a  
281.11 driver's license;

281.12 (iv) money management, including the responsibility of the responsible social  
281.13 services agency to ensure that the youth child annually receives, at no cost to the youth  
281.14 child, a consumer report as defined under section 13C.001 and assistance in interpreting  
281.15 and resolving any inaccuracies in the report;

281.16 (v) planning for housing;

281.17 (vi) social and recreational skills;

281.18 (vii) establishing and maintaining connections with the child's family and  
281.19 community; and

281.20 (viii) regular opportunities to engage in age-appropriate or developmentally  
281.21 appropriate activities typical for the child's age group, taking into consideration the  
281.22 capacities of the individual child; ~~and~~

281.23 (13) for a child in voluntary foster care for treatment under chapter 260D, diagnostic  
281.24 and assessment information, specific services relating to meeting the mental health care  
281.25 needs of the child, and treatment outcomes; and

281.26 (14) for a child 14 years of age or older, a signed acknowledgment that describes  
281.27 the child's rights regarding education, health care, visitation, safety and protection from  
281.28 exploitation, and court participation; receipt of the documents identified in section  
281.29 260C.452; and receipt of an annual credit report. The acknowledgment shall state that the  
281.30 rights were explained in an age-appropriate manner to the child.

281.31 (d) The parent or parents or guardian and the child each shall have the right to legal  
281.32 counsel in the preparation of the case plan and shall be informed of the right at the time  
281.33 of placement of the child. The child shall also have the right to a guardian ad litem.  
281.34 If unable to employ counsel from their own resources, the court shall appoint counsel  
281.35 upon the request of the parent or parents or the child or the child's legal guardian. The

282.1 parent or parents may also receive assistance from any person or social services agency  
282.2 in preparation of the case plan.

282.3 After the plan has been agreed upon by the parties involved or approved or ordered  
282.4 by the court, the foster parents shall be fully informed of the provisions of the case plan  
282.5 and shall be provided a copy of the plan.

282.6 Upon discharge from foster care, the parent, adoptive parent, or permanent legal and  
282.7 physical custodian, as appropriate, and the child, if appropriate, must be provided with  
282.8 a current copy of the child's health and education record.

282.9 Sec. 9. Minnesota Statutes 2015 Supplement, section 260C.212, subdivision 14,  
282.10 is amended to read:

282.11 Subd. 14. **Support age-appropriate and developmentally appropriate activities**  
282.12 **for foster children.** (a) Responsible social services agencies and licensed child-placing  
282.13 agencies shall support a foster child's emotional and developmental growth by permitting  
282.14 the child to participate in activities or events that are generally accepted as suitable  
282.15 for children of the same chronological age or are developmentally appropriate for the  
282.16 child. "Developmentally appropriate" means based on a child's cognitive, emotional,  
282.17 physical, and behavioral capacities that are typical for an age or age group. Foster  
282.18 parents and residential facility staff are permitted to allow foster children to participate in  
282.19 extracurricular, social, or cultural activities that are typical for the child's age by applying  
282.20 reasonable and prudent parenting standards.

282.21 (b) "Reasonable and prudent parenting" means the standards are characterized  
282.22 by careful and sensible parenting decisions that maintain the child's health and safety,  
282.23 cultural, religious, and are made in the child's tribal values, and best interest interests  
282.24 while encouraging the child's emotional and developmental growth.

282.25 (c) The commissioner shall provide guidance about the childhood activities and  
282.26 factors a foster parent and authorized residential facility staff must consider when applying  
282.27 the reasonable and prudent parenting standards. The factors must include the:

- 282.28 (1) child's age, maturity, and developmental level;  
282.29 (2) risk of activity;  
282.30 (3) best interests of the child;  
282.31 (4) importance of the experience in the child's emotional and developmental growth;  
282.32 (5) importance of a family-like experience;  
282.33 (6) behavioral history of the child; and  
282.34 (7) wishes of the child's parent or legal guardian, as appropriate.

283.1 (d) A residential facility licensed under Minnesota Rules, chapter 2960, must have  
283.2 at least one onsite staff person who is trained on the standards according to section  
283.3 260C.215, subdivision 4, and authorized to apply the reasonable and prudent parenting  
283.4 standards to decisions involving the approval of a foster child's participation in age and  
283.5 developmentally appropriate extracurricular, social, or cultural activities. The onsite staff  
283.6 person referenced in this paragraph is not required to be available 24 hours per day.

283.7 (e) The foster parent or designated staff at residential facilities demonstrating  
283.8 compliance with the reasonable and prudent parenting standards shall not incur civil  
283.9 liability if a foster child is harmed or injured because of participating in approved  
283.10 extracurricular, enrichment, cultural, and social activities.

283.11 Sec. 10. Minnesota Statutes 2015 Supplement, section 260C.215, subdivision 4,  
283.12 is amended to read:

283.13 Subd. 4. **Duties of commissioner.** The commissioner of human services shall:

283.14 (1) provide practice guidance to responsible social services agencies and licensed  
283.15 child-placing agencies that reflect federal and state laws and policy direction on placement  
283.16 of children;

283.17 (2) develop criteria for determining whether a prospective adoptive or foster family  
283.18 has the ability to understand and validate the child's cultural background;

283.19 (3) provide a standardized training curriculum for adoption and foster care workers  
283.20 and administrators who work with children. Training must address the following objectives:

283.21 (i) developing and maintaining sensitivity to all cultures;

283.22 (ii) assessing values and their cultural implications;

283.23 (iii) making individualized placement decisions that advance the best interests of a  
283.24 particular child under section 260C.212, subdivision 2; and

283.25 (iv) issues related to cross-cultural placement;

283.26 (4) provide a training curriculum for all prospective adoptive and foster families  
283.27 that prepares them to care for the needs of adoptive and foster children taking into  
283.28 consideration the needs of children outlined in section 260C.212, subdivision 2, paragraph

283.29 (b), and, as necessary, preparation is continued after placement of the child and includes  
283.30 the knowledge and skills related to reasonable and prudent parenting standards for the  
283.31 participation of the child in age or developmentally appropriate activities, according to  
283.32 section 260C.212, subdivision 14;

283.33 (5) develop and provide to responsible social services agencies and licensed  
283.34 child-placing agencies a home study format to assess the capacities and needs of  
283.35 prospective adoptive and foster families. The format must address problem-solving skills;

284.1 parenting skills; evaluate the degree to which the prospective family has the ability  
284.2 to understand and validate the child's cultural background, and other issues needed to  
284.3 provide sufficient information for agencies to make an individualized placement decision  
284.4 consistent with section 260C.212, subdivision 2. For a study of a prospective foster parent,  
284.5 the format must also address the capacity of the prospective foster parent to provide a  
284.6 safe, healthy, smoke-free home environment. If a prospective adoptive parent has also  
284.7 been a foster parent, any update necessary to a home study for the purpose of adoption  
284.8 may be completed by the licensing authority responsible for the foster parent's license.  
284.9 If a prospective adoptive parent with an approved adoptive home study also applies for  
284.10 a foster care license, the license application may be made with the same agency which  
284.11 provided the adoptive home study; and

284.12 (6) consult with representatives reflecting diverse populations from the councils  
284.13 established under sections 3.922 and 15.0145, and other state, local, and community  
284.14 organizations.

284.15 Sec. 11. Minnesota Statutes 2015 Supplement, section 260C.451, subdivision 6,  
284.16 is amended to read:

284.17 Subd. 6. **Reentering foster care and accessing services after age 18 years of**  
284.18 **age and up to 21 years of age.** (a) Upon request of an individual ~~between the ages of~~  
284.19 ~~18 and 21~~ who had been under the guardianship of the commissioner and who has left  
284.20 foster care without being adopted, the responsible social services agency which had  
284.21 been the commissioner's agent for purposes of the guardianship shall develop with the  
284.22 individual a plan to increase the individual's ability to live safely and independently using  
284.23 the plan requirements of section 260C.212, subdivision 1, paragraph (c), clause (12), and  
284.24 to assist the individual to meet one or more of the eligibility criteria in subdivision 4 if  
284.25 the individual wants to reenter foster care. The responsible social services agency shall  
284.26 provide foster care as required to implement the plan. The responsible social services  
284.27 agency shall enter into a voluntary placement agreement under section 260C.229 with the  
284.28 individual if the plan includes foster care.

284.29 (b) Individuals who had not been under the guardianship of the commissioner of  
284.30 human services prior to 18 years of age ~~18 and are between the ages of 18 and 21~~ may ask  
284.31 to reenter foster care after age 18 and, to the extent funds are available, the responsible  
284.32 social services agency that had responsibility for planning for the individual before  
284.33 discharge from foster care may provide foster care or other services to the individual for  
284.34 the purpose of increasing the individual's ability to live safely and independently and to  
284.35 meet the eligibility criteria in subdivision 3a, if the individual:

285.1 (1) was in foster care for the six consecutive months prior to the person's 18th  
285.2 birthday and was not discharged home, adopted, or received into a relative's home under a  
285.3 transfer of permanent legal and physical custody under section 260C.515, subdivision 4; or

285.4 (2) was discharged from foster care while on runaway status after age 15.

285.5 (c) In conjunction with a qualifying and eligible individual under paragraph (b) and  
285.6 other appropriate persons, the responsible social services agency shall develop a specific  
285.7 plan related to that individual's vocational, educational, social, or maturational needs and,  
285.8 to the extent funds are available, provide foster care as required to implement the plan.  
285.9 The responsible social services agency shall enter into a voluntary placement agreement  
285.10 with the individual if the plan includes foster care.

285.11 (d) ~~Youth~~ A child who left foster care while under guardianship of the commissioner  
285.12 of human services ~~retain~~ retains eligibility for foster care for placement at any time  
285.13 ~~between the ages of 18 and~~ prior to 21 years of age.

285.14 Sec. 12. Minnesota Statutes 2014, section 260C.451, is amended by adding a  
285.15 subdivision to read:

285.16 Subd. 9. **Administrative or court review of placements.** (a) The court shall  
285.17 conduct reviews at least annually to ensure the responsible social services agency is  
285.18 making reasonable efforts to finalize the permanency plan for the child.

285.19 (b) The court shall find that the responsible social services agency is making  
285.20 reasonable efforts to finalize the permanency plan for the child when the responsible  
285.21 social services agency:

285.22 (1) provides appropriate support to the child and foster care provider to ensure  
285.23 continuing stability and success in placement;

285.24 (2) works with the child to plan for transition to adulthood and assists the child in  
285.25 demonstrating progress in achieving related goals;

285.26 (3) works with the child to plan for independent living skills and assists the child in  
285.27 demonstrating progress in achieving independent living goals; and

285.28 (4) prepares the child for independence according to sections 260C.203, paragraph  
285.29 (d), and 260C.452, subdivision 4.

285.30 (c) The responsible social services agency must ensure that an administrative review  
285.31 that meets the requirements of this section and section 260C.203 is completed at least six  
285.32 months after each of the court's annual reviews.

285.33 Sec. 13. [260C.452] SUCCESSFUL TRANSITION TO ADULTHOOD.

286.1 Subdivision 1. **Scope.** This section pertains to a child who is under the guardianship  
286.2 of the commissioner of human services, or who has a permanency disposition of  
286.3 permanent custody to the agency, or who will leave foster care at 18 to 21 years of age.

286.4 Subd. 2. **Independent living plan.** When the child is 14 years of age or older,  
286.5 the responsible social services agency, in consultation with the child, shall complete  
286.6 the independent living plan according to section 260C.212, subdivision 1, paragraph  
286.7 (c), clause (12).

286.8 Subd. 3. **Notification.** Six months before the child is expected to be discharged from  
286.9 foster care, the responsible social services agency shall provide written notice to the child  
286.10 regarding the right to continued access to services for certain children in foster care past  
286.11 18 years of age and of the right to appeal a denial of social services under section 256.045.

286.12 Subd. 4. **Administrative or court review of placements.** (a) When the child is 14  
286.13 years of age or older, the court, in consultation with the child, shall review the independent  
286.14 living plan according to section 260C.203, paragraph (d).

286.15 (b) The responsible social services agency shall file a copy of the notification  
286.16 required in subdivision 3 with the court. If the responsible social services agency does  
286.17 not file the notice by the time the child is 17-1/2 years of age, the court shall require the  
286.18 responsible social services agency to file the notice.

286.19 (c) The court shall ensure that the responsible social services agency assists the child  
286.20 in obtaining the following documents before the child leaves foster care: a Social Security  
286.21 card; an official or certified copy of the child's birth certificate; a state identification card  
286.22 or driver's license, tribal enrollment identification card, green card, or school visa; health  
286.23 insurance information; the child's school, medical, and dental records; a contact list of  
286.24 the child's medical, dental, and mental health providers; and contact information for the  
286.25 child's siblings, if the siblings are in foster care.

286.26 (d) For a child who will be discharged from foster care at 18 years of age or older,  
286.27 the responsible social services agency must develop a personalized transition plan as  
286.28 directed by the child during the 90-day period immediately prior to the expected date of  
286.29 discharge. The transition plan must be as detailed as the child elects and include specific  
286.30 options, including but not limited to:

286.31 (1) affordable housing with necessary supports that does not include a homeless  
286.32 shelter;

286.33 (2) health insurance, including eligibility for medical assistance as defined in section  
286.34 256B.055, subdivision 17;

286.35 (3) education, including application to the Education and Training Voucher Program;

- 287.1 (4) local opportunities for mentors and continuing support services, including the  
287.2 Healthy Transitions and Homeless Prevention program, if available;  
287.3 (5) workforce supports and employment services;  
287.4 (6) a copy of the child's consumer credit report as defined in section 13C.001 and  
287.5 assistance in interpreting and resolving any inaccuracies in the report, at no cost to the child;  
287.6 (7) information on executing a health care directive under chapter 145C and on the  
287.7 importance of designating another individual to make health care decisions on behalf of  
287.8 the child if the child becomes unable to participate in decisions; and  
287.9 (8) appropriate contact information through 21 years of age if the child needs  
287.10 information or help dealing with a crisis situation.

287.11 Subd. 5. **Notice of termination of foster care.** (a) When a child leaves foster care  
287.12 at 18 years of age or older, the responsible social services agency shall give the child  
287.13 written notice that foster care shall terminate 30 days from the date the notice is sent.

287.14 (b) The child or the child's guardian ad litem may file a motion asking the court to  
287.15 review the responsible social services agency's determination within 15 days of receiving  
287.16 the notice. The child shall not be discharged from foster care until the motion is heard. The  
287.17 responsible social services agency shall work with the child to transition out of foster care.

287.18 (c) The written notice of termination of benefits shall be on a form prescribed by  
287.19 the commissioner and shall give notice of the right to have the responsible social services  
287.20 agency's determination reviewed by the court under this section or sections 260C.203,  
287.21 260C.317, and 260C.515, subdivision 5 or 6. A copy of the termination notice shall  
287.22 be sent to the child and the child's attorney, if any, the foster care provider, the child's  
287.23 guardian ad litem, and the court. The responsible social services agency is not responsible  
287.24 for paying foster care benefits for any period of time after the child leaves foster care.

287.25 Sec. 14. Minnesota Statutes 2015 Supplement, section 260C.521, subdivision 1,  
287.26 is amended to read:

287.27 Subdivision 1. **Child in permanent custody of responsible social services agency.**

287.28 (a) Court reviews of an order for permanent custody to the responsible social services  
287.29 agency for placement of the child in foster care must be conducted at least yearly at an  
287.30 in-court appearance hearing.

287.31 (b) The purpose of the review hearing is to ensure:

287.32 (1) the responsible social services agency made intensive, ongoing, and, as of the  
287.33 date of the hearing, unsuccessful efforts to return the child home or secure a placement for  
287.34 the child with a fit and willing relative, custodian, or adoptive parent, and an order for  
287.35 permanent custody to the responsible social services agency for placement of the child in

288.1 foster care continues to be in the best interests of the child ~~and that no other permanency~~  
288.2 ~~disposition order is in the best interests of the child;~~

288.3 (2) that the responsible social services agency is assisting the child to build  
288.4 connections to the child's family and community; ~~and~~

288.5 (3) that the responsible social services agency is appropriately planning with the  
288.6 child for development of independent living skills for the child and, as appropriate, for the  
288.7 orderly and successful transition to independent living adulthood that may occur if the  
288.8 child continues in foster care without another permanency disposition order;

288.9 (4) the child's foster family home or child care institution is following the reasonable  
288.10 and prudent parenting standards; and

288.11 (5) the child has regular, ongoing opportunities to engage in age or developmentally  
288.12 appropriate activities by consulting with the child in an age-appropriate manner about the  
288.13 opportunities.

288.14 (c) The court must review the child's out-of-home placement plan and the reasonable  
288.15 efforts of the responsible social services agency to finalize an alternative permanent plan  
288.16 for the child including the responsible social services agency's efforts to:

288.17 (1) ensure that permanent custody to the responsible social services agency with  
288.18 placement of the child in foster care continues to be the most appropriate legal arrangement  
288.19 for meeting the child's need for permanency and stability ~~or, if not, to identify and attempt~~  
288.20 ~~to finalize another permanency disposition order under this chapter that would better serve~~  
288.21 ~~the child's needs and best interests;~~ by reviewing the compelling reasons it continues not  
288.22 to be in the best interest of the child to:

288.23 (i) return home;

288.24 (ii) be placed for adoption; or

288.25 (iii) be placed with a fit and willing relative through an order for permanent legal  
288.26 and physical custody under section 260C.515, subdivision 4;

288.27 (2) identify a specific foster home for the child, if one has not already been identified;

288.28 (3) support continued placement of the child in the identified home, if one has been  
288.29 identified;

288.30 (4) ensure appropriate services are provided to address the physical health, mental  
288.31 health, and educational needs of the child during the period of foster care and also ensure  
288.32 appropriate services or assistance to maintain relationships with appropriate family  
288.33 members and the child's community; and

288.34 (5) plan for the child's independence upon the child's leaving foster care living as  
288.35 required under section 260C.212, subdivision 1.

289.1 (d) The court may find that the responsible social services agency has made  
289.2 reasonable efforts to finalize the permanent plan for the child when:

289.3 (1) the responsible social services agency has made reasonable efforts to identify a  
289.4 more legally permanent home for the child than is provided by an order for permanent  
289.5 custody to the agency for placement in foster care;

289.6 (2) the child has been asked about the child's desired permanency outcome; and

289.7 (3) the responsible social services agency's engagement of the child in planning for  
289.8 independent living a successful transition to adulthood is reasonable and appropriate.

289.9 Sec. 15. **[260D.14] SUCCESSFUL TRANSITION TO ADULTHOOD FOR**  
289.10 **CHILDREN IN VOLUNTARY PLACEMENT.**

289.11 Subdivision 1. **Case planning.** When the child is 14 years of age or older, the  
289.12 responsible social services agency shall ensure a child in foster care under this chapter is  
289.13 provided with the case plan requirements in section 260C.212, subdivisions 1 and 14.

289.14 Subd. 2. **Notification.** The responsible social services agency shall provide written  
289.15 notice of the right to continued access to services for certain children in foster care past 18  
289.16 years of age under section 260C.452, subdivision 3, and of the right to appeal a denial  
289.17 of social services under section 256.045. The notice must be provided to the child six  
289.18 months before the child's 18th birthday.

289.19 Subd. 3. **Administrative or court reviews.** When the child is 17 years of age or  
289.20 older, the administrative review or court hearing must include a review of the responsible  
289.21 social services agency's support for the child's successful transition to adulthood as  
289.22 required in section 260C.452, subdivision 4.

289.23 Sec. 16. Minnesota Statutes 2014, section 518.175, subdivision 5, is amended to read:

289.24 Subd. 5. **Modification of parenting plan or order for parenting time.** (a) If a  
289.25 parenting plan or an order granting parenting time cannot be used to determine the number  
289.26 of overnights or overnight equivalents the child has with each parent, the court shall modify  
289.27 the parenting plan or order granting parenting time so that the number of overnights or  
289.28 overnight equivalents the child has with each parent can be determined. For purposes of this  
289.29 section, "overnight equivalents" has the meaning given in section 518A.36, subdivision 1.

289.30 (b) If modification would serve the best interests of the child, the court shall modify  
289.31 the decision-making provisions of a parenting plan or an order granting or denying  
289.32 parenting time, if the modification would not change the child's primary residence.  
289.33 Consideration of a child's best interest includes a child's changing developmental needs.

290.1 ~~(b)~~ (c) Except as provided in section 631.52, the court may not restrict parenting  
290.2 time unless it finds that:

290.3 (1) parenting time is likely to endanger the child's physical or emotional health or  
290.4 impair the child's emotional development; or

290.5 (2) the parent has chronically and unreasonably failed to comply with court-ordered  
290.6 parenting time.

290.7 A modification of parenting time which increases a parent's percentage of parenting time  
290.8 to an amount that is between 45.1 to 54.9 percent parenting time is not a restriction of  
290.9 the other parent's parenting time.

290.10 ~~(e)~~ (d) If a parent makes specific allegations that parenting time by the other  
290.11 parent places the parent or child in danger of harm, the court shall hold a hearing at  
290.12 the earliest possible time to determine the need to modify the order granting parenting  
290.13 time. Consistent with subdivision 1a, the court may require a third party, including the  
290.14 local social services agency, to supervise the parenting time or may restrict a parent's  
290.15 parenting time if necessary to protect the other parent or child from harm. If there is an  
290.16 existing order for protection governing the parties, the court shall consider the use of an  
290.17 independent, neutral exchange location for parenting time.

290.18 **EFFECTIVE DATE.** This section is effective August 1, 2018.

290.19 Sec. 17. Minnesota Statutes 2015 Supplement, section 518A.26, subdivision 14,  
290.20 is amended to read:

290.21 Subd. 14. **Obligor.** "Obligor" means a person obligated to pay maintenance or  
290.22 support. For purposes of ordering medical support under section 518A.41, a parent who  
290.23 has primary physical custody of a child may be an obligor subject to a payment agreement  
290.24 under section 518A.69. If a parent has more than 55 percent court-ordered parenting  
290.25 time, there is a rebuttable presumption that the parent has a zero dollar basic support  
290.26 obligation. A party seeking to overcome this presumption must show, and the court must  
290.27 consider, the following:

290.28 (1) a significant income disparity, which may include potential income determined  
290.29 under section 518A.32;

290.30 (2) the benefit and detriment to the child and the ability of each parent to meet  
290.31 the needs of the child; and

290.32 (3) whether the application of the presumption would have an unjust or inappropriate  
290.33 result.

291.1 The presumption of a zero dollar basic support obligation does not eliminate a parent's  
291.2 obligation to pay child support arrears under section 518A.60. The presumption of a  
291.3 zero dollar basic support obligation does not apply to an action under section 256.87,  
291.4 subdivision 1 or 1a.

291.5 **EFFECTIVE DATE.** This section is effective August 1, 2018.

291.6 Sec. 18. Minnesota Statutes 2014, section 518A.34, is amended to read:

291.7 **518A.34 COMPUTATION OF CHILD SUPPORT OBLIGATIONS.**

291.8 (a) To determine the presumptive child support obligation of a parent, the court shall  
291.9 follow the procedure set forth in this section.

291.10 (b) To determine the obligor's basic support obligation, the court shall:

291.11 (1) determine the gross income of each parent under section 518A.29;

291.12 (2) calculate the parental income for determining child support (PICS) of each  
291.13 parent, by subtracting from the gross income the credit, if any, for each parent's nonjoint  
291.14 children under section 518A.33;

291.15 (3) determine the percentage contribution of each parent to the combined PICS by  
291.16 dividing the combined PICS into each parent's PICS;

291.17 (4) determine the combined basic support obligation by application of the guidelines  
291.18 in section 518A.35;

291.19 (5) determine ~~the obligor's~~ each parent's share of the combined basic support  
291.20 obligation by multiplying the percentage figure from clause (3) by the combined basic  
291.21 support obligation in clause (4); and

291.22 (6) ~~determine the parenting expense adjustment, if any, as apply the parenting~~  
291.23 ~~expense adjustment formula provided in section 518A.36, and adjust the obligor's basic~~  
291.24 ~~support obligation accordingly to determine the obligor's basic support obligation. If the~~  
291.25 ~~parenting time of the parties is presumed equal, section 518A.36, subdivision 3, applies~~  
291.26 ~~to the calculation of the basic support obligation and a determination of which parent~~  
291.27 ~~is the obligor.~~

291.28 (c) If the parents have split custody of joint children, child support must be  
291.29 calculated for each joint child as follows:

291.30 (1) the court shall determine each parent's basic support obligation under paragraph  
291.31 (b) and include the amount of each parent's obligation in the court order. If the basic  
291.32 support calculation results in each parent owing support to the other, the court shall offset  
291.33 the higher basic support obligation with the lower basic support obligation to determine  
291.34 the amount to be paid by the parent with the higher obligation to the parent with the

292.1 lower obligation. For the purpose of the cost-of-living adjustment required under section  
292.2 518A.75, the adjustment must be based on each parent's basic support obligation prior to  
292.3 offset. For the purposes of this paragraph, "split custody" means that there are two or more  
292.4 joint children and each parent has at least one joint child more than 50 percent of the time;

292.5 (2) if each parent pays all child care expenses for at least one joint child, the court  
292.6 shall calculate child care support for each joint child as provided in section 518A.40. The  
292.7 court shall determine each parent's child care support obligation and include the amount of  
292.8 each parent's obligation in the court order. If the child care support calculation results in  
292.9 each parent owing support to the other, the court shall offset the higher child care support  
292.10 obligation with the lower child care support obligation to determine the amount to be paid  
292.11 by the parent with the higher obligation to the parent with the lower obligation; and

292.12 (3) if each parent pays all medical or dental insurance expenses for at least one  
292.13 joint child, medical support shall be calculated for each joint child as provided in section  
292.14 518A.41. The court shall determine each parent's medical support obligation and include  
292.15 the amount of each parent's obligation in the court order. If the medical support calculation  
292.16 results in each parent owing support to the other, the court shall offset the higher medical  
292.17 support obligation with the lower medical support obligation to determine the amount to  
292.18 be paid by the parent with the higher obligation to the parent with the lower obligation.

292.19 Unreimbursed and uninsured medical expenses are not included in the presumptive amount  
292.20 of support owed by a parent and are calculated and collected as provided in section 518A.41.

292.21 (d) The court shall determine the child care support obligation for the obligor  
292.22 as provided in section 518A.40.

292.23 ~~(d)~~ (e) The court shall determine the medical support obligation for each parent as  
292.24 provided in section 518A.41. Unreimbursed and uninsured medical expenses are not  
292.25 included in the presumptive amount of support owed by a parent and are calculated and  
292.26 collected as described in section 518A.41.

292.27 ~~(e)~~ (f) The court shall determine each parent's total child support obligation by  
292.28 adding together each parent's basic support, child care support, and health care coverage  
292.29 obligations as provided in this section.

292.30 ~~(f)~~ (g) If Social Security benefits or veterans' benefits are received by one parent as a  
292.31 representative payee for a joint child based on the other parent's eligibility, the court shall  
292.32 subtract the amount of benefits from the other parent's net child support obligation, if any.

292.33 ~~(g)~~ (h) The final child support order shall separately designate the amount owed for  
292.34 basic support, child care support, and medical support. If applicable, the court shall use  
292.35 the self-support adjustment and minimum support adjustment under section 518A.42 to  
292.36 determine the obligor's child support obligation.

293.1 **EFFECTIVE DATE.** This section is effective August 1, 2018.

293.2 Sec. 19. Minnesota Statutes 2014, section 518A.35, subdivision 1, is amended to read:

293.3 Subdivision 1. **Determination of support obligation.** (a) The guideline in this  
293.4 section is a rebuttable presumption and shall be used in any judicial or administrative  
293.5 proceeding to establish or modify a support obligation under this chapter.

293.6 (b) The basic child support obligation shall be determined by referencing the  
293.7 guideline for the appropriate number of joint children and the combined parental income  
293.8 for determining child support of the parents.

293.9 (c) If a child is not in the custody of either parent and a support order is sought against  
293.10 one or both parents, the basic child support obligation shall be determined by referencing  
293.11 the guideline for the appropriate number of joint children, and the parent's individual  
293.12 parental income for determining child support, not the combined parental incomes for  
293.13 determining child support of the parents. Unless a parent has court-ordered parenting time,  
293.14 the parenting expense adjustment formula under section 518A.34 must not be applied.

293.15 (d) If a child is in custody of either parent and a support order is sought by the public  
293.16 authority under section 256.87, unless the parent against whom the support order is sought  
293.17 has court-ordered parenting time, the support obligation must be determined by referencing  
293.18 the guideline for the appropriate number of joint children and the parent's individual income  
293.19 without application of the parenting expense adjustment formula under section 518A.34.

293.20 (e) For combined parental incomes for determining child support exceeding \$15,000  
293.21 per month, the presumed basic child support obligations shall be as for parents with  
293.22 combined parental income for determining child support of \$15,000 per month. A basic  
293.23 child support obligation in excess of this level may be demonstrated for those reasons set  
293.24 forth in section 518A.43.

293.25 **EFFECTIVE DATE.** This section is effective August 1, 2018.

293.26 Sec. 20. Minnesota Statutes 2014, section 518A.36, is amended to read:

293.27 **518A.36 PARENTING EXPENSE ADJUSTMENT.**

293.28 Subdivision 1. **General.** (a) The parenting expense adjustment under this section  
293.29 reflects the presumption that while exercising parenting time, a parent is responsible  
293.30 for and incurs costs of caring for the child, including, but not limited to, food, clothing,  
293.31 transportation, recreation, and household expenses. Every child support order shall specify  
293.32 the percentage of parenting time granted to or presumed for each parent. For purposes  
293.33 of this section, the percentage of parenting time means the percentage of time a child is

294.1 scheduled to spend with the parent during a calendar year according to a court order  
 294.2 averaged over a two-year period. Parenting time includes time with the child whether it is  
 294.3 designated as visitation, physical custody, or parenting time. The percentage of parenting  
 294.4 time may be determined by calculating the number of overnights or overnight equivalents  
 294.5 that a child parent spends with a parent, or child pursuant to a court order. For purposes of  
 294.6 this section, overnight equivalents are calculated by using a method other than overnights  
 294.7 if the parent has significant time periods on separate days where the child is in the parent's  
 294.8 physical custody and under the direct care of the parent but does not stay overnight. The  
 294.9 court may consider the age of the child in determining whether a child is with a parent  
 294.10 for a significant period of time.

294.11 (b) If there is not a court order awarding parenting time, the court shall determine  
 294.12 the child support award without consideration of the parenting expense adjustment. If a  
 294.13 parenting time order is subsequently issued or is issued in the same proceeding, then the  
 294.14 child support order shall include application of the parenting expense adjustment.

294.15 **Subd. 2. Calculation of parenting expense adjustment.** ~~The obligor is entitled to~~  
 294.16 ~~a parenting expense adjustment calculated as provided in this subdivision. The court shall:~~

294.17 ~~(1) find the adjustment percentage corresponding to the percentage of parenting~~  
 294.18 ~~time allowed to the obligor below:~~

	<del>Percentage Range of Parenting</del>	
	<del>Time</del>	<del>Adjustment Percentage</del>
294.21 (i)	<del>less than 10 percent</del>	<del>no adjustment</del>
294.22 (ii)	<del>10 percent to 45 percent</del>	<del>12 percent</del>
294.23 (iii)	<del>45.1 percent to 50 percent</del>	<del>presume parenting time is equal</del>

294.24 ~~(2) multiply the adjustment percentage by the obligor's basic child support obligation~~  
 294.25 ~~to arrive at the parenting expense adjustment; and~~

294.26 ~~(3) subtract the parenting expense adjustment from the obligor's basic child support~~  
 294.27 ~~obligation. The result is the obligor's basic support obligation after parenting expense~~  
 294.28 ~~adjustment.~~

294.29 (a) For the purposes of this section, the following terms have the meanings given:

294.30 (1) "parent A" means the parent with whom the child or children will spend the least  
 294.31 number of overnights under the court order; and

294.32 (2) "parent B" means the parent with whom the child or children will spend the  
 294.33 greatest number of overnights under the court order.

294.34 (b) The court shall apply the following formula to determine which parent is the  
 294.35 obligor and calculate the basic support obligation:

294.36 (1) raise to the power of three the approximate number of annual overnights the child  
 294.37 or children will likely spend with parent A;

295.1 (2) raise to the power of three the approximate number of annual overnights the child  
 295.2 or children will likely spend with parent B;

295.3 (3) multiply the result of clause (1) times parent B's share of the combined basic  
 295.4 support obligation as determined in section 518A.34, paragraph (b), clause (5);

295.5 (4) multiply the result of clause (2) times parent A's share of the combined basic  
 295.6 support obligation as determined in section 518A.34, paragraph (b), clause (5);

295.7 (5) subtract the result of clause (4) from the result of clause (3); and

295.8 (6) divide the result of clause (5) by the sum of clauses (1) and (2).

295.9 (c) If the result is a negative number, parent A is the obligor, the negative number  
 295.10 becomes its positive equivalent, and the result is the basic support obligation. If the result  
 295.11 is a positive number, parent B is the obligor and the result is the basic support obligation.

295.12 **Subd. 3. Calculation of basic support when parenting time presumed is equal.**

295.13 **(a)** If the parenting time is equal and the parental incomes for determining child support of  
 295.14 the parents also are equal, no basic support shall be paid unless the court determines that  
 295.15 the expenses for the child are not equally shared.

295.16 ~~(b) If the parenting time is equal but the parents' parental incomes for determining~~  
 295.17 ~~child support are not equal, the parent having the greater parental income for determining~~  
 295.18 ~~child support shall be obligated for basic child support, calculated as follows:~~

295.19 ~~(1) multiply the combined basic support calculated under section 518A.34 by 0.75;~~

295.20 ~~(2) prorate the amount under clause (1) between the parents based on each parent's~~  
 295.21 ~~proportionate share of the combined PICS; and~~

295.22 ~~(3) subtract the lower amount from the higher amount.~~

295.23 ~~The resulting figure is the obligation after parenting expense adjustment for the~~  
 295.24 ~~parent with the greater parental income for determining child support.~~

295.25 **EFFECTIVE DATE.** This section is effective August 1, 2018.

295.26 Sec. 21. Minnesota Statutes 2015 Supplement, section 518A.39, subdivision 2, is  
 295.27 amended to read:

295.28 **Subd. 2. Modification.** (a) The terms of an order respecting maintenance or support  
 295.29 may be modified upon a showing of one or more of the following, any of which makes  
 295.30 the terms unreasonable and unfair: (1) substantially increased or decreased gross income  
 295.31 of an obligor or obligee; (2) substantially increased or decreased need of an obligor or  
 295.32 obligee or the child or children that are the subject of these proceedings; (3) receipt of  
 295.33 assistance under the AFDC program formerly codified under sections 256.72 to 256.87  
 295.34 or 256B.01 to 256B.40, or chapter 256J or 256K; (4) a change in the cost of living for  
 295.35 either party as measured by the Federal Bureau of Labor Statistics; (5) extraordinary

296.1 medical expenses of the child not provided for under section 518A.41; (6) a change in  
296.2 the availability of appropriate health care coverage or a substantial increase or decrease  
296.3 in health care coverage costs; (7) the addition of work-related or education-related child  
296.4 care expenses of the obligee or a substantial increase or decrease in existing work-related  
296.5 or education-related child care expenses; or (8) upon the emancipation of the child, as  
296.6 provided in subdivision 5.

296.7 (b) It is presumed that there has been a substantial change in circumstances under  
296.8 paragraph (a) and the terms of a current support order shall be rebuttably presumed to be  
296.9 unreasonable and unfair if:

296.10 (1) the application of the child support guidelines in section 518A.35, to the current  
296.11 circumstances of the parties results in a calculated court order that is at least 20 percent  
296.12 and at least \$75 per month higher or lower than the current support order or, if the current  
296.13 support order is less than \$75, it results in a calculated court order that is at least 20  
296.14 percent per month higher or lower;

296.15 (2) the medical support provisions of the order established under section 518A.41  
296.16 are not enforceable by the public authority or the obligee;

296.17 (3) health coverage ordered under section 518A.41 is not available to the child for  
296.18 whom the order is established by the parent ordered to provide;

296.19 (4) the existing support obligation is in the form of a statement of percentage and not  
296.20 a specific dollar amount;

296.21 (5) the gross income of an obligor or obligee has decreased by at least 20 percent  
296.22 through no fault or choice of the party; or

296.23 (6) a deviation was granted based on the factor in section 518A.43, subdivision 1,  
296.24 clause (4), and the child no longer resides in a foreign country or the factor is otherwise no  
296.25 longer applicable.

296.26 (c) A child support order is not presumptively modifiable solely because an obligor  
296.27 or obligee becomes responsible for the support of an additional nonjoint child, which is  
296.28 born after an existing order. Section 518A.33 shall be considered if other grounds are  
296.29 alleged which allow a modification of support.

296.30 (d) If child support was established by applying a parenting expense adjustment  
296.31 or presumed equal parenting time calculation under previously existing child support  
296.32 guidelines and there is no parenting plan or order from which overnights or overnight  
296.33 equivalents can be determined, there is a rebuttable presumption that the established  
296.34 adjustment or calculation will continue after modification so long as the modification is  
296.35 not based on a change in parenting time. In determining an obligation under previously  
296.36 existing child support guidelines, it is presumed that the court shall:

297.1 (1) if a 12 percent parenting expense adjustment was applied, multiply the obligor's  
297.2 share of the combined basic support obligation calculated under section 518A.34,  
297.3 paragraph (b), clause (5), by 0.88; or

297.4 (2) if the parenting time was presumed equal but the parents' parental incomes for  
297.5 determining child support were not equal:

297.6 (i) multiply the combined basic support obligation under section 518A.34, paragraph  
297.7 (b), clause (5), by 0.075;

297.8 (ii) prorate the amount under item (i) between the parents based on each parent's  
297.9 proportionate share of the combined PICS; and

297.10 (iii) subtract the lower amount from the higher amount.

297.11 (e) On a motion for modification of maintenance, including a motion for the  
297.12 extension of the duration of a maintenance award, the court shall apply, in addition to all  
297.13 other relevant factors, the factors for an award of maintenance under section 518.552 that  
297.14 exist at the time of the motion. On a motion for modification of support, the court:

297.15 (1) shall apply section 518A.35, and shall not consider the financial circumstances of  
297.16 each party's spouse, if any; and

297.17 (2) shall not consider compensation received by a party for employment in excess of  
297.18 a 40-hour work week, provided that the party demonstrates, and the court finds, that:

297.19 (i) the excess employment began after entry of the existing support order;

297.20 (ii) the excess employment is voluntary and not a condition of employment;

297.21 (iii) the excess employment is in the nature of additional, part-time employment, or  
297.22 overtime employment compensable by the hour or fractions of an hour;

297.23 (iv) the party's compensation structure has not been changed for the purpose of  
297.24 affecting a support or maintenance obligation;

297.25 (v) in the case of an obligor, current child support payments are at least equal to the  
297.26 guidelines amount based on income not excluded under this clause; and

297.27 (vi) in the case of an obligor who is in arrears in child support payments to the  
297.28 obligee, any net income from excess employment must be used to pay the arrearages  
297.29 until the arrearages are paid in full.

297.30 (e) (f) A modification of support or maintenance, including interest that accrued  
297.31 pursuant to section 548.091, may be made retroactive only with respect to any period  
297.32 during which the petitioning party has pending a motion for modification but only from  
297.33 the date of service of notice of the motion on the responding party and on the public  
297.34 authority if public assistance is being furnished or the county attorney is the attorney of  
297.35 record, unless the court adopts an alternative effective date under paragraph (l). The

298.1 court's adoption of an alternative effective date under paragraph (l) shall not be considered  
 298.2 a retroactive modification of maintenance or support.

298.3 ~~(f)~~ (g) Except for an award of the right of occupancy of the homestead, provided  
 298.4 in section 518.63, all divisions of real and personal property provided by section 518.58  
 298.5 shall be final, and may be revoked or modified only where the court finds the existence  
 298.6 of conditions that justify reopening a judgment under the laws of this state, including  
 298.7 motions under section 518.145, subdivision 2. The court may impose a lien or charge on  
 298.8 the divided property at any time while the property, or subsequently acquired property, is  
 298.9 owned by the parties or either of them, for the payment of maintenance or support money,  
 298.10 or may sequester the property as is provided by section 518A.71.

298.11 ~~(g)~~ (h) The court need not hold an evidentiary hearing on a motion for modification  
 298.12 of maintenance or support.

298.13 ~~(h)~~ (i) Sections 518.14 and 518A.735 shall govern the award of attorney fees for  
 298.14 motions brought under this subdivision.

298.15 ~~(i)~~ (j) Except as expressly provided, an enactment, amendment, or repeal of law does  
 298.16 not constitute a substantial change in the circumstances for purposes of modifying a  
 298.17 child support order.

298.18 ~~(j)~~ MS 2006 [Expired]

298.19 (k) On the first modification ~~under the income shares method of calculation~~  
 298.20 following implementation of amended child support guidelines, the modification of  
 298.21 basic support may be limited if the amount of the full variance would create hardship  
 298.22 for either the obligor or the obligee. Hardship includes, but is not limited to, eligibility  
 298.23 for assistance under chapter 256J.

298.24 (l) The court may select an alternative effective date for a maintenance or support  
 298.25 order if the parties enter into a binding agreement for an alternative effective date.

298.26 **EFFECTIVE DATE.** This section is effective August 1, 2018.

298.27 Sec. 22. **[518A.79] CHILD SUPPORT TASK FORCE.**

298.28 Subdivision 1. Establishment; purpose. There is established the Child Support  
 298.29 Task Force for the Department of Human Services. The purpose of the task force is to  
 298.30 advise the commissioner of human services on matters relevant to maintaining effective  
 298.31 and efficient child support guidelines that will best serve the children of Minnesota and  
 298.32 take into account the changing dynamics of families.

298.33 Subd. 2. Members. (a) The task force must consist of:

298.34 (1) two members of the house of representatives, one appointed by the speaker of the  
 298.35 house and one appointed by the minority leader;

299.1 (2) two members of the senate, one appointed by the majority leader and one  
299.2 appointed by the minority leader;

299.3 (3) one representative from the Minnesota County Attorneys Association;

299.4 (4) one staff member from the Department of Human Services Child Support  
299.5 Division;

299.6 (5) one representative from a tribe with an approved IV-D program appointed by  
299.7 resolution of the Minnesota Indian Affairs Council;

299.8 (6) one representative from the Minnesota Family Support Recovery Council;

299.9 (7) one child support magistrate, family court referee, or one district court judge or  
299.10 retired judge with experience in child support matters, appointed by the chief justice of  
299.11 the Supreme Court;

299.12 (8) four parents, at least two of whom represent diverse cultural and social  
299.13 communities, appointed by the commissioner with equal representation between custodial  
299.14 and noncustodial parents;

299.15 (9) one representative from the Minnesota Legal Services Coalition; and

299.16 (10) one representative from the Family Law Section of the Minnesota Bar  
299.17 Association.

299.18 (b) Section 15.059 governs the Child Support Task Force.

299.19 (c) Members of the task force shall be compensated as provided in section 15.059,  
299.20 subdivision 3.

299.21 Subd. 3. **Organization.** (a) The commissioner or the commissioner's designee shall  
299.22 convene the first meeting of the task force.

299.23 (b) The members of the task force shall annually elect a chair and other officers  
299.24 as the members deem necessary.

299.25 (c) The task force shall meet at least three times per year, with one meeting devoted  
299.26 to collecting input from the public.

299.27 Subd. 4. **Staff.** The commissioner shall provide support staff, office space, and  
299.28 administrative services for the task force.

299.29 Subd. 5. **Duties of the task force.** (a) General duties of the task force include, but  
299.30 are not limited to:

299.31 (1) serving in an advisory capacity to the commissioner of human services;

299.32 (2) reviewing the effects of implementing the parenting expense adjustment enacted  
299.33 by the 2016 legislature;

299.34 (3) at least every four years, preparing for and advising the commissioner on the  
299.35 development of the quadrennial review report;

299.36 (4) collecting and studying information and data relating to child support awards; and

300.1 (5) conducting a comprehensive review of child support guidelines, economic  
300.2 conditions, and other matters relevant to maintaining effective and efficient child support  
300.3 guidelines.

300.4 (b) The task force must review, address, and make recommendations on the  
300.5 following priority issues:

300.6 (1) the self-support reserve for custodial and noncustodial parents;

300.7 (2) simultaneous child support orders;

300.8 (3) obligors who are subject to child support orders in multiple counties;

300.9 (4) parents with multiple families;

300.10 (5) non-nuclear families, such as grandparents, relatives, and foster parents who  
300.11 are caretakers of children;

300.12 (6) standards to apply for modifications; and

300.13 (7) updating section 518A.35, subdivision 2, the guideline for basic support.

300.14 Subd. 6. **Consultation.** The chair of the task force must consult with the Cultural  
300.15 and Ethnic Communities Leadership Council at least annually on the issues under  
300.16 consideration by the task force.

300.17 Subd. 7. **Report and recommendations.** Beginning February 15, 2018, and  
300.18 biennially thereafter, if the task force is extended by the legislature, the commissioner  
300.19 shall prepare and submit to the chairs and ranking minority members of the committees of  
300.20 the house of representatives and the senate with jurisdiction over child support matters a  
300.21 report that summarizes the activities of the task force, issues identified by the task force,  
300.22 methods taken to address the issues, and recommendations for legislative action, if needed.

300.23 Subd. 8. **Expiration.** The task force expires June 30, 2019, unless extended by  
300.24 the legislature.

300.25 **EFFECTIVE DATE.** This section is effective the day following final enactment.

300.26 Sec. 23. Minnesota Statutes 2014, section 609.3241, is amended to read:

300.27 **609.3241 PENALTY ASSESSMENT AUTHORIZED.**

300.28 (a) When a court sentences an adult convicted of violating section 609.322 or  
300.29 609.324, while acting other than as a prostitute, the court shall impose an assessment of  
300.30 not less than \$500 and not more than \$750 for a violation of section 609.324, subdivision  
300.31 2, or a misdemeanor violation of section 609.324, subdivision 3; otherwise the court shall  
300.32 impose an assessment of not less than \$750 and not more than \$1,000. The assessment  
300.33 shall be distributed as provided in paragraph (c) and is in addition to the surcharge  
300.34 required by section 357.021, subdivision 6.

301.1 (b) The court may not waive payment of the minimum assessment required by  
301.2 this section. If the defendant qualifies for the services of a public defender or the court  
301.3 finds on the record that the convicted person is indigent or that immediate payment of  
301.4 the assessment would create undue hardship for the convicted person or that person's  
301.5 immediate family, the court may reduce the amount of the minimum assessment to not  
301.6 less than \$100. The court also may authorize payment of the assessment in installments.

301.7 (c) The assessment collected under paragraph (a) must be distributed as follows:

301.8 (1) 40 percent of the assessment shall be forwarded to the political subdivision that  
301.9 employs the arresting officer for use in enforcement, training, and education activities  
301.10 related to combating sexual exploitation of youth, or if the arresting officer is an employee  
301.11 of the state, this portion shall be forwarded to the commissioner of public safety for those  
301.12 purposes identified in clause (3);

301.13 (2) 20 percent of the assessment shall be forwarded to the prosecuting agency that  
301.14 handled the case for use in training and education activities relating to combating sexual  
301.15 exploitation activities of youth; and

301.16 (3) 40 percent of the assessment must be forwarded to the commissioner of ~~public~~  
301.17 ~~safety~~ health to be deposited in the safe harbor for youth account in the special revenue  
301.18 fund and are appropriated to the commissioner for distribution to crime victims services  
301.19 organizations that provide services to sexually exploited youth, as defined in section  
301.20 260C.007, subdivision 31.

301.21 (d) A safe harbor for youth account is established as a special account in the state  
301.22 treasury.

301.23 Sec. 24. Minnesota Statutes 2015 Supplement, section 626.556, subdivision 2, is  
301.24 amended to read:

301.25 Subd. 2. **Definitions.** As used in this section, the following terms have the meanings  
301.26 given them unless the specific content indicates otherwise:

301.27 (a) "Accidental" means a sudden, not reasonably foreseeable, and unexpected  
301.28 occurrence or event which:

301.29 (1) is not likely to occur and could not have been prevented by exercise of due  
301.30 care; and

301.31 (2) if occurring while a child is receiving services from a facility, happens when the  
301.32 facility and the employee or person providing services in the facility are in compliance  
301.33 with the laws and rules relevant to the occurrence or event.

301.34 (b) "Commissioner" means the commissioner of human services.

301.35 (c) "Facility" means:

302.1 (1) a licensed or unlicensed day care facility, residential facility, agency, hospital,  
302.2 sanitarium, or other facility or institution required to be licensed under sections 144.50 to  
302.3 144.58, 241.021, or 245A.01 to 245A.16, or chapter 245D;

302.4 (2) a school as defined in section 120A.05, subdivisions 9, 11, and 13; and chapter  
302.5 124E; or

302.6 (3) a nonlicensed personal care provider organization as defined in section  
302.7 256B.0625, subdivision 19a.

302.8 (d) "Family assessment" means a comprehensive assessment of child safety, risk of  
302.9 subsequent child maltreatment, and family strengths and needs that is applied to a child  
302.10 maltreatment report that does not allege sexual abuse or substantial child endangerment.  
302.11 Family assessment does not include a determination as to whether child maltreatment  
302.12 occurred but does determine the need for services to address the safety of family members  
302.13 and the risk of subsequent maltreatment.

302.14 (e) "Investigation" means fact gathering related to the current safety of a child  
302.15 and the risk of subsequent maltreatment that determines whether child maltreatment  
302.16 occurred and whether child protective services are needed. An investigation must be used  
302.17 when reports involve sexual abuse or substantial child endangerment, and for reports of  
302.18 maltreatment in facilities required to be licensed under chapter 245A or 245D; under  
302.19 sections 144.50 to 144.58 and 241.021; in a school as defined in section 120A.05,  
302.20 subdivisions 9, 11, and 13, and chapter 124E; or in a nonlicensed personal care provider  
302.21 association as defined in section 256B.0625, subdivision 19a.

302.22 (f) "Mental injury" means an injury to the psychological capacity or emotional  
302.23 stability of a child as evidenced by an observable or substantial impairment in the child's  
302.24 ability to function within a normal range of performance and behavior with due regard to  
302.25 the child's culture.

302.26 (g) "Neglect" means the commission or omission of any of the acts specified under  
302.27 clauses (1) to (9), other than by accidental means:

302.28 (1) failure by a person responsible for a child's care to supply a child with necessary  
302.29 food, clothing, shelter, health, medical, or other care required for the child's physical or  
302.30 mental health when reasonably able to do so;

302.31 (2) failure to protect a child from conditions or actions that seriously endanger the  
302.32 child's physical or mental health when reasonably able to do so, including a growth delay,  
302.33 which may be referred to as a failure to thrive, that has been diagnosed by a physician and  
302.34 is due to parental neglect;

302.35 (3) failure to provide for necessary supervision or child care arrangements  
302.36 appropriate for a child after considering factors as the child's age, mental ability, physical

303.1 condition, length of absence, or environment, when the child is unable to care for the  
303.2 child's own basic needs or safety, or the basic needs or safety of another child in their care;

303.3 (4) failure to ensure that the child is educated as defined in sections 120A.22 and  
303.4 260C.163, subdivision 11, which does not include a parent's refusal to provide the parent's  
303.5 child with sympathomimetic medications, consistent with section 125A.091, subdivision 5;

303.6 (5) nothing in this section shall be construed to mean that a child is neglected solely  
303.7 because the child's parent, guardian, or other person responsible for the child's care in  
303.8 good faith selects and depends upon spiritual means or prayer for treatment or care of  
303.9 disease or remedial care of the child in lieu of medical care; except that a parent, guardian,  
303.10 or caretaker, or a person mandated to report pursuant to subdivision 3, has a duty to report  
303.11 if a lack of medical care may cause serious danger to the child's health. This section does  
303.12 not impose upon persons, not otherwise legally responsible for providing a child with  
303.13 necessary food, clothing, shelter, education, or medical care, a duty to provide that care;

303.14 (6) prenatal exposure to a controlled substance, as defined in section 253B.02,  
303.15 subdivision 2, used by the mother for a nonmedical purpose, as evidenced by withdrawal  
303.16 symptoms in the child at birth, results of a toxicology test performed on the mother at  
303.17 delivery or the child at birth, medical effects or developmental delays during the child's  
303.18 first year of life that medically indicate prenatal exposure to a controlled substance, or the  
303.19 presence of a fetal alcohol spectrum disorder;

303.20 (7) "medical neglect" as defined in section 260C.007, subdivision 6, clause (5);

303.21 (8) chronic and severe use of alcohol or a controlled substance by a parent or  
303.22 person responsible for the care of the child that adversely affects the child's basic needs  
303.23 and safety; or

303.24 (9) emotional harm from a pattern of behavior which contributes to impaired  
303.25 emotional functioning of the child which may be demonstrated by a substantial and  
303.26 observable effect in the child's behavior, emotional response, or cognition that is not  
303.27 within the normal range for the child's age and stage of development, with due regard to  
303.28 the child's culture.

303.29 (h) "Nonmaltreatment mistake" means:

303.30 (1) at the time of the incident, the individual was performing duties identified in the  
303.31 center's child care program plan required under Minnesota Rules, part 9503.0045;

303.32 (2) the individual has not been determined responsible for a similar incident that  
303.33 resulted in a finding of maltreatment for at least seven years;

303.34 (3) the individual has not been determined to have committed a similar  
303.35 nonmaltreatment mistake under this paragraph for at least four years;

304.1 (4) any injury to a child resulting from the incident, if treated, is treated only with  
304.2 remedies that are available over the counter, whether ordered by a medical professional or  
304.3 not; and

304.4 (5) except for the period when the incident occurred, the facility and the individual  
304.5 providing services were both in compliance with all licensing requirements relevant to the  
304.6 incident.

304.7 This definition only applies to child care centers licensed under Minnesota  
304.8 Rules, chapter 9503. If clauses (1) to (5) apply, rather than making a determination of  
304.9 substantiated maltreatment by the individual, the commissioner of human services shall  
304.10 determine that a nonmaltreatment mistake was made by the individual.

304.11 (i) "Operator" means an operator or agency as defined in section 245A.02.

304.12 (j) "Person responsible for the child's care" means (1) an individual functioning  
304.13 within the family unit and having responsibilities for the care of the child such as a  
304.14 parent, guardian, or other person having similar care responsibilities, or (2) an individual  
304.15 functioning outside the family unit and having responsibilities for the care of the child  
304.16 such as a teacher, school administrator, other school employees or agents, or other lawful  
304.17 custodian of a child having either full-time or short-term care responsibilities including,  
304.18 but not limited to, day care, babysitting whether paid or unpaid, counseling, teaching,  
304.19 and coaching.

304.20 (k) "Physical abuse" means any physical injury, mental injury, or threatened injury,  
304.21 inflicted by a person responsible for the child's care on a child other than by accidental  
304.22 means, or any physical or mental injury that cannot reasonably be explained by the child's  
304.23 history of injuries, or any aversive or deprivation procedures, or regulated interventions,  
304.24 that have not been authorized under section 125A.0942 or 245.825.

304.25 Abuse does not include reasonable and moderate physical discipline of a child  
304.26 administered by a parent or legal guardian which does not result in an injury. Abuse does  
304.27 not include the use of reasonable force by a teacher, principal, or school employee as  
304.28 allowed by section 121A.582. Actions which are not reasonable and moderate include, but  
304.29 are not limited to, any of the following:

304.30 (1) throwing, kicking, burning, biting, or cutting a child;

304.31 (2) striking a child with a closed fist;

304.32 (3) shaking a child under age three;

304.33 (4) striking or other actions which result in any nonaccidental injury to a child  
304.34 under 18 months of age;

304.35 (5) unreasonable interference with a child's breathing;

304.36 (6) threatening a child with a weapon, as defined in section 609.02, subdivision 6;

305.1 (7) striking a child under age one on the face or head;

305.2 (8) striking a child who is at least age one but under age four on the face or head,  
305.3 which results in an injury;

305.4 (9) purposely giving a child poison, alcohol, or dangerous, harmful, or controlled  
305.5 substances which were not prescribed for the child by a practitioner, in order to control or  
305.6 punish the child; or other substances that substantially affect the child's behavior, motor  
305.7 coordination, or judgment or that results in sickness or internal injury, or subjects the  
305.8 child to medical procedures that would be unnecessary if the child were not exposed  
305.9 to the substances;

305.10 (10) unreasonable physical confinement or restraint not permitted under section  
305.11 609.379, including but not limited to tying, caging, or chaining; or

305.12 (11) in a school facility or school zone, an act by a person responsible for the child's  
305.13 care that is a violation under section 121A.58.

305.14 (l) "Practice of social services," for the purposes of subdivision 3, includes but is  
305.15 not limited to employee assistance counseling and the provision of guardian ad litem and  
305.16 parenting time expeditor services.

305.17 (m) "Report" means any communication received by the local welfare agency,  
305.18 police department, county sheriff, or agency responsible for child protection pursuant to  
305.19 this section that describes neglect or physical or sexual abuse of a child and contains  
305.20 sufficient content to identify the child and any person believed to be responsible for the  
305.21 neglect or abuse, if known.

305.22 (n) "Sexual abuse" means the subjection of a child by a person responsible for the  
305.23 child's care, by a person who has a significant relationship to the child, as defined in section  
305.24 609.341, or by a person in a position of authority, as defined in section 609.341, subdivision  
305.25 10, to any act which constitutes a violation of section 609.342 (criminal sexual conduct in  
305.26 the first degree), 609.343 (criminal sexual conduct in the second degree), 609.344 (criminal  
305.27 sexual conduct in the third degree), 609.345 (criminal sexual conduct in the fourth degree),  
305.28 or 609.3451 (criminal sexual conduct in the fifth degree). Sexual abuse also includes any  
305.29 act which involves a minor which constitutes a violation of prostitution offenses under  
305.30 sections 609.321 to 609.324 or 617.246. Effective May 29, 2017, sexual abuse includes all  
305.31 reports of known or suspected child sex trafficking involving a child who is identified as a  
305.32 victim of sex trafficking. Sexual abuse includes child sex trafficking as defined in section  
305.33 609.321, subdivisions 7a and 7b. Sexual abuse includes threatened sexual abuse which  
305.34 includes the status of a parent or household member who has committed a violation which  
305.35 requires registration as an offender under section 243.166, subdivision 1b, paragraph (a)  
305.36 or (b), or required registration under section 243.166, subdivision 1b, paragraph (a) or (b).

306.1 (o) "Substantial child endangerment" means a person responsible for a child's care,  
306.2 by act or omission, commits or attempts to commit an act against a child under their  
306.3 care that constitutes any of the following:

306.4 (1) egregious harm as defined in section 260C.007, subdivision 14;

306.5 (2) abandonment under section 260C.301, subdivision 2;

306.6 (3) neglect as defined in paragraph (g), clause (2), that substantially endangers the  
306.7 child's physical or mental health, including a growth delay, which may be referred to as  
306.8 failure to thrive, that has been diagnosed by a physician and is due to parental neglect;

306.9 (4) murder in the first, second, or third degree under section 609.185, 609.19, or  
306.10 609.195;

306.11 (5) manslaughter in the first or second degree under section 609.20 or 609.205;

306.12 (6) assault in the first, second, or third degree under section 609.221, 609.222, or  
306.13 609.223;

306.14 (7) solicitation, inducement, and promotion of prostitution under section 609.322;

306.15 (8) criminal sexual conduct under sections 609.342 to 609.3451;

306.16 (9) solicitation of children to engage in sexual conduct under section 609.352;

306.17 (10) malicious punishment or neglect or endangerment of a child under section  
306.18 609.377 or 609.378;

306.19 (11) use of a minor in sexual performance under section 617.246; or

306.20 (12) parental behavior, status, or condition which mandates that the county attorney  
306.21 file a termination of parental rights petition under section 260C.503, subdivision 2.

306.22 (p) "Threatened injury" means a statement, overt act, condition, or status that  
306.23 represents a substantial risk of physical or sexual abuse or mental injury. Threatened  
306.24 injury includes, but is not limited to, exposing a child to a person responsible for the  
306.25 child's care, as defined in paragraph (j), clause (1), who has:

306.26 (1) subjected a child to, or failed to protect a child from, an overt act or condition  
306.27 that constitutes egregious harm, as defined in section 260C.007, subdivision 14, or a  
306.28 similar law of another jurisdiction;

306.29 (2) been found to be palpably unfit under section 260C.301, subdivision 1, paragraph  
306.30 (b), clause (4), or a similar law of another jurisdiction;

306.31 (3) committed an act that has resulted in an involuntary termination of parental rights  
306.32 under section 260C.301, or a similar law of another jurisdiction; or

306.33 (4) committed an act that has resulted in the involuntary transfer of permanent  
306.34 legal and physical custody of a child to a relative under Minnesota Statutes 2010, section  
306.35 260C.201, subdivision 11, paragraph (d), clause (1), section 260C.515, subdivision 4, or a  
306.36 similar law of another jurisdiction.

307.1 A child is the subject of a report of threatened injury when the responsible social  
307.2 services agency receives birth match data under paragraph (q) from the Department of  
307.3 Human Services.

307.4 (q) Upon receiving data under section 144.225, subdivision 2b, contained in a  
307.5 birth record or recognition of parentage identifying a child who is subject to threatened  
307.6 injury under paragraph (p), the Department of Human Services shall send the data to the  
307.7 responsible social services agency. The data is known as "birth match" data. Unless the  
307.8 responsible social services agency has already begun an investigation or assessment of the  
307.9 report due to the birth of the child or execution of the recognition of parentage and the  
307.10 parent's previous history with child protection, the agency shall accept the birth match  
307.11 data as a report under this section. The agency may use either a family assessment or  
307.12 investigation to determine whether the child is safe. All of the provisions of this section  
307.13 apply. If the child is determined to be safe, the agency shall consult with the county  
307.14 attorney to determine the appropriateness of filing a petition alleging the child is in need  
307.15 of protection or services under section 260C.007, subdivision 6, clause (16), in order to  
307.16 deliver needed services. If the child is determined not to be safe, the agency and the county  
307.17 attorney shall take appropriate action as required under section 260C.503, subdivision 2.

307.18 (r) Persons who conduct assessments or investigations under this section shall take  
307.19 into account accepted child-rearing practices of the culture in which a child participates  
307.20 and accepted teacher discipline practices, which are not injurious to the child's health,  
307.21 welfare, and safety.

307.22 Sec. 25. Minnesota Statutes 2014, section 626.556, subdivision 3e, is amended to read:

307.23 Subd. 3e. **Agency responsible for assessing or investigating reports of sexual**  
307.24 **abuse.** The local welfare agency is the agency responsible for investigating allegations  
307.25 of sexual abuse if the alleged offender is the parent, guardian, sibling, or an individual  
307.26 functioning within the family unit as a person responsible for the child's care, or a person  
307.27 with a significant relationship to the child if that person resides in the child's household.  
307.28 Effective May 29, 2017, the local welfare agency is also responsible for investigating  
307.29 when a child is identified as a victim of sex trafficking.

307.30 Sec. 26. Minnesota Statutes 2014, section 626.558, subdivision 1, is amended to read:

307.31 Subdivision 1. **Establishment of team.** A county shall establish a multidisciplinary  
307.32 child protection team that may include, but not be limited to, the director of the local  
307.33 welfare agency or designees, the county attorney or designees, the county sheriff or  
307.34 designees, representatives of health and education, representatives of mental health or

308.1 other appropriate human service or community-based agencies, and parent groups. As  
308.2 used in this section, a "community-based agency" may include, but is not limited to,  
308.3 schools, social service agencies, family service and mental health collaboratives, children's  
308.4 advocacy centers, early childhood and family education programs, Head Start, or other  
308.5 agencies serving children and families. A member of the team must be designated as the  
308.6 lead person of the team responsible for the planning process to develop standards for its  
308.7 activities with battered women's and domestic abuse programs and services.

308.8 Sec. 27. Minnesota Statutes 2014, section 626.558, subdivision 2, is amended to read:

308.9 Subd. 2. **Duties of team.** A multidisciplinary child protection team may provide  
308.10 public and professional education, develop resources for prevention, intervention, and  
308.11 treatment, and provide case consultation to the local welfare agency or other interested  
308.12 community-based agencies. The community-based agencies may request case consultation  
308.13 from the multidisciplinary child protection team regarding a child or family for whom the  
308.14 community-based agency is providing services. As used in this section, "case consultation"  
308.15 means a case review process in which recommendations are made concerning services to  
308.16 be provided to the identified children and family. Case consultation may be performed by  
308.17 a committee or subcommittee of members representing human services, including mental  
308.18 health and chemical dependency; law enforcement, including probation and parole; the  
308.19 county attorney; a children's advocacy center; health care; education; community-based  
308.20 agencies and other necessary agencies; and persons directly involved in an individual case  
308.21 as designated by other members performing case consultation.

308.22 Sec. 28. Minnesota Statutes 2014, section 626.558, is amended by adding a subdivision  
308.23 to read:

308.24 Subd. 4. **Children's advocacy center; definition.** (a) For purposes of this section,  
308.25 "children's advocacy center" means an organization, using a multidisciplinary team  
308.26 approach, whose primary purpose is to provide children who have been the victims of  
308.27 abuse and their nonoffending family members with:

- 308.28 (1) support and advocacy;  
308.29 (2) specialized medical evaluation;  
308.30 (3) trauma-focused mental health services; and  
308.31 (4) forensic interviews.

308.32 (b) Children's advocacy centers provide multidisciplinary case review and the  
308.33 tracking and monitoring of case progress.



310.1 certified community behavioral health clinics, ~~in accordance~~ (CCBHCs) to be eligible for  
310.2 the prospective payment system in paragraph (f). Entities that choose to be CCBHCs must:

310.3 (1) comply with the CCBHC criteria published on or before September 1, 2015, by  
310.4 the United States Department of Health and Human Services. Certification standards  
310.5 established by the commissioner shall require that:

310.6 ~~(1)~~ (2) employ or contract for clinic staff who have backgrounds in diverse  
310.7 disciplines, include including licensed mental health professionals, and staff who are  
310.8 culturally and linguistically trained to serve the needs of the clinic's patient population;

310.9 ~~(2)~~ (3) ensure that clinic services are available and accessible to patients of all ages  
310.10 and genders and that crisis management services are available 24 hours per day;

310.11 ~~(3)~~ (4) establish fees for clinic services are established for non-medical assistance  
310.12 patients using a sliding fee scale and that ensures that services to patients are not denied  
310.13 or limited due to a patient's inability to pay for services;

310.14 ~~(4) clinics provide coordination of care across settings and providers to ensure~~  
310.15 ~~seamless transitions for patients across the full spectrum of health services, including~~  
310.16 ~~acute, chronic, and behavioral needs. Care coordination may be accomplished through~~  
310.17 ~~partnerships or formal contracts with federally qualified health centers, inpatient~~  
310.18 ~~psychiatric facilities, substance use and detoxification facilities, community-based mental~~  
310.19 ~~health providers, and other community services, supports, and providers including~~  
310.20 ~~schools, child welfare agencies, juvenile and criminal justice agencies, Indian Health~~  
310.21 ~~Services clinics, tribally licensed health care and mental health facilities, urban Indian~~  
310.22 ~~health clinics, Department of Veterans Affairs medical centers, outpatient clinics, drop-in~~  
310.23 ~~centers, acute care hospitals, and hospital outpatient clinics;~~ (5) comply with quality  
310.24 assurance reporting requirements and other reporting requirements, including any required  
310.25 reporting of encounter data, clinical outcomes data, and quality data;

310.26 ~~(5) services provided by clinics include~~ (6) provide crisis mental health services,  
310.27 withdrawal management services, emergency crisis intervention services, and stabilization  
310.28 services; screening, assessment, and diagnosis services, including risk assessments and  
310.29 level of care determinations; patient-centered treatment planning; outpatient mental  
310.30 health and substance use services; targeted case management; psychiatric rehabilitation  
310.31 services; peer support and counselor services and family support services; and intensive  
310.32 community-based mental health services, including mental health services for members of  
310.33 the armed forces and veterans; ~~and~~

310.34 ~~(6) clinics comply with quality assurance reporting requirements and other reporting~~  
310.35 ~~requirements, including any required reporting of encounter data, clinical outcomes data,~~  
310.36 ~~and quality data.~~ (7) provide coordination of care across settings and providers to ensure

311.1 seamless transitions for patients across the full spectrum of health services, including  
311.2 acute, chronic, and behavioral needs. Care coordination may be accomplished through  
311.3 partnerships or formal contracts with:

311.4 (i) counties, health plans, pharmacists, pharmacies, rural health clinics, federally  
311.5 qualified health centers, inpatient psychiatric facilities, substance use and detoxification  
311.6 facilities, or community-based mental health providers; and

311.7 (ii) other community services, supports, and providers, including schools, child  
311.8 welfare agencies, juvenile and criminal justice agencies, Indian health services clinics,  
311.9 tribally licensed health care and mental health facilities, urban Indian health clinics,  
311.10 Department of Veterans Affairs medical centers, outpatient clinics, drop-in centers, acute  
311.11 care hospitals, and hospital outpatient clinics;

311.12 (8) be certified as mental health clinics under section 245.69, subdivision 2;

311.13 (9) be certified to provide integrated treatment for co-occurring mental illness and  
311.14 substance use disorders in adults or children under Minnesota Rules, chapter 9533,  
311.15 effective July 1, 2017;

311.16 (10) comply with standards relating to mental health services in Minnesota Rules,  
311.17 parts 9505.0370 to 9505.0372;

311.18 (11) be licensed to provide chemical dependency treatment under Minnesota Rules,  
311.19 parts 9530.6405 to 9530.6505;

311.20 (12) be certified to provide children's therapeutic services and supports under  
311.21 section 256B.0943;

311.22 (13) be certified to provide adult rehabilitative mental health services under section  
311.23 256B.0623;

311.24 (14) be enrolled to provide mental health crisis response services under section  
311.25 256B.0624;

311.26 (15) be enrolled to provide mental health targeted case management under section  
311.27 256B.0625, subdivision 20;

311.28 (16) comply with standards relating to mental health case management in Minnesota  
311.29 Rules, parts 9520.0900 to 9520.0926; and

311.30 (17) provide services that comply with the evidence-based practices described in  
311.31 paragraph (e).

311.32 (b) If an entity is unable to provide one or more of the services listed in paragraph  
311.33 (a), clauses (6) to (17), the commissioner may certify the entity as a CCBHC, if the entity  
311.34 has a current contract with another entity that has the required authority to provide that  
311.35 service and that meets federal CCBHC criteria as a designated collaborating organization,  
311.36 or, to the extent allowed by the federal CCBHC criteria, the commissioner may approve a

312.1 referral arrangement. The CCBHC must meet federal requirements regarding the type and  
312.2 scope of services to be provided directly by the CCBHC.

312.3 (c) Notwithstanding any other law that requires a county contract or other form  
312.4 of county approval for certain services listed in paragraph (a), clause (6), a clinic that  
312.5 otherwise meets CCBHC requirements may receive the prospective payment under  
312.6 paragraph (f) for those services without a county contract or county approval. There is no  
312.7 county share when medical assistance pays the CCBHC prospective payment. As part of  
312.8 the certification process in paragraph (a), the commissioner shall require a letter of support  
312.9 from the CCBHC's host county confirming that the CCBHC and the county or counties it  
312.10 serves have an ongoing relationship to facilitate access and continuity of care, especially  
312.11 for individuals who are uninsured or who may go on and off medical assistance.

312.12 (d) When the standards listed in paragraph (a) or other applicable standards  
312.13 conflict or address similar issues in duplicative or incompatible ways, the commissioner  
312.14 may grant variances to state requirements if the variances do not conflict with federal  
312.15 requirements. If standards overlap, the commissioner may substitute all or a part of a  
312.16 licensure or certification that is substantially the same as another licensure or certification.  
312.17 The commissioner shall consult with stakeholders, as described in subdivision 4, before  
312.18 granting variances under this provision.

312.19 (e) The commissioner shall issue a list of required evidence-based practices to be  
312.20 delivered by CCBHCs, and may also provide a list of recommended evidence-based  
312.21 practices. The commissioner may update the list to reflect advances in outcomes research  
312.22 and medical services for persons living with mental illnesses or substance use disorders.  
312.23 The commissioner shall take into consideration the adequacy of evidence to support the  
312.24 efficacy of the practice, the quality of workforce available, and the current availability of  
312.25 the practice in the state. At least 30 days before issuing the initial list and any revisions,  
312.26 the commissioner shall provide stakeholders with an opportunity to comment.

312.27 ~~(b)~~ (f) The commissioner shall establish standards and methodologies for a  
312.28 prospective payment system for medical assistance payments for mental health services  
312.29 delivered by certified community behavioral health clinics, in accordance with guidance  
312.30 issued on or before September 1, 2015, by the Centers for Medicare and Medicaid  
312.31 Services. During the operation of the demonstration project, payments shall comply with  
312.32 federal requirements for a 90 percent an enhanced federal medical assistance percentage.  
312.33 The commissioner may include quality bonus payment in the prospective payment system  
312.34 based on federal criteria and on a clinic's provision of the evidence-based practices  
312.35 in paragraph (e). The prospective payment system does not apply to MinnesotaCare.

313.1 Implementation of the prospective payment system is effective July 1, 2017, or upon  
313.2 federal approval, whichever is later.

313.3 (g) The commissioner shall seek federal approval to continue federal financial  
313.4 participation in payment for CCBHC services after the federal demonstration period  
313.5 ends for clinics that were certified as CCBHCs during the demonstration period and  
313.6 that continue to meet the CCBHC certification standards in paragraph (a). Payment  
313.7 for CCBHC services shall cease effective July 1, 2019, if continued federal financial  
313.8 participation for the payment of CCBHC services cannot be obtained.

313.9 (h) The commissioner may certify at least one CCBHC located in an urban area and  
313.10 at least one CCBHC located in a rural area, as defined by federal criteria. To the extent  
313.11 allowed by federal law, the commissioner may limit the number of certified clinics so  
313.12 that the projected claims for certified clinics will not exceed the funds budgeted for this  
313.13 purpose. The commissioner shall give preference to clinics that:

313.14 (1) provide a comprehensive range of services and evidence-based practices for all  
313.15 age groups, with services being fully coordinated and integrated; and

313.16 (2) enhance the state's ability to meet the federal priorities to be selected as a  
313.17 CCBHC demonstration state.

313.18 (i) The commissioner shall recertify CCBHCs at least every three years. The  
313.19 commissioner shall establish a process for decertification and shall require corrective  
313.20 action, medical assistance repayment, or decertification of a CCBHC that no longer  
313.21 meets the requirements in this section or that fails to meet the standards provided by the  
313.22 commissioner in the application and certification process.

313.23 **EFFECTIVE DATE.** This section is effective the day following final enactment.

313.24 Sec. 2. Minnesota Statutes 2015 Supplement, section 245.735, subdivision 4, is  
313.25 amended to read:

313.26 Subd. 4. **Public participation.** In developing ~~the projects~~ and implementing  
313.27 CCBHCs under subdivision 3, the commissioner shall consult, collaborate, and partner  
313.28 with stakeholders, including but not limited to mental health providers, substance  
313.29 use disorder treatment providers, advocacy organizations, licensed mental health  
313.30 professionals, counties, tribes, hospitals, other health care providers, and Minnesota public  
313.31 health care program enrollees who receive mental health services and their families.

313.32 **EFFECTIVE DATE.** This section is effective the day following final enactment.

313.33 Sec. 3. Minnesota Statutes 2014, section 245.99, subdivision 2, is amended to read:

314.1 Subd. 2. **Rental assistance.** The program shall pay up to 90 days of housing  
314.2 assistance for persons with a serious ~~and persistent~~ mental illness who require inpatient or  
314.3 residential care for stabilization. The commissioner of human services may extend the  
314.4 length of assistance on a case-by-case basis.

314.5 **EFFECTIVE DATE.** This section is effective the day following final enactment.

314.6 Sec. 4. Minnesota Statutes 2014, section 254B.01, subdivision 4a, is amended to read:

314.7 Subd. 4a. **Culturally specific program.** (a) "Culturally specific program" means a  
314.8 substance use disorder treatment service program or subprogram that is recovery-focused  
314.9 and culturally specific when the program:

314.10 (1) improves service quality to and outcomes of a specific population by advancing  
314.11 health equity to help eliminate health disparities; and

314.12 (2) ensures effective, equitable, comprehensive, and respectful quality care services  
314.13 that are responsive to an individual within a specific population's values, beliefs and  
314.14 practices, health literacy, preferred language, and other communication needs.

314.15 (b) A tribally licensed substance use disorder program that is designated as serving  
314.16 a culturally specific population by the applicable tribal government is deemed to satisfy  
314.17 this subdivision.

314.18 **EFFECTIVE DATE.** This section is effective the day following final enactment.

314.19 Sec. 5. Minnesota Statutes 2014, section 254B.03, subdivision 4, is amended to read:

314.20 Subd. 4. **Division of costs.** (a) Except for services provided by a county under  
314.21 section 254B.09, subdivision 1, or services provided under section 256B.69 ~~or 256D.03,~~  
314.22 ~~subdivision 4, paragraph (b),~~ the county shall, out of local money, pay the state for 22.95  
314.23 percent of the cost of chemical dependency services, including those services provided to  
314.24 persons eligible for medical assistance under chapter 256B and general assistance medical  
314.25 care under chapter 256D. Counties may use the indigent hospitalization levy for treatment  
314.26 and hospital payments made under this section.

314.27 (b) 22.95 percent of any state collections from private or third-party pay, less 15  
314.28 percent for the cost of payment and collections, must be distributed to the county that paid  
314.29 for a portion of the treatment under this section.

314.30 (c) For fiscal year 2017 only, the 22.95 percentages under paragraphs (a) and (b)  
314.31 are equal to 20.2 percent.

314.32 Sec. 6. Minnesota Statutes 2014, section 254B.04, subdivision 2a, is amended to read:

315.1 Subd. 2a. **Eligibility for treatment in residential settings.** Notwithstanding  
315.2 provisions of Minnesota Rules, part 9530.6622, subparts 5 and 6, related to an assessor's  
315.3 discretion in making placements to residential treatment settings, a person eligible for  
315.4 services under this section must score at level 4 on assessment dimensions related to  
315.5 relapse, continued use, or recovery environment in order to be assigned to services with a  
315.6 room and board component reimbursed under this section. Whether a treatment facility  
315.7 has been designated an institution for mental diseases under United States Code, title 42,  
315.8 section 1396d, shall not be a factor in making placements.

315.9 Sec. 7. Minnesota Statutes 2015 Supplement, section 254B.05, subdivision 5, is  
315.10 amended to read:

315.11 Subd. 5. **Rate requirements.** (a) The commissioner shall establish rates for  
315.12 chemical dependency services and service enhancements funded under this chapter.

315.13 (b) Eligible chemical dependency treatment services include:

315.14 (1) outpatient treatment services that are licensed according to Minnesota Rules,  
315.15 parts 9530.6405 to 9530.6480, or applicable tribal license;

315.16 (2) medication-assisted therapy services that are licensed according to Minnesota  
315.17 Rules, parts 9530.6405 to 9530.6480 and 9530.6500, or applicable tribal license;

315.18 (3) medication-assisted therapy plus enhanced treatment services that meet the  
315.19 requirements of clause (2) and provide nine hours of clinical services each week;

315.20 (4) high, medium, and low intensity residential treatment services that are licensed  
315.21 according to Minnesota Rules, parts 9530.6405 to 9530.6480 and 9530.6505, or applicable  
315.22 tribal license which provide, respectively, 30, 15, and five hours of clinical services each  
315.23 week;

315.24 (5) hospital-based treatment services that are licensed according to Minnesota Rules,  
315.25 parts 9530.6405 to 9530.6480, or applicable tribal license and licensed as a hospital under  
315.26 sections 144.50 to 144.56;

315.27 (6) adolescent treatment programs that are licensed as outpatient treatment programs  
315.28 according to Minnesota Rules, parts 9530.6405 to 9530.6485, or as residential treatment  
315.29 programs according to Minnesota Rules, parts 2960.0010 to 2960.0220, and 2960.0430  
315.30 to 2960.0490, or applicable tribal license;

315.31 (7) high-intensity residential treatment services that are licensed according to  
315.32 Minnesota Rules, parts 9530.6405 to 9530.6480 and 9530.6505, or applicable tribal  
315.33 license, which provide 30 hours of clinical services each week provided by a state-operated  
315.34 vendor or to clients who have been civilly committed to the commissioner, present the  
315.35 most complex and difficult care needs, and are a potential threat to the community; and

- 316.1 (8) room and board facilities that meet the requirements of subdivision 1a.
- 316.2 (c) The commissioner shall establish higher rates for programs that meet the
- 316.3 requirements of paragraph (b) and one of the following additional requirements:
- 316.4 (1) programs that serve parents with their children if the program:
- 316.5 (i) provides on-site child care during the hours of treatment activity that:
- 316.6 (A) is licensed under chapter 245A as a child care center under Minnesota Rules,
- 316.7 chapter 9503; or
- 316.8 (B) meets the licensure exclusion criteria of section 245A.03, subdivision 2,
- 316.9 paragraph (a), clause (6), and meets the requirements under Minnesota Rules, part
- 316.10 9530.6490, subpart 4; or
- 316.11 (ii) arranges for off-site child care during hours of treatment activity at a facility that
- 316.12 is licensed under chapter 245A as:
- 316.13 (A) a child care center under Minnesota Rules, chapter 9503; or
- 316.14 (B) a family child care home under Minnesota Rules, chapter 9502;
- 316.15 (2) culturally specific programs as defined in section 254B.01, subdivision 4a, or
- 316.16 programs or subprograms serving special populations, if the program or subprogram meets
- 316.17 the following requirements in Minnesota Rules, part 9530.6605, subpart 13;
- 316.18 (i) is designed to address the unique needs of individuals who share a common
- 316.19 language, racial, ethnic, or social background;
- 316.20 (ii) is governed with significant input from individuals of that specific background;
- 316.21 and
- 316.22 (iii) employs individuals to provide individual or group therapy, at least 50 percent
- 316.23 of whom are of that specific background, except when the common social background of
- 316.24 the individuals served is a traumatic brain injury or cognitive disability and the program
- 316.25 employs treatment staff who have the necessary professional training, as approved by the
- 316.26 commissioner, to serve clients with the specific disabilities that the program is designed
- 316.27 to serve;
- 316.28 (3) programs that offer medical services delivered by appropriately credentialed
- 316.29 health care staff in an amount equal to two hours per client per week if the medical
- 316.30 needs of the client and the nature and provision of any medical services provided are
- 316.31 documented in the client file; and
- 316.32 (4) programs that offer services to individuals with co-occurring mental health and
- 316.33 chemical dependency problems if:
- 316.34 (i) the program meets the co-occurring requirements in Minnesota Rules, part
- 316.35 9530.6495;

317.1 (ii) 25 percent of the counseling staff are licensed mental health professionals, as  
317.2 defined in section 245.462, subdivision 18, clauses (1) to (6), or are students or licensing  
317.3 candidates under the supervision of a licensed alcohol and drug counselor supervisor and  
317.4 licensed mental health professional, except that no more than 50 percent of the mental  
317.5 health staff may be students or licensing candidates with time documented to be directly  
317.6 related to provisions of co-occurring services;

317.7 (iii) clients scoring positive on a standardized mental health screen receive a mental  
317.8 health diagnostic assessment within ten days of admission;

317.9 (iv) the program has standards for multidisciplinary case review that include a  
317.10 monthly review for each client that, at a minimum, includes a licensed mental health  
317.11 professional and licensed alcohol and drug counselor, and their involvement in the review  
317.12 is documented;

317.13 (v) family education is offered that addresses mental health and substance abuse  
317.14 disorders and the interaction between the two; and

317.15 (vi) co-occurring counseling staff ~~will~~ shall receive eight hours of co-occurring  
317.16 disorder training annually.

317.17 (d) In order to be eligible for a higher rate under paragraph (c), clause (1), a program  
317.18 that provides arrangements for off-site child care must maintain current documentation at  
317.19 the chemical dependency facility of the child care provider's current licensure to provide  
317.20 child care services. Programs that provide child care according to paragraph (c), clause  
317.21 (1), must be deemed in compliance with the licensing requirements in Minnesota Rules,  
317.22 part 9530.6490.

317.23 (e) Adolescent residential programs that meet the requirements of Minnesota  
317.24 Rules, parts 2960.0430 to 2960.0490 and 2960.0580 to 2960.0690, are exempt from the  
317.25 requirements in paragraph (c), clause (4), items (i) to (iv).

317.26 (f) Subject to federal approval, chemical dependency services that are otherwise  
317.27 covered as direct face-to-face services may be provided via two-way interactive video.  
317.28 The use of two-way interactive video must be medically appropriate to the condition and  
317.29 needs of the person being served. Reimbursement shall be at the same rates and under the  
317.30 same conditions that would otherwise apply to direct face-to-face services. The interactive  
317.31 video equipment and connection must comply with Medicare standards in effect at the  
317.32 time the service is provided.

317.33 **EFFECTIVE DATE.** This section is effective the day following final enactment.

317.34 Sec. 8. Minnesota Statutes 2014, section 254B.06, subdivision 2, is amended to read:

318.1 Subd. 2. **Allocation of collections.** (a) The commissioner shall allocate all federal  
318.2 financial participation collections to a special revenue account. The commissioner shall  
318.3 allocate 77.05 percent of patient payments and third-party payments to the special revenue  
318.4 account and 22.95 percent to the county financially responsible for the patient.

318.5 (b) For fiscal year 2017 only, the commissioner's allocation to the special revenue  
318.6 account shall be increased from 77.05 percent to 79.8 percent and the county financial  
318.7 responsibility shall be reduced from 22.95 percent to 20.2 percent.

318.8 **EFFECTIVE DATE.** This section is effective July 1, 2016.

318.9 Sec. 9. Minnesota Statutes 2014, section 254B.06, is amended by adding a subdivision  
318.10 to read:

318.11 Subd. 4. **Reimbursement for institutions for mental diseases.** The commissioner  
318.12 shall not deny reimbursement to a program designated as an institution for mental diseases  
318.13 under United States Code, title 42, section 1396d, due to a reduction in federal financial  
318.14 participation and the addition of new residential beds.

318.15 Sec. 10. **[254B.15] PILOT PROJECTS; TREATMENT FOR PREGNANT AND**  
318.16 **POSTPARTUM WOMEN WITH SUBSTANCE USE DISORDER.**

318.17 Subdivision 1. **Pilot projects established.** (a) Within the limits of federal funds  
318.18 available specifically for this purpose, the commissioner of human services shall establish  
318.19 pilot projects to provide substance use disorder treatment and services to pregnant and  
318.20 postpartum women with a primary diagnosis of substance use disorder, including opioid  
318.21 use disorder. Pilot projects funded under this section must:

318.22 (1) promote flexible uses of funds to provide treatment and services to pregnant and  
318.23 postpartum women with substance use disorders;

318.24 (2) fund family-based treatment and services for pregnant and postpartum women  
318.25 with substance use disorders;

318.26 (3) identify gaps in services along the continuum of care that are provided to  
318.27 pregnant and postpartum women with substance use disorders; and

318.28 (4) encourage new approaches to service delivery and service delivery models.

318.29 (b) A pilot project funded under this section must provide at least a portion of its  
318.30 treatment and services to women who receive services on an outpatient basis.

318.31 Subd. 2. **Federal funds.** The commissioner shall apply for any available grant funds  
318.32 from the federal Center for Substance Abuse Treatment for these pilot projects.

319.1 Sec. 11. Minnesota Statutes 2014, section 256B.0622, is amended by adding a  
319.2 subdivision to read:

319.3 Subd. 12. **Start-up grants.** The commissioner may, within available appropriations,  
319.4 disburse grant funding to counties, Indian tribes, or mental health service providers to  
319.5 establish additional assertive community treatment teams, intensive residential treatment  
319.6 services, or crisis residential services.

319.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.

## 319.8 **ARTICLE 17**

### 319.9 **DIRECT CARE AND TREATMENT**

319.10 Section 1. Minnesota Statutes 2014, section 246.50, subdivision 7, is amended to read:

319.11 Subd. 7. **Client's county.** "Client's county" means the county of the client's legal  
319.12 settlement for poor relief purposes at the time of commitment or voluntary admission to a  
319.13 state facility, or if the client has no such legal settlement in this state, it means the county  
319.14 of commitment financial responsibility under chapter 256G, except that where a client  
319.15 with no such legal settlement residence in this state is committed while serving a sentence  
319.16 at a penal institution, it means the county from which the client was sentenced.

319.17 Sec. 2. Minnesota Statutes 2014, section 246.54, as amended by Laws 2015, chapter  
319.18 71, article 4, section 2, is amended to read:

#### 319.19 **246.54 LIABILITY OF COUNTY; REIMBURSEMENT.**

319.20 Subdivision 1. ~~County portion for cost of care~~ Generally. (a) Except for chemical  
319.21 dependency services provided under sections 254B.01 to 254B.09, the client's county  
319.22 shall pay to the state of Minnesota a portion of the cost of care provided in a regional  
319.23 treatment center or a state nursing facility to a client legally settled in that county. A  
319.24 county's payment shall be made from the county's own sources of revenue and payments  
319.25 shall equal a percentage of the cost of care, as determined by the commissioner, for each  
319.26 day, or the portion thereof, that the client spends at a regional treatment center or a state  
319.27 nursing facility ~~according to the following schedule:~~

319.28 Subd. 1a. **Anoka-Metro Regional Treatment Center.** (a) A county's payment of  
319.29 the cost of care provided at Anoka-Metro Regional Treatment Center shall be according to  
319.30 the following schedule:

319.31 (1) zero percent for the first 30 days;

319.32 (2) 20 percent for days 31 and over if the stay is determined to be clinically  
319.33 appropriate for the client; and

320.1 (3) 100 percent for each day during the stay, including the day of admission, when  
320.2 the facility determines that it is clinically appropriate for the client to be discharged.

320.3 (b) If payments received by the state under sections 246.50 to 246.53 exceed 80  
320.4 percent of the cost of care for days over 31 for clients who meet the criteria in paragraph  
320.5 (a), clause (2), the county shall be responsible for paying the state only the remaining  
320.6 amount. The county shall not be entitled to reimbursement from the client, the client's  
320.7 estate, or from the client's relatives, except as provided in section 246.53.

320.8 Subd. 1b. **Community behavioral health hospitals.** A county's payment of the  
320.9 cost of care provided at state-operated community-based behavioral health hospitals shall  
320.10 be according to the following schedule:

320.11 (1) 100 percent for each day during the stay, including the day of admission, when  
320.12 the facility determines that it is clinically appropriate for the client to be discharged; and

320.13 (2) the county shall not be entitled to reimbursement from the client, the client's  
320.14 estate, or from the client's relatives, except as provided in section 246.53.

320.15 Subd. 1c. **State-operated forensic services.** A county's payment of the cost of care  
320.16 provided at state-operated forensic services shall be according to the following schedule:

320.17 (1) Minnesota Security Hospital: ten percent for each day, or portion thereof, that the  
320.18 client spends in a Minnesota Security Hospital program. If payments received by the state  
320.19 under sections 246.50 to 246.53 for services provided at the Minnesota Security Hospital  
320.20 exceed 90 percent of the cost of care, the county shall be responsible for paying the state  
320.21 only the remaining amount. The county shall not be entitled to reimbursement from the  
320.22 client, the client's estate, or the client's relatives except as provided in section 246.53;

320.23 (2) forensic nursing home: ten percent for each day, or portion thereof, that the client  
320.24 spends in a forensic nursing home program. If payments received by the state under  
320.25 sections 246.50 to 246.53 for services provided at the forensic nursing home exceed 90  
320.26 percent of the cost of care, the county shall be responsible for paying the state only the  
320.27 remaining amount. The county shall not be entitled to reimbursement from the client, the  
320.28 client's estate, or the client's relatives except as provided in section 246.53;

320.29 (3) forensic transition services: 50 percent for each day, or portion thereof, that the  
320.30 client spends in the forensic transition services program. If payments received by the state  
320.31 under sections 246.50 to 246.53 for services provided in the forensic transition services  
320.32 exceed 50 percent of the cost of care, the county shall be responsible for paying the state  
320.33 only the remaining amount. The county shall not be entitled to reimbursement from the  
320.34 client, the client's estate, or the client's relatives except as provided in section 246.53; and

320.35 (4) residential competency restoration program:

321.1 (i) 20 percent for each day, or portion thereof, that the client spends in a residential  
321.2 competency restoration program while the client is in need of restoration services;

321.3 (ii) 50 percent for each day, or portion thereof, that the client spends in a residential  
321.4 competency restoration program once the examiner determines that the client no longer  
321.5 needs restoration services; and

321.6 (iii) 100 percent for each day, or portion thereof, once charges against a client have  
321.7 been resolved or dropped.

321.8 Subd. 2. **Exceptions.** ~~(a) Subdivision 1 does not apply to services provided at the~~  
321.9 ~~Minnesota Security Hospital. For services at the Minnesota Security Hospital, a county's~~  
321.10 ~~payment shall be made from the county's own sources of revenue and payments. Excluding~~  
321.11 ~~the state-operated forensic transition service, payments to the state from the county shall~~  
321.12 ~~equal ten percent of the cost of care, as determined by the commissioner, for each day, or~~  
321.13 ~~the portion thereof, that the client spends at the facility. For the state-operated forensic~~  
321.14 ~~transition service, payments to the state from the county shall equal 50 percent of the cost of~~  
321.15 ~~care, as determined by the commissioner, for each day, or the portion thereof, that the client~~  
321.16 ~~spends in the program. If payments received by the state under sections 246.50 to 246.53~~  
321.17 ~~for services provided at the Minnesota Security Hospital, excluding the state-operated~~  
321.18 ~~forensic transition service, exceed 90 percent of the cost of care, the county shall be~~  
321.19 ~~responsible for paying the state only the remaining amount. If payments received by the~~  
321.20 ~~state under sections 246.50 to 246.53 for the state-operated forensic transition service~~  
321.21 ~~exceed 50 percent of the cost of care, the county shall be responsible for paying the state~~  
321.22 ~~only the remaining amount. The county shall not be entitled to reimbursement from the~~  
321.23 ~~client, the client's estate, or from the client's relatives, except as provided in section 246.53.~~

321.24 ~~(b) Regardless of the facility to which the client is committed, subdivision 1 does~~  
321.25 ~~subdivisions 1, 1a, 1b, and 1c, do not apply to the following individuals:~~

321.26 (1) clients who are committed as sexual psychopathic personalities under section  
321.27 253D.02, subdivision 15; and

321.28 (2) clients who are committed as sexually dangerous persons under section 253D.02,  
321.29 subdivision 16.

321.30 Sec. 3. Minnesota Statutes 2014, section 246B.01, subdivision 1b, is amended to read:

321.31 Subd. 1b. **Civilly committed sex offender's county.** "Civilly committed sex  
321.32 offender's county" means the county of the civilly committed sex offender's legal  
321.33 settlement for poor relief purposes at the time of commitment. ~~If the civilly committed~~  
321.34 ~~sex offender has no legal settlement for poor relief in this state, it means the county of~~  
321.35 ~~commitment~~ financial responsibility under chapter 256G, except that when a civilly

322.1 committed sex offender with no ~~legal settlement for poor relief~~ residence in this state is  
 322.2 committed while serving a sentence at a penal institution, it means the county from which  
 322.3 the civilly committed sex offender was sentenced.

322.4 Sec. 4. Minnesota Statutes 2014, section 246B.035, is amended to read:

322.5 **246B.035 ANNUAL PERFORMANCE REPORT REQUIRED.**

322.6 The executive director of the Minnesota sex offender program shall submit  
 322.7 electronically a performance report to the chairs and ranking minority members of the  
 322.8 legislative committees and divisions with jurisdiction over funding for the program by  
 322.9 ~~January~~ February 15 of each year beginning in ~~2010~~ 2017. The report must include the  
 322.10 following:

322.11 (1) a description of the program, including the strategic mission, goals, objectives,  
 322.12 and outcomes;

322.13 (2) the programwide per diem reported in a standard calculated method as outlined  
 322.14 in the program policies and procedures;

322.15 (3) program annual statistics as outlined in the departmental policies and procedures;  
 322.16 and

322.17 (4) the sex offender program evaluation report required under section 246B.03. The  
 322.18 executive director shall submit a printed copy upon request.

322.19 Sec. 5. **REPORT ON ANOKA-METRO REGIONAL TREATMENT CENTER**  
 322.20 **(AMRTC), MINNESOTA SECURITY HOSPITAL (MSH), AND COMMUNITY**  
 322.21 **BEHAVIORAL HEALTH HOSPITALS (CBHH).**

322.22 The commissioner of human services shall issue a public quarterly report to the  
 322.23 chairs and ranking minority leaders of the senate and house of representatives committees  
 322.24 having jurisdiction over health and human services issues on the AMRTC, MSH, and  
 322.25 CBHH. The report shall contain information on the number of licensed beds, budgeted  
 322.26 capacity, occupancy rate, number of Occupational Safety and Health Administration  
 322.27 (OSHA) recordable injuries and the number of OSHA recordable injuries due to patient  
 322.28 aggression or restraint, number of clinical positions budgeted, the percentage of those  
 322.29 positions that are filled, the number of direct care positions budgeted, and the percentage  
 322.30 of those positions that are filled.

## ARTICLE 18

## CONTINUING CARE

323.1  
323.2  
323.3 Section 1. Minnesota Statutes 2014, section 144A.073, subdivision 13, is amended to  
323.4 read:

323.5 Subd. 13. **Moratorium exception funding.** In fiscal year 2013, the commissioner  
323.6 of health may approve moratorium exception projects under this section for which the  
323.7 full annualized state share of medical assistance costs does not exceed \$1,000,000 plus  
323.8 any carryover of previous appropriations for this purpose.

323.9 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2012.

323.10 Sec. 2. Minnesota Statutes 2014, section 144A.073, subdivision 14, is amended to read:

323.11 Subd. 14. **Moratorium exception funding.** In fiscal year 2015, the commissioner  
323.12 of health may approve moratorium exception projects under this section for which the  
323.13 full annualized state share of medical assistance costs does not exceed \$1,000,000 plus  
323.14 any carryover of previous appropriations for this purpose.

323.15 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2014.

323.16 Sec. 3. Minnesota Statutes 2014, section 144A.073, is amended by adding a  
323.17 subdivision to read:

323.18 Subd. 15. **Moratorium exception funding.** In fiscal year 2017, the commissioner  
323.19 may approve moratorium exception projects under this section for which the full  
323.20 annualized state share of medical assistance costs does not exceed \$1,000,000 plus any  
323.21 carryover of previous appropriations for this purpose.

323.22 Sec. 4. Minnesota Statutes 2014, section 144A.611, subdivision 1, is amended to read:

323.23 Subdivision 1. **Nursing homes and certified boarding care homes.** The actual  
323.24 costs of tuition and textbooks and reasonable expenses for the competency evaluation  
323.25 or the nursing assistant training program and competency evaluation approved under  
323.26 section 144A.61, which are paid to nursing assistants or adult training programs pursuant  
323.27 to ~~subdivision~~ subdivisions 2 and 4, are a reimbursable expense for nursing homes  
323.28 and certified boarding care homes under ~~the provisions of chapter 256B and the rules~~  
323.29 ~~promulgated thereunder~~ section 256B.431, subdivision 36.

323.30 **EFFECTIVE DATE.** This section is effective for costs incurred on or after October  
323.31 1, 2016.

324.1 Sec. 5. Minnesota Statutes 2014, section 144A.611, subdivision 2, is amended to read:

324.2 Subd. 2. ~~Nursing assistants~~ **Reimbursement for training program and**  
324.3 **competency evaluation costs.** A nursing assistant who has completed an approved  
324.4 competency evaluation or an approved training program and competency evaluation  
324.5 shall be reimbursed by the nursing home or certified boarding care home for actual costs  
324.6 of tuition and textbooks and reasonable expenses for the competency evaluation or the  
324.7 training program and competency evaluation 90 days after the date of employment, or  
324.8 upon completion of the approved training program, whichever is later.

324.9 **EFFECTIVE DATE.** This section is effective for costs incurred on or after October  
324.10 1, 2016.

324.11 Sec. 6. Minnesota Statutes 2014, section 144A.611, is amended by adding a  
324.12 subdivision to read:

324.13 Subd. 4. **Reimbursement for adult basic education components.** (a) Nursing  
324.14 facilities and certified boarding care homes shall provide reimbursement for costs related  
324.15 to additional adult basic education components of an approved nursing assistant training  
324.16 program, to:

324.17 (1) an adult training program that provided an approved nursing assistant training  
324.18 program to an employee of the nursing facility or boarding care home; or

324.19 (2) a nursing assistant who is an employee of the nursing facility or boarding care  
324.20 home and completed an approved nursing assistant training program provided by an  
324.21 adult training program.

324.22 (b) For purposes of this subdivision, adult basic education components of a nursing  
324.23 assistant training program must include the following, if needed: training in mathematics,  
324.24 vocabulary, literacy skills, workplace skills, resume writing, and job interview skills.

324.25 Reimbursement provided under this subdivision shall not exceed 30 percent of the cost of  
324.26 tuition, textbooks, and competency evaluation.

324.27 (c) An adult training program is prohibited from billing program students, nursing  
324.28 facilities, or certified boarding care homes for costs under this subdivision until the  
324.29 program student has been employed by the nursing facility as a certified nursing assistant  
324.30 for at least 90 days.

324.31 **EFFECTIVE DATE.** This section is effective for costs incurred on or after October  
324.32 1, 2016.

325.1 Sec. 7. Minnesota Statutes 2014, section 245A.11, subdivision 2a, as amended by Laws  
325.2 2016, chapter 163, article 3, section 5, if enacted, is amended to read:

325.3 Subd. 2a. **Adult foster care and community residential setting license capacity.**

325.4 (a) The commissioner shall issue adult foster care and community residential setting  
325.5 licenses with a maximum licensed capacity of four beds, including nonstaff roomers and  
325.6 boarders, except that the commissioner may issue a license with a capacity of five beds,  
325.7 including roomers and boarders, according to paragraphs (b) to (f).

325.8 (b) The license holder may have a maximum license capacity of five if all persons  
325.9 in care are age 55 or over and do not have a serious and persistent mental illness or a  
325.10 developmental disability.

325.11 (c) The commissioner may grant variances to paragraph (b) to allow a facility with a  
325.12 licensed capacity of up to five persons to admit an individual under the age of 55 if the  
325.13 variance complies with section 245A.04, subdivision 9, and approval of the variance is  
325.14 recommended by the county in which the licensed facility is located.

325.15 (d) The commissioner may grant variances to paragraph (b) to allow the use of  
325.16 an additional bed, up to five, for emergency crisis services for a person with serious  
325.17 and persistent mental illness or a developmental disability, regardless of age, if the  
325.18 variance complies with section 245A.04, subdivision 9, and approval of the variance is  
325.19 recommended by the county in which the licensed facility is located.

325.20 (e) The commissioner may grant a variance to paragraph (b) to allow for the use  
325.21 of an additional bed, up to five, for respite services, as defined in section 245A.02,  
325.22 for persons with disabilities, regardless of age, if the variance complies with sections  
325.23 245A.03, subdivision 7, and 245A.04, subdivision 9, and approval of the variance is  
325.24 recommended by the county in which the licensed facility is located. Respite care may be  
325.25 provided under the following conditions:

325.26 (1) staffing ratios cannot be reduced below the approved level for the individuals  
325.27 being served in the home on a permanent basis;

325.28 (2) no more than two different individuals can be accepted for respite services in  
325.29 any calendar month and the total respite days may not exceed 120 days per program in  
325.30 any calendar year;

325.31 (3) the person receiving respite services must have his or her own bedroom, which  
325.32 could be used for alternative purposes when not used as a respite bedroom, and cannot be  
325.33 the room of another person who lives in the facility; and

325.34 (4) individuals living in the facility must be notified when the variance is approved.  
325.35 The provider must give 60 days' notice in writing to the residents and their legal  
325.36 representatives prior to accepting the first respite placement. Notice must be given to

326.1 residents at least two days prior to service initiation, or as soon as the license holder is  
326.2 able if they receive notice of the need for respite less than two days prior to initiation,  
326.3 each time a respite client will be served, unless the requirement for this notice is waived  
326.4 by the resident or legal guardian.

326.5 (f) The commissioner may issue an adult foster care or community residential setting  
326.6 license with a capacity of five adults if the fifth bed does not increase the overall statewide  
326.7 capacity of licensed adult foster care or community residential setting beds in homes that  
326.8 are not the primary residence of the license holder, as identified in a plan submitted to the  
326.9 commissioner by the county, when the capacity is recommended by the county licensing  
326.10 agency of the county in which the facility is located and if the recommendation verifies that:

326.11 (1) the facility meets the physical environment requirements in the adult foster  
326.12 care licensing rule;

326.13 (2) the five-bed living arrangement is specified for each resident in the resident's:

326.14 (i) individualized plan of care;

326.15 (ii) individual service plan under section 256B.092, subdivision 1b, if required; or

326.16 (iii) individual resident placement agreement under Minnesota Rules, part  
326.17 9555.5105, subpart 19, if required;

326.18 (3) the license holder obtains written and signed informed consent from each  
326.19 resident or resident's legal representative documenting the resident's informed choice  
326.20 to remain living in the home and that the resident's refusal to consent would not have  
326.21 resulted in service termination; and

326.22 (4) the facility was licensed for adult foster care before March 1, 2011.

326.23 (g) The commissioner shall not issue a new adult foster care license under paragraph  
326.24 (f) after June 30, ~~2019~~ 2017. The commissioner shall allow a facility with an adult foster  
326.25 care license issued under paragraph (f) before June 30, ~~2019~~ 2017, to continue with a  
326.26 capacity of five adults if the license holder continues to comply with the requirements in  
326.27 paragraph (f).

326.28 Sec. 8. Minnesota Statutes 2015 Supplement, section 256B.431, subdivision 36,  
326.29 is amended to read:

326.30 Subd. 36. **Employee scholarship costs and training in English as a second**  
326.31 **language.** (a) For the period between July 1, 2001, and June 30, 2003, the commissioner  
326.32 shall provide to each nursing facility reimbursed under this section, section 256B.434,  
326.33 or any other section, a scholarship per diem of 25 cents to the total operating payment  
326.34 rate. For the 27-month period beginning October 1, 2015, through December 31, 2017,  
326.35 the commissioner shall allow a scholarship per diem of up to 25 cents for each nursing

327.1 facility with no scholarship per diem that is requesting a scholarship per diem to be added  
327.2 to the external fixed payment rate to be used:

327.3 (1) for employee scholarships that satisfy the following requirements:

327.4 (i) scholarships are available to all employees who work an average of at least  
327.5 ten hours per week at the facility except the administrator, and to reimburse student  
327.6 loan expenses for newly hired and recently graduated registered nurses and licensed  
327.7 practical nurses, and training expenses for nursing assistants as ~~defined~~ specified in section  
327.8 144A.611, ~~subdivision~~ subdivisions 2 and 4, who are newly hired and have graduated  
327.9 within the last 12 months; and

327.10 (ii) the course of study is expected to lead to career advancement with the facility or  
327.11 in long-term care, including medical care interpreter services and social work; and

327.12 (2) to provide job-related training in English as a second language.

327.13 (b) All facilities may annually request a rate adjustment under this subdivision by  
327.14 submitting information to the commissioner on a schedule and in a form supplied by the  
327.15 commissioner. The commissioner shall allow a scholarship payment rate equal to the  
327.16 reported and allowable costs divided by resident days.

327.17 (c) In calculating the per diem under paragraph (b), the commissioner shall allow  
327.18 costs related to tuition, direct educational expenses, and reasonable costs as defined by the  
327.19 commissioner for child care costs and transportation expenses related to direct educational  
327.20 expenses.

327.21 (d) The rate increase under this subdivision is an optional rate add-on that the facility  
327.22 must request from the commissioner in a manner prescribed by the commissioner. The  
327.23 rate increase must be used for scholarships as specified in this subdivision.

327.24 (e) For instances in which a rate adjustment will be 15 cents or greater, nursing  
327.25 facilities that close beds during a rate year may request to have their scholarship  
327.26 adjustment under paragraph (b) recalculated by the commissioner for the remainder of the  
327.27 rate year to reflect the reduction in resident days compared to the cost report year.

327.28 **EFFECTIVE DATE.** This section is effective for costs incurred on or after October  
327.29 1, 2016.

327.30 **Sec. 9. REVISOR'S INSTRUCTION.**

327.31 (a) The revisor of statutes shall codify Laws 2015, chapter 71, article 7, section 55,  
327.32 as Minnesota Statutes, section 256B.0921.

327.33 (b) The revisor of statutes, in consultation with the Department of Human Services,  
327.34 shall change the cross-references in Minnesota Rules, chapters 2960, 9503, and 9525,  
327.35 resulting from the repealer adopted in rules found at 40 State Register 179. The revisor

328.1 may make technical and other necessary changes to sentence structure to preserve the  
328.2 meaning of the text.

328.3 **EFFECTIVE DATE.** Paragraph (b) is effective the day following final enactment.

328.4 **ARTICLE 19**

328.5 **HEALTH CARE**

328.6 Section 1. Minnesota Statutes 2015 Supplement, section 16A.724, subdivision 2,  
328.7 is amended to read:

328.8 Subd. 2. **Transfers.** (a) Notwithstanding section 295.581, to the extent available  
328.9 resources in the health care access fund exceed expenditures in that fund, effective for  
328.10 the biennium beginning July 1, 2007, the commissioner of management and budget  
328.11 shall transfer the excess funds from the health care access fund to the general fund on  
328.12 June 30 of each year, provided that the amount transferred in fiscal year 2016 shall not  
328.13 exceed \$48,000,000, the amount in fiscal year 2017 shall not exceed \$122,000,000, and  
328.14 the amount in any fiscal biennium thereafter shall not exceed ~~\$96,000,000~~ \$244,000,000.  
328.15 The purpose of this transfer is to meet the rate increase required under Laws 2003, First  
328.16 Special Session chapter 14, article 13C, section 2, subdivision 6.

328.17 (b) For fiscal years 2006 to 2011, MinnesotaCare shall be a forecasted program, and,  
328.18 if necessary, the commissioner shall reduce these transfers from the health care access  
328.19 fund to the general fund to meet annual MinnesotaCare expenditures or, if necessary,  
328.20 transfer sufficient funds from the general fund to the health care access fund to meet  
328.21 annual MinnesotaCare expenditures.

328.22 Sec. 2. Minnesota Statutes 2014, section 62V.05, is amended by adding a subdivision  
328.23 to read:

328.24 Subd. 12. **Reports on interagency agreements and intra-agency transfers.** The  
328.25 MNsure Board shall provide quarterly reports to the chairs and ranking minority members  
328.26 of the legislative committees with jurisdiction over health and human services policy  
328.27 and finance on:

328.28 (1) interagency agreements or service-level agreements and any renewals or  
328.29 extensions of existing interagency or service-level agreements with a state department  
328.30 under section 15.01, state agency under section 15.012, or the Office of MN.IT Services,  
328.31 with a value of more than \$100,000, or related agreements with the same department or  
328.32 agency with a cumulative value of more than \$100,000; and

329.1 (2) transfers of appropriations of more than \$100,000 between accounts within or  
 329.2 between agencies.

329.3 The report must include the statutory citation authorizing the agreement, transfer or dollar  
 329.4 amount, purpose, and effective date of the agreement, the duration of the agreement, and  
 329.5 a copy of the agreement.

329.6 Sec. 3. Minnesota Statutes 2014, section 256.01, is amended by adding a subdivision  
 329.7 to read:

329.8 Subd. 41. **Reports on interagency agreements and intra-agency transfers.** The  
 329.9 commissioner of human services shall provide quarterly reports to the chairs and ranking  
 329.10 minority members of the legislative committees with jurisdiction over health and human  
 329.11 services policy and finance on:

329.12 (1) interagency agreements or service-level agreements and any renewals or  
 329.13 extensions of existing interagency or service-level agreements with a state department  
 329.14 under section 15.01, state agency under section 15.012, or the Office of MN.IT Services,  
 329.15 with a value of more than \$100,000, or related agreements with the same department or  
 329.16 agency with a cumulative value of more than \$100,000; and

329.17 (2) transfers of appropriations of more than \$100,000 between accounts within or  
 329.18 between agencies.

329.19 The report must include the statutory citation authorizing the agreement, transfer or dollar  
 329.20 amount, purpose, and effective date of the agreement, the duration of the agreement, and  
 329.21 a copy of the agreement.

329.22 Sec. 4. Minnesota Statutes 2014, section 256B.059, subdivision 1, is amended to read:

329.23 Subdivision 1. **Definitions.** (a) For purposes of this section and sections 256B.058  
 329.24 and 256B.0595, the terms defined in this subdivision have the meanings given them.

329.25 (b) "Community spouse" means the spouse of an institutionalized spouse.

329.26 ~~(c) "Spousal share" means one-half of the total value of all assets, to the extent that~~  
 329.27 ~~either the institutionalized spouse or the community spouse had an ownership interest at~~  
 329.28 ~~the time of the first continuous period of institutionalization.~~

329.29 ~~(d) (c) "Assets otherwise available to the community spouse" means assets~~  
 329.30 ~~individually or jointly owned by the community spouse, other than assets excluded by~~  
 329.31 ~~subdivision 5, paragraph (c).~~

329.32 ~~(e) (d) "Community spouse asset allowance" is the value of assets that can be~~  
 329.33 ~~transferred under subdivision 3.~~

329.34 ~~(f) (e) "Institutionalized spouse" means a person who is:~~

330.1 (1) in a hospital, nursing facility, or intermediate care facility for persons with  
 330.2 developmental disabilities, or receiving home and community-based services under  
 330.3 section 256B.0915, and is expected to remain in the facility or institution or receive the  
 330.4 home and community-based services for at least 30 consecutive days; and

330.5 (2) married to a person who is not in a hospital, nursing facility, or intermediate  
 330.6 care facility for persons with developmental disabilities, and is not receiving home and  
 330.7 community-based services under section 256B.0915, 256B.092, or 256B.49.

330.8 ~~(g)~~ (f) "For the sole benefit of" means no other individual or entity can benefit in any  
 330.9 way from the assets or income at the time of a transfer or at any time in the future.

330.10 ~~(h)~~ (g) "Continuous period of institutionalization" means a 30-consecutive-day  
 330.11 period of time in which a person is expected to stay in a medical or long-term care facility,  
 330.12 or receive home and community-based services that would qualify for coverage under  
 330.13 the elderly waiver (EW) or alternative care (AC) programs. For a stay in a facility, the  
 330.14 30-consecutive-day period begins on the date of entry into a medical or long-term care  
 330.15 facility. For receipt of home and community-based services, the 30-consecutive-day  
 330.16 period begins on the date that the following conditions are met:

330.17 (1) the person is receiving services that meet the nursing facility level of care  
 330.18 determined by a long-term care consultation;

330.19 (2) the person has received the long-term care consultation within the past 60 days;

330.20 (3) the services are paid by the EW program under section 256B.0915 or the AC  
 330.21 program under section 256B.0913 or would qualify for payment under the EW or AC  
 330.22 programs if the person were otherwise eligible for either program, and but for the receipt  
 330.23 of such services the person would have resided in a nursing facility; and

330.24 (4) the services are provided by a licensed provider qualified to provide home and  
 330.25 community-based services.

330.26 **EFFECTIVE DATE.** This section is effective June 1, 2016.

330.27 Sec. 5. Minnesota Statutes 2014, section 256B.059, subdivision 2, is amended to read:

330.28 Subd. 2. **Assessment of spousal-share marital assets.** ~~At the beginning of the~~  
 330.29 ~~first continuous period of institutionalization of a person beginning on or after October~~  
 330.30 ~~1, 1989, at the request of either the institutionalized spouse or the community spouse, or~~  
 330.31 Upon application for medical assistance benefits for an institutionalized spouse, the total  
 330.32 value of assets in which either the institutionalized spouse or the community spouse ~~had~~  
 330.33 has an interest at the time of the first period of institutionalization of 30 days or more shall  
 330.34 be assessed and documented and the spousal share shall be assessed and documented the  
 330.35 community spouse asset allowance shall be calculated as required in subdivision 3.

331.1 **EFFECTIVE DATE.** This section is effective June 1, 2016.

331.2 Sec. 6. Minnesota Statutes 2014, section 256B.059, subdivision 3, is amended to read:

331.3 Subd. 3. **Community spouse asset allowance.** An institutionalized spouse may  
 331.4 transfer assets to the community spouse for the sole benefit of the community spouse.  
 331.5 Except for increased amounts allowable under subdivision 4, the maximum amount of  
 331.6 assets allowed to be transferred is the amount which, when added to the assets otherwise  
 331.7 available to the community spouse, is as follows the greater of:

331.8 ~~(1) prior to July 1, 1994, the greater of:~~

331.9 ~~(i) \$14,148;~~

331.10 ~~(ii) the lesser of the spousal share or \$70,740; or~~

331.11 ~~(iii) the amount required by court order to be paid to the community spouse; and~~

331.12 ~~(2) for persons whose date of initial determination of eligibility for medical  
 331.13 assistance following their first continuous period of institutionalization occurs on or after  
 331.14 July 1, 1994, the greater of:~~

331.15 ~~(i) \$20,000;~~

331.16 ~~(ii) the lesser of the spousal share or \$70,740; or~~

331.17 ~~(iii) the amount required by court order to be paid to the community spouse.~~

331.18 (1) \$119,220 subject to an annual adjustment on January 1, 2017, and every January  
 331.19 1 thereafter, equal to the percentage increase in the Consumer Price Index for All Urban  
 331.20 Consumers (all items; United States city average) between the two previous Septembers; or  
 331.21 (2) the amount required by court order to be paid to the community spouse.

331.22 If the assets available to the community spouse are already at the limit permissible  
 331.23 under this section, or the higher limit attributable to increases under subdivision 4, no assets  
 331.24 may be transferred from the institutionalized spouse to the community spouse. The transfer  
 331.25 must be made as soon as practicable after the date the institutionalized spouse is determined  
 331.26 eligible for medical assistance, or within the amount of time needed for any court order  
 331.27 required for the transfer. ~~On January 1, 1994, and every January 1 thereafter, the limits in  
 331.28 this subdivision shall be adjusted by the same percentage change in the Consumer Price  
 331.29 Index for All Urban Consumers (all items; United States city average) between the two  
 331.30 previous Septembers. These adjustments shall also be applied to the limits in subdivision 5.~~

331.31 **EFFECTIVE DATE.** This section is effective June 1, 2016.

331.32 Sec. 7. Minnesota Statutes 2015 Supplement, section 256B.059, subdivision 5, is  
 331.33 amended to read:

332.1 Subd. 5. **Asset availability.** (a) At the time of initial determination of eligibility for  
 332.2 medical assistance benefits ~~following the first continuous period of institutionalization~~  
 332.3 ~~on or after October 1, 1989~~ for an institutionalized spouse, assets considered available  
 332.4 to the institutionalized spouse shall be the total value of all assets in which either spouse  
 332.5 has an ownership interest, reduced by the ~~following~~ amount ~~for the community spouse:~~  
 332.6 available to the community spouse under subdivision 3.

332.7 ~~(1) prior to July 1, 1994, the greater of:~~

332.8 ~~(i) \$14,148;~~

332.9 ~~(ii) the lesser of the spousal share or \$70,740; or~~

332.10 ~~(iii) the amount required by court order to be paid to the community spouse;~~

332.11 ~~(2) for persons whose date of initial determination of eligibility for medical~~

332.12 ~~assistance following their first continuous period of institutionalization occurs on or after~~

332.13 ~~July 1, 1994, the greater of:~~

332.14 ~~(i) \$20,000;~~

332.15 ~~(ii) the lesser of the spousal share or \$70,740; or~~

332.16 ~~(iii) the amount required by court order to be paid to the community spouse.~~

332.17 The value of assets transferred for the sole benefit of the community spouse under section  
 332.18 256B.0595, subdivision 4, in combination with other assets available to the community  
 332.19 spouse under this section, cannot exceed the limit for the community spouse asset  
 332.20 allowance determined under subdivision 3 or 4. Assets that exceed this allowance shall  
 332.21 be considered available to the institutionalized spouse. If the community spouse asset  
 332.22 allowance has been increased under subdivision 4, then the assets considered available to  
 332.23 the institutionalized spouse under this subdivision shall be further reduced by the value of  
 332.24 additional amounts allowed under subdivision 4.

332.25 (b) An institutionalized spouse may be found eligible for medical assistance even  
 332.26 though assets in excess of the allowable amount are found to be available under paragraph

332.27 (a) if the assets are owned jointly or individually by the community spouse, and the  
 332.28 institutionalized spouse cannot use those assets to pay for the cost of care without the  
 332.29 consent of the community spouse, and if:

332.30 (i) the institutionalized spouse assigns to the commissioner the right to support from  
 332.31 the community spouse under section 256B.14, subdivision 3;

332.32 (ii) the institutionalized spouse lacks the ability to execute an assignment due to a  
 332.33 physical or mental impairment; ~~or~~

332.34 (iii) the denial of eligibility would cause an imminent threat to the institutionalized  
 332.35 spouse's health and well-being; or

333.1 (iv) the assets in excess of the amount under paragraph (a) are assets owned by the  
333.2 community spouse, and the denial of eligibility would cause an undue hardship to the  
333.3 family due to the loss of retirement funds for the community spouse or funds protected for  
333.4 the postsecondary education of a child under 25 years of age. For purposes of this clause,  
333.5 only retirement assets held by the community spouse in a tax-deferred retirement account,  
333.6 including a defined benefit plan, defined contribution plan, an employer-sponsored  
333.7 individual retirement arrangement, or individually purchased individual retirement  
333.8 arrangement are protected, and are only protected until the community spouse is eligible to  
333.9 withdraw retirement funds from any or all accounts without penalty. For purposes of this  
333.10 clause, only funds in a plan designated under section 529 of the Internal Revenue Code  
333.11 on behalf of a child of either or both spouses who is under 25 years of age are protected.  
333.12 There shall not be an assignment of spousal support to the commissioner or a cause of  
333.13 action against the individual's spouse under section 256B.14, subdivision 3, for the funds  
333.14 in the protected retirement and college savings accounts.

333.15 (c) After the month in which the institutionalized spouse is determined eligible for  
333.16 medical assistance, and during the continuous period of institutionalization enrollment, no  
333.17 assets of the community spouse are considered available to the institutionalized spouse,  
333.18 unless the institutionalized spouse has been found eligible under paragraph (b).

333.19 (d) Assets determined to be available to the institutionalized spouse under this  
333.20 section must be used for the health care or personal needs of the institutionalized spouse.

333.21 (e) For purposes of this section, assets do not include assets excluded under the  
333.22 Supplemental Security Income program.

333.23 **EFFECTIVE DATE.** This section is effective June 1, 2016. The commissioner  
333.24 shall cease implementation of the amendment to paragraph (b), clause (iv), if the federal  
333.25 government denies the state plan amendment. The commissioner shall inform the revisor  
333.26 of statutes once federal approval is obtained or denied.

333.27 Sec. 8. Minnesota Statutes 2014, section 256B.059, is amended by adding a  
333.28 subdivision to read:

333.29 **Subd. 6. Temporary application.** (a) During the period in which rules against  
333.30 spousal impoverishment are temporarily applied according to section 2404 of the Patient  
333.31 Protection Affordable Care Act, Public Law 111-148, as amended by the Health Care and  
333.32 Education Reconciliation Act of 2010, Public Law 111-152, this section applies to an  
333.33 institutionalized spouse:

333.34 (1) applying for home and community-based waivers under sections 256B.092,  
333.35 256B.093, and 256B.49 on or after June 1, 2016;

334.1 (2) enrolled in home and community-based waivers under sections 256B.092,  
 334.2 256B.093, and 256B.49 before June 1, 2016; or

334.3 (3) applying for services under section 256B.85 upon the effective date of that section.

334.4 (b) During the applicable period of paragraph (a), the definition of "institutionalized  
 334.5 spouse" in subdivision 1, paragraph (f), also includes an institutionalized spouse  
 334.6 referenced in paragraph (a).

334.7 **EFFECTIVE DATE.** (a) Minnesota Statutes, section 256B.059, subdivision 6,  
 334.8 paragraphs (a), clauses (1) and (3), and (b), are effective June 1, 2016. Minnesota Statutes,  
 334.9 section 256B.059, subdivision 6, paragraph (a), clause (2), is effective March 1, 2017.

334.10 (b) Minnesota Statutes, section 256B.059, subdivision 6, paragraph (a), clauses (1)  
 334.11 and (2), expire upon notification to the commissioner of human services that the Center for  
 334.12 Medicare and Medicaid Services approved the continuation of the deeming rules in effect  
 334.13 on May 31, 2016, for the treatment of the assets of a community spouse. The commissioner  
 334.14 of human services shall notify the revisor of statutes when notice is received.

334.15 Sec. 9. Minnesota Statutes 2014, section 256B.06, subdivision 4, is amended to read:

334.16 Subd. 4. **Citizenship requirements.** (a) Eligibility for medical assistance is limited  
 334.17 to citizens of the United States, qualified noncitizens as defined in this subdivision, and  
 334.18 other persons residing lawfully in the United States. Citizens or nationals of the United  
 334.19 States must cooperate in obtaining satisfactory documentary evidence of citizenship or  
 334.20 nationality according to the requirements of the federal Deficit Reduction Act of 2005,  
 334.21 Public Law 109-171.

334.22 (b) "Qualified noncitizen" means a person who meets one of the following  
 334.23 immigration criteria:

334.24 (1) admitted for lawful permanent residence according to United States Code, title 8;

334.25 (2) admitted to the United States as a refugee according to United States Code,  
 334.26 title 8, section 1157;

334.27 (3) granted asylum according to United States Code, title 8, section 1158;

334.28 (4) granted withholding of deportation according to United States Code, title 8,  
 334.29 section 1253(h);

334.30 (5) paroled for a period of at least one year according to United States Code, title 8,  
 334.31 section 1182(d)(5);

334.32 (6) granted conditional entrant status according to United States Code, title 8,  
 334.33 section 1153(a)(7);

335.1 (7) determined to be a battered noncitizen by the United States Attorney General  
335.2 according to the Illegal Immigration Reform and Immigrant Responsibility Act of 1996,  
335.3 title V of the Omnibus Consolidated Appropriations Bill, Public Law 104-200;

335.4 (8) is a child of a noncitizen determined to be a battered noncitizen by the United  
335.5 States Attorney General according to the Illegal Immigration Reform and Immigrant  
335.6 Responsibility Act of 1996, title V, of the Omnibus Consolidated Appropriations Bill,  
335.7 Public Law 104-200; or

335.8 (9) determined to be a Cuban or Haitian entrant as defined in section 501(e) of Public  
335.9 Law 96-422, the Refugee Education Assistance Act of 1980.

335.10 (c) All qualified noncitizens who were residing in the United States before August  
335.11 22, 1996, who otherwise meet the eligibility requirements of this chapter, are eligible for  
335.12 medical assistance with federal financial participation.

335.13 (d) Beginning December 1, 1996, qualified noncitizens who entered the United  
335.14 States on or after August 22, 1996, and who otherwise meet the eligibility requirements  
335.15 of this chapter are eligible for medical assistance with federal participation for five years  
335.16 if they meet one of the following criteria:

335.17 (1) refugees admitted to the United States according to United States Code, title 8,  
335.18 section 1157;

335.19 (2) persons granted asylum according to United States Code, title 8, section 1158;

335.20 (3) persons granted withholding of deportation according to United States Code,  
335.21 title 8, section 1253(h);

335.22 (4) veterans of the United States armed forces with an honorable discharge for  
335.23 a reason other than noncitizen status, their spouses and unmarried minor dependent  
335.24 children; or

335.25 (5) persons on active duty in the United States armed forces, other than for training,  
335.26 their spouses and unmarried minor dependent children.

335.27 Beginning July 1, 2010, children and pregnant women who are noncitizens  
335.28 described in paragraph (b) or who are lawfully present in the United States as defined  
335.29 in Code of Federal Regulations, title 8, section 103.12, and who otherwise meet  
335.30 eligibility requirements of this chapter, are eligible for medical assistance with federal  
335.31 financial participation as provided by the federal Children's Health Insurance Program  
335.32 Reauthorization Act of 2009, Public Law 111-3.

335.33 (e) Nonimmigrants who otherwise meet the eligibility requirements of this chapter  
335.34 are eligible for the benefits as provided in paragraphs (f) to (h). For purposes of this  
335.35 subdivision, a "nonimmigrant" is a person in one of the classes listed in United States  
335.36 Code, title 8, section 1101(a)(15).

336.1 (f) Payment shall also be made for care and services that are furnished to noncitizens,  
336.2 regardless of immigration status, who otherwise meet the eligibility requirements of  
336.3 this chapter, if such care and services are necessary for the treatment of an emergency  
336.4 medical condition.

336.5 (g) For purposes of this subdivision, the term "emergency medical condition" means  
336.6 a medical condition that meets the requirements of United States Code, title 42, section  
336.7 1396b(v).

336.8 (h)(1) Notwithstanding paragraph (g), services that are necessary for the treatment  
336.9 of an emergency medical condition are limited to the following:

336.10 (i) services delivered in an emergency room or by an ambulance service licensed  
336.11 under chapter 144E that are directly related to the treatment of an emergency medical  
336.12 condition;

336.13 (ii) services delivered in an inpatient hospital setting following admission from an  
336.14 emergency room or clinic for an acute emergency condition; and

336.15 (iii) follow-up services that are directly related to the original service provided  
336.16 to treat the emergency medical condition and are covered by the global payment made  
336.17 to the provider.

336.18 (2) Services for the treatment of emergency medical conditions do not include:

336.19 (i) services delivered in an emergency room or inpatient setting to treat a  
336.20 nonemergency condition;

336.21 (ii) organ transplants, stem cell transplants, and related care;

336.22 (iii) services for routine prenatal care;

336.23 (iv) continuing care, including long-term care, nursing facility services, home health  
336.24 care, adult day care, day training, or supportive living services;

336.25 (v) elective surgery;

336.26 (vi) outpatient prescription drugs, unless the drugs are administered or dispensed as  
336.27 part of an emergency room visit;

336.28 (vii) preventative health care and family planning services;

336.29 (viii) rehabilitation services;

336.30 (ix) physical, occupational, or speech therapy;

336.31 (x) transportation services;

336.32 (xi) case management;

336.33 (xii) prosthetics, orthotics, durable medical equipment, or medical supplies;

336.34 (xiii) dental services;

336.35 (xiv) hospice care;

336.36 (xv) audiology services and hearing aids;

- 337.1 (xvi) podiatry services;  
337.2 (xvii) chiropractic services;  
337.3 (xviii) immunizations;  
337.4 (xix) vision services and eyeglasses;  
337.5 (xx) waiver services;  
337.6 (xxi) individualized education programs; or  
337.7 (xxii) chemical dependency treatment.

337.8 (i) Pregnant noncitizens who are ineligible for federally funded medical assistance  
337.9 because of immigration status, are not covered by a group health plan or health insurance  
337.10 coverage according to Code of Federal Regulations, title 42, section 457.310, and who  
337.11 otherwise meet the eligibility requirements of this chapter, are eligible for medical  
337.12 assistance through the period of pregnancy, including labor and delivery, and 60 days  
337.13 postpartum, to the extent federal funds are available under title XXI of the Social Security  
337.14 Act, and the state children's health insurance program.

337.15 (j) Beginning October 1, 2003, persons who are receiving care and rehabilitation  
337.16 services from a nonprofit center established to serve victims of torture and are otherwise  
337.17 ineligible for medical assistance under this chapter are eligible for medical assistance  
337.18 without federal financial participation. These individuals are eligible only for the period  
337.19 during which they are receiving services from the center. Individuals eligible under this  
337.20 paragraph shall not be required to participate in prepaid medical assistance. The nonprofit  
337.21 center referenced under this paragraph may establish itself as a provider of mental health  
337.22 targeted case management services through a county contract under section 256.0112,  
337.23 subdivision 6. If the nonprofit center is unable to secure a contract with a lead county in its  
337.24 service area, then, notwithstanding the requirements of section 256B.0625, subdivision  
337.25 20, the commissioner may negotiate a contract with the nonprofit center for provision of  
337.26 mental health targeted case management services. When serving clients who are not the  
337.27 financial responsibility of their contracted lead county, the nonprofit center must gain the  
337.28 concurrence of the county of financial responsibility prior to providing mental health  
337.29 targeted case management services for those clients.

337.30 (k) Notwithstanding paragraph (h), clause (2), the following services are covered as  
337.31 emergency medical conditions under paragraph (f) except where coverage is prohibited  
337.32 under federal law for services under clauses (1) and (2):

- 337.33 (1) dialysis services provided in a hospital or freestanding dialysis facility; ~~and~~  
337.34 (2) surgery and the administration of chemotherapy, radiation, and related services  
337.35 necessary to treat cancer if the recipient has a cancer diagnosis that is not in remission and  
337.36 requires surgery, chemotherapy, or radiation treatment; and

338.1 (3) kidney transplant if the person has been diagnosed with end stage renal disease,  
338.2 is currently receiving dialysis services, and is a potential candidate for a kidney transplant.

338.3 (l) Effective July 1, 2013, recipients of emergency medical assistance under this  
338.4 subdivision are eligible for coverage of the elderly waiver services provided under section  
338.5 256B.0915, and coverage of rehabilitative services provided in a nursing facility. The  
338.6 age limit for elderly waiver services does not apply. In order to qualify for coverage, a  
338.7 recipient of emergency medical assistance is subject to the assessment and reassessment  
338.8 requirements of section 256B.0911. Initial and continued enrollment under this paragraph  
338.9 is subject to the limits of available funding.

338.10 Sec. 10. Minnesota Statutes 2015 Supplement, section 256B.0625, subdivision 17a,  
338.11 is amended to read:

338.12 Subd. 17a. **Payment for ambulance services.** (a) Medical assistance covers  
338.13 ambulance services. Providers shall bill ambulance services according to Medicare  
338.14 criteria. Nonemergency ambulance services shall not be paid as emergencies. Effective  
338.15 for services rendered on or after July 1, 2001, medical assistance payments for ambulance  
338.16 services shall be paid at the Medicare reimbursement rate or at the medical assistance  
338.17 payment rate in effect on July 1, 2000, whichever is greater.

338.18 (b) Effective for services provided on or after July 1, 2016, medical assistance  
338.19 payment rates for ambulance services identified in this paragraph are increased by five  
338.20 percent. Capitation payments made to managed care plans and county-based purchasing  
338.21 plans for ambulance services provided on or after January 1, 2017, shall be increased  
338.22 to reflect this rate increase. The increased rate described in this paragraph applies to  
338.23 ambulance service providers whose base of operations as defined in section 144E.10  
338.24 is located:

338.25 (1) outside the metropolitan counties listed in section 473.121, subdivision 4, and  
338.26 outside the cities of Duluth, Mankato, Moorhead, St. Cloud, and Rochester; or

338.27 (2) within a municipality with a population of less than 1,000.

338.28 Sec. 11. Minnesota Statutes 2014, section 256B.0625, subdivision 30, is amended to  
338.29 read:

338.30 Subd. 30. **Other clinic services.** (a) Medical assistance covers rural health clinic  
338.31 services, federally qualified health center services, nonprofit community health clinic  
338.32 services, and public health clinic services. Rural health clinic services and federally  
338.33 qualified health center services mean services defined in United States Code, title 42,

339.1 section 1396d(a)(2)(B) and (C). Payment for rural health clinic and federally qualified  
339.2 health center services shall be made according to applicable federal law and regulation.

339.3 (b) A federally qualified health center that is beginning initial operation shall submit  
339.4 an estimate of budgeted costs and visits for the initial reporting period in the form and  
339.5 detail required by the commissioner. A federally qualified health center that is already in  
339.6 operation shall submit an initial report using actual costs and visits for the initial reporting  
339.7 period. Within 90 days of the end of its reporting period, a federally qualified health  
339.8 center shall submit, in the form and detail required by the commissioner, a report of  
339.9 its operations, including allowable costs actually incurred for the period and the actual  
339.10 number of visits for services furnished during the period, and other information required  
339.11 by the commissioner. Federally qualified health centers that file Medicare cost reports  
339.12 shall provide the commissioner with a copy of the most recent Medicare cost report filed  
339.13 with the Medicare program intermediary for the reporting year which support the costs  
339.14 claimed on their cost report to the state.

339.15 (c) In order to continue cost-based payment under the medical assistance program  
339.16 according to paragraphs (a) and (b), a federally qualified health center or rural health clinic  
339.17 must apply for designation as an essential community provider within six months of final  
339.18 adoption of rules by the Department of Health according to section 62Q.19, subdivision  
339.19 7. For those federally qualified health centers and rural health clinics that have applied  
339.20 for essential community provider status within the six-month time prescribed, medical  
339.21 assistance payments will continue to be made according to paragraphs (a) and (b) for the  
339.22 first three years after application. For federally qualified health centers and rural health  
339.23 clinics that either do not apply within the time specified above or who have had essential  
339.24 community provider status for three years, medical assistance payments for health services  
339.25 provided by these entities shall be according to the same rates and conditions applicable  
339.26 to the same service provided by health care providers that are not federally qualified  
339.27 health centers or rural health clinics.

339.28 (d) Effective July 1, 1999, the provisions of paragraph (c) requiring a federally  
339.29 qualified health center or a rural health clinic to make application for an essential  
339.30 community provider designation in order to have cost-based payments made according  
339.31 to paragraphs (a) and (b) no longer apply.

339.32 (e) Effective January 1, 2000, payments made according to paragraphs (a) and (b)  
339.33 shall be limited to the cost phase-out schedule of the Balanced Budget Act of 1997.

339.34 (f) Effective January 1, 2001, each federally qualified health center and rural health  
339.35 clinic may elect to be paid either under the prospective payment system established  
339.36 in United States Code, title 42, section 1396a(aa), or under an alternative payment

340.1 methodology consistent with the requirements of United States Code, title 42, section  
340.2 1396a(aa), and approved by the Centers for Medicare and Medicaid Services. The  
340.3 alternative payment methodology shall be 100 percent of cost as determined according to  
340.4 Medicare cost principles.

340.5 (g) For purposes of this section, "nonprofit community clinic" is a clinic that:

340.6 (1) has nonprofit status as specified in chapter 317A;

340.7 (2) has tax exempt status as provided in Internal Revenue Code, section 501(c)(3);

340.8 (3) is established to provide health services to low-income population groups,  
340.9 uninsured, high-risk and special needs populations, underserved and other special needs  
340.10 populations;

340.11 (4) employs professional staff at least one-half of which are familiar with the  
340.12 cultural background of their clients;

340.13 (5) charges for services on a sliding fee scale designed to provide assistance to  
340.14 low-income clients based on current poverty income guidelines and family size; and

340.15 (6) does not restrict access or services because of a client's financial limitations or  
340.16 public assistance status and provides no-cost care as needed.

340.17 (h) Effective for services provided on or after January 1, 2015, all claims for  
340.18 payment of clinic services provided by federally qualified health centers and rural health  
340.19 clinics shall be paid by the commissioner. The commissioner shall determine the most  
340.20 feasible method for paying claims from the following options:

340.21 (1) federally qualified health centers and rural health clinics submit claims directly  
340.22 to the commissioner for payment, and the commissioner provides claims information for  
340.23 recipients enrolled in a managed care or county-based purchasing plan to the plan, on  
340.24 a regular basis; or

340.25 (2) federally qualified health centers and rural health clinics submit claims for  
340.26 recipients enrolled in a managed care or county-based purchasing plan to the plan, and  
340.27 those claims are submitted by the plan to the commissioner for payment to the clinic.

340.28 (i) For clinic services provided prior to January 1, 2015, the commissioner shall  
340.29 calculate and pay monthly the proposed managed care supplemental payments to clinics,  
340.30 and clinics shall conduct a timely review of the payment calculation data in order to  
340.31 finalize all supplemental payments in accordance with federal law. Any issues arising  
340.32 from a clinic's review must be reported to the commissioner by January 1, 2017. Upon  
340.33 final agreement between the commissioner and a clinic on issues identified under this  
340.34 subdivision, and in accordance with United States Code, title 42, section 1396a(bb), no  
340.35 supplemental payments for managed care plan or county-based purchasing plan claims  
340.36 for services provided prior to January 1, 2015, shall be made after June 30, 2017. If the

341.1 commissioner and clinics are unable to resolve issues under this subdivision, the parties  
341.2 shall submit the dispute to the arbitration process under section 14.57.

341.3 (j) The commissioner shall seek a federal waiver, authorized under section 1115  
341.4 of the Social Security Act, to obtain federal financial participation at the 100 percent  
341.5 federal matching percentage available to facilities of the Indian Health Service or  
341.6 tribal organization in accordance with section 1905(b) of the Social Security Act for  
341.7 expenditures made to organizations dually certified under Title V of the Indian Health Care  
341.8 Improvement Act, Public Law 94-437, and as a federally qualified health center under  
341.9 paragraph (a) that provides services to American Indian and Alaskan Native individuals  
341.10 eligible for services under this subdivision.

341.11 Sec. 12. Minnesota Statutes 2014, section 256B.0625, subdivision 34, is amended to  
341.12 read:

341.13 Subd. 34. **Indian health services facilities.** (a) Medical assistance payments and  
341.14 MinnesotaCare payments to facilities of the Indian health service and facilities operated  
341.15 by a tribe or tribal organization under funding authorized by United States Code, title  
341.16 25, sections 450f to 450n, or title III of the Indian Self-Determination and Education  
341.17 Assistance Act, Public Law 93-638, for enrollees who are eligible for federal financial  
341.18 participation, shall be at the option of the facility in accordance with the rate published by  
341.19 the United States Assistant Secretary for Health under the authority of United States Code,  
341.20 title 42, sections 248(a) and 249(b). ~~General assistance medical care payments to facilities~~  
341.21 ~~of the Indian health services and facilities operated by a tribe or tribal organization for~~  
341.22 ~~the provision of outpatient medical care services billed after June 30, 1990, must be in~~  
341.23 ~~accordance with the general assistance medical care rates paid for the same services~~  
341.24 ~~when provided in a facility other than a facility of the Indian health service or a facility~~  
341.25 ~~operated by a tribe or tribal organization.~~ MinnesotaCare payments for enrollees who are  
341.26 not eligible for federal financial participation at facilities of the Indian health service and  
341.27 facilities operated by a tribe or tribal organization for the provision of outpatient medical  
341.28 services must be in accordance with the medical assistance rates paid for the same services  
341.29 when provided in a facility other than a facility of the Indian health service or a facility  
341.30 operated by a tribe or tribal organization.

341.31 (b) Effective upon federal approval, the medical assistance payments to a dually  
341.32 certified facility as defined in subdivision 30, paragraph (j), shall be the encounter rate  
341.33 described in paragraph (a) or a rate that is substantially equivalent for services provided  
341.34 to American Indians and Alaskan Native populations. The rate established under this  
341.35 paragraph for dually certified facilities shall not apply to MinnesotaCare payments.

342.1 Sec. 13. Minnesota Statutes 2014, section 256B.0625, is amended by adding a  
342.2 subdivision to read:

342.3 Subd. 60a. **Community emergency medical technician services.** (a) Medical  
342.4 assistance covers services provided by a community emergency medical technician  
342.5 (CEMT) who is certified under section 144E.275, subdivision 7, when the services are  
342.6 provided in accordance with this subdivision.

342.7 (b) A CEMT may provide a posthospital discharge visit when ordered by a treating  
342.8 physician. The posthospital discharge visit includes:

342.9 (1) verbal or visual reminders of discharge orders;

342.10 (2) recording and reporting of vital signs to the patient's primary care provider;

342.11 (3) medication access confirmation;

342.12 (4) food access confirmation; and

342.13 (5) identification of home hazards.

342.14 (c) An individual who has repeat ambulance calls due to falls, has been discharged  
342.15 from a nursing home, or has been identified by the individual's primary care provider as  
342.16 at risk for nursing home placement, may receive a safety evaluation visit from a CEMT  
342.17 when ordered by a primary care provider in accordance with the individual's care plan. A  
342.18 safety evaluation visit includes:

342.19 (1) medication access confirmation;

342.20 (2) food access confirmation; and

342.21 (3) identification of home hazards.

342.22 (d) A CEMT shall be paid at \$9.75 per 15-minute increment. A safety evaluation visit  
342.23 may not be billed for the same day as a posthospital discharge visit for the same individual.

342.24 **EFFECTIVE DATE.** This section is effective January 1, 2017, or upon federal  
342.25 approval, whichever is later. The commissioner of human services shall notify the revisor  
342.26 of statutes when federal approval is obtained.

342.27 Sec. 14. Minnesota Statutes 2014, section 256B.15, subdivision 1, is amended to read:

342.28 Subdivision 1. **Policy and applicability.** (a) It is the policy of this state that  
342.29 individuals or couples, either or both of whom participate in the medical assistance  
342.30 program, use their own assets to pay their share of the total cost of their care during or  
342.31 after their enrollment in the program according to applicable federal law and the laws of  
342.32 this state. The following provisions apply:

342.33 (1) subdivisions 1c to 1k shall not apply to claims arising under this section which  
342.34 are presented under section 525.313;

343.1 (2) the provisions of subdivisions 1c to 1k expanding the interests included in an  
343.2 estate for purposes of recovery under this section give effect to the provisions of United  
343.3 States Code, title 42, section 1396p, governing recoveries, but do not give rise to any  
343.4 express or implied liens in favor of any other parties not named in these provisions;

343.5 (3) the continuation of a recipient's life estate or joint tenancy interest in real  
343.6 property after the recipient's death for the purpose of recovering medical assistance under  
343.7 this section modifies common law principles holding that these interests terminate on  
343.8 the death of the holder;

343.9 (4) all laws, rules, and regulations governing or involved with a recovery of medical  
343.10 assistance shall be liberally construed to accomplish their intended purposes;

343.11 (5) a deceased recipient's life estate and joint tenancy interests continued under  
343.12 this section shall be owned by the remainderpersons or surviving joint tenants as their  
343.13 interests may appear on the date of the recipient's death. They shall not be merged into the  
343.14 remainder interest or the interests of the surviving joint tenants by reason of ownership.  
343.15 They shall be subject to the provisions of this section. Any conveyance, transfer, sale,  
343.16 assignment, or encumbrance by a remainderperson, a surviving joint tenant, or their heirs,  
343.17 successors, and assigns shall be deemed to include all of their interest in the deceased  
343.18 recipient's life estate or joint tenancy interest continued under this section; and

343.19 (6) the provisions of subdivisions 1c to 1k continuing a recipient's joint tenancy  
343.20 interests in real property after the recipient's death do not apply to a homestead owned of  
343.21 record, on the date the recipient dies, by the recipient and the recipient's spouse as joint  
343.22 tenants with a right of survivorship. Homestead means the real property occupied by the  
343.23 surviving joint tenant spouse as their sole residence on the date the recipient dies and  
343.24 classified and taxed to the recipient and surviving joint tenant spouse as homestead property  
343.25 for property tax purposes in the calendar year in which the recipient dies. For purposes of  
343.26 this exemption, real property the recipient and their surviving joint tenant spouse purchase  
343.27 solely with the proceeds from the sale of their prior homestead, own of record as joint  
343.28 tenants, and qualify as homestead property under section 273.124 in the calendar year  
343.29 in which the recipient dies and prior to the recipient's death shall be deemed to be real  
343.30 property classified and taxed to the recipient and their surviving joint tenant spouse as  
343.31 homestead property in the calendar year in which the recipient dies. The surviving spouse,  
343.32 or any person with personal knowledge of the facts, may provide an affidavit describing  
343.33 the homestead property affected by this clause and stating facts showing compliance with  
343.34 this clause. The affidavit shall be prima facie evidence of the facts it states.

344.1 (b) For purposes of this section, "medical assistance" includes the medical assistance  
344.2 program under this chapter and the general assistance medical care program under chapter  
344.3 256D and alternative care for nonmedical assistance recipients under section 256B.0913.

344.4 (c) For purposes of this section, beginning January 1, 2010, "medical assistance"  
344.5 does not include Medicare cost-sharing benefits in accordance with United States Code,  
344.6 title 42, section 1396p.

344.7 (d) All provisions in this subdivision, and subdivisions 1d, 1f, 1g, 1h, 1i, and 1j,  
344.8 related to the continuation of a recipient's life estate or joint tenancy interests in real  
344.9 property after the recipient's death for the purpose of recovering medical assistance, are  
344.10 effective only for life estates and joint tenancy interests established on or after August 1,  
344.11 2003. For purposes of this paragraph, medical assistance does not include alternative care.

344.12 Sec. 15. Minnesota Statutes 2014, section 256B.15, subdivision 1a, is amended to read:

344.13 Subd. 1a. **Estates subject to claims.** (a) If a person receives ~~any~~ medical assistance  
344.14 hereunder, on the person's death, if single, or on the death of the survivor of a married  
344.15 couple, either or both of whom received medical assistance, or as otherwise provided for  
344.16 in this section, the ~~total~~ amount paid for medical assistance ~~rendered~~ as limited under  
344.17 subdivision 2 for the person and spouse shall be filed as a claim against the estate of the  
344.18 person or the estate of the surviving spouse in the court having jurisdiction to probate the  
344.19 estate or to issue a decree of descent according to sections 525.31 to 525.313.

344.20 (b) For the purposes of this section, the person's estate must consist of:

344.21 (1) the person's probate estate;

344.22 (2) all of the person's interests or proceeds of those interests in real property the  
344.23 person owned as a life tenant or as a joint tenant with a right of survivorship at the time of  
344.24 the person's death;

344.25 (3) all of the person's interests or proceeds of those interests in securities the person  
344.26 owned in beneficiary form as provided under sections 524.6-301 to 524.6-311 at the time  
344.27 of the person's death, to the extent the interests or proceeds of those interests become part  
344.28 of the probate estate under section 524.6-307;

344.29 (4) all of the person's interests in joint accounts, multiple-party accounts, and  
344.30 pay-on-death accounts, brokerage accounts, investment accounts, or the proceeds of  
344.31 those accounts, as provided under sections 524.6-201 to 524.6-214 at the time of the  
344.32 person's death to the extent the interests become part of the probate estate under section  
344.33 524.6-207; and

344.34 (5) assets conveyed to a survivor, heir, or assign of the person through survivorship,  
344.35 living trust, or other arrangements.

345.1 (c) For the purpose of this section and recovery in a surviving spouse's estate for  
345.2 medical assistance paid for a predeceased spouse, the estate must consist of all of the legal  
345.3 title and interests the deceased individual's predeceased spouse had in jointly owned or  
345.4 marital property at the time of the spouse's death, as defined in subdivision 2b, and the  
345.5 proceeds of those interests, that passed to the deceased individual or another individual, a  
345.6 survivor, an heir, or an assign of the predeceased spouse through a joint tenancy, tenancy  
345.7 in common, survivorship, life estate, living trust, or other arrangement. A deceased  
345.8 recipient who, at death, owned the property jointly with the surviving spouse shall have  
345.9 an interest in the entire property.

345.10 (d) For the purpose of recovery in a single person's estate or the estate of a survivor  
345.11 of a married couple, "other arrangement" includes any other means by which title to all or  
345.12 any part of the jointly owned or marital property or interest passed from the predeceased  
345.13 spouse to another including, but not limited to, transfers between spouses which are  
345.14 permitted, prohibited, or penalized for purposes of medical assistance.

345.15 (e) A claim shall be filed if medical assistance was rendered for either or both  
345.16 persons under one of the following circumstances:

345.17 (1) the person was over 55 years of age, and received services under this chapter  
345.18 prior to January 1, 2014;

345.19 (2) the person resided in a medical institution for six months or longer, received  
345.20 services under this chapter, and, at the time of institutionalization or application for  
345.21 medical assistance, whichever is later, the person could not have reasonably been expected  
345.22 to be discharged and returned home, as certified in writing by the person's treating  
345.23 physician. For purposes of this section only, a "medical institution" means a skilled  
345.24 nursing facility, intermediate care facility, intermediate care facility for persons with  
345.25 developmental disabilities, nursing facility, or inpatient hospital; ~~or~~

345.26 (3) the person received general assistance medical care services under chapter  
345.27 256D; ~~or~~

345.28 (4) the person was 55 years of age or older and received medical assistance  
345.29 services on or after January 1, 2014, that consisted of nursing facility services, home and  
345.30 community-based services, or related hospital and prescription drug benefits.

345.31 (f) The claim shall be considered an expense of the last illness of the decedent for  
345.32 the purpose of section 524.3-805. Notwithstanding any law or rule to the contrary, a  
345.33 state or county agency with a claim under this section must be a creditor under section  
345.34 524.6-307. Any statute of limitations that purports to limit any county agency or the state  
345.35 agency, or both, to recover for medical assistance granted hereunder shall not apply to any  
345.36 claim made hereunder for reimbursement for any medical assistance granted hereunder.

346.1 Notice of the claim shall be given to all heirs and devisees of the decedent, and to other  
346.2 persons with an ownership interest in the real property owned by the decedent at the time  
346.3 of the decedent's death, whose identity can be ascertained with reasonable diligence. The  
346.4 notice must include procedures and instructions for making an application for a hardship  
346.5 waiver under subdivision 5; time frames for submitting an application and determination;  
346.6 and information regarding appeal rights and procedures. Counties are entitled to one-half  
346.7 of the nonfederal share of medical assistance collections from estates that are directly  
346.8 attributable to county effort. Counties are entitled to ten percent of the collections for  
346.9 alternative care directly attributable to county effort.

346.10 **EFFECTIVE DATE.** This section is effective upon federal approval and applies  
346.11 retroactively to services rendered on or after January 1, 2014, and to claims not paid prior  
346.12 to July 1, 2016. The commissioner of human services shall notify the revisor of statutes  
346.13 when federal approval is obtained.

346.14 Sec. 16. Minnesota Statutes 2014, section 256B.15, subdivision 2, is amended to read:

346.15 Subd. 2. **Limitations on claims.** (a) For services rendered prior to January 1, 2014,  
346.16 the claim shall include only the total amount of medical assistance rendered after age 55 or  
346.17 during a period of institutionalization described in subdivision 1a, paragraph (e), and the  
346.18 total amount of general assistance medical care rendered, and shall not include interest.

346.19 (b) For services rendered on or after January 1, 2014, the claim shall include only:

346.20 (1) the amount of medical assistance rendered to recipients 55 years of age or older  
346.21 and that consisted of nursing facility services, home and community-based services, and  
346.22 related hospital and prescription drug services; and

346.23 (2) the total amount of medical assistance rendered during a period of  
346.24 institutionalization described in subdivision 1a, paragraph (e), clause (2).

346.25 The claim shall not include interest. For the purposes of this section, "home and  
346.26 community-based services" has the same meaning it has when used in United States  
346.27 Code, title 42, section 1396p(b)(1)(B)(i), and includes the alternative care program under  
346.28 section 256B.0913.

346.29 (c) Claims that have been allowed but not paid shall bear interest according to  
346.30 section 524.3-806, paragraph (d). A claim against the estate of a surviving spouse who did  
346.31 not receive medical assistance, for medical assistance rendered for the predeceased spouse,  
346.32 shall be payable from the full value of all of the predeceased spouse's assets and interests  
346.33 which are part of the surviving spouse's estate under subdivisions 1a and 2b. Recovery of  
346.34 medical assistance expenses in the nonrecipient surviving spouse's estate is limited to the

347.1 value of the assets of the estate that were marital property or jointly owned property at any  
347.2 time during the marriage. The claim is not payable from the value of assets or proceeds of  
347.3 assets in the estate attributable to a predeceased spouse whom the individual married after  
347.4 the death of the predeceased recipient spouse for whom the claim is filed or from assets  
347.5 and the proceeds of assets in the estate which the nonrecipient decedent spouse acquired  
347.6 with assets which were not marital property or jointly owned property after the death of  
347.7 the predeceased recipient spouse. Claims for alternative care shall be net of all premiums  
347.8 paid under section 256B.0913, subdivision 12, on or after July 1, 2003, and shall be  
347.9 limited to services provided on or after July 1, 2003. Claims against marital property shall  
347.10 be limited to claims against recipients who died on or after July 1, 2009.

347.11 **EFFECTIVE DATE.** This section is effective upon federal approval and applies  
347.12 retroactively to services rendered on or after January 1, 2014, and to claims not paid prior  
347.13 to July 1, 2016. The commissioner of human services shall notify the revisor of statutes  
347.14 when federal approval is obtained.

347.15 Sec. 17. Minnesota Statutes 2015 Supplement, section 256B.76, subdivision 2, is  
347.16 amended to read:

347.17 Subd. 2. **Dental reimbursement.** (a) Effective for services rendered on or after  
347.18 October 1, 1992, the commissioner shall make payments for dental services as follows:

347.19 (1) dental services shall be paid at the lower of (i) submitted charges, or (ii) 25  
347.20 percent above the rate in effect on June 30, 1992; and

347.21 (2) dental rates shall be converted from the 50th percentile of 1982 to the 50th  
347.22 percentile of 1989, less the percent in aggregate necessary to equal the above increases.

347.23 (b) Beginning October 1, 1999, the payment for tooth sealants and fluoride treatments  
347.24 shall be the lower of (1) submitted charge, or (2) 80 percent of median 1997 charges.

347.25 (c) Effective for services rendered on or after January 1, 2000, payment rates for  
347.26 dental services shall be increased by three percent over the rates in effect on December  
347.27 31, 1999.

347.28 (d) Effective for services provided on or after January 1, 2002, payment for  
347.29 diagnostic examinations and dental x-rays provided to children under age 21 shall be the  
347.30 lower of (1) the submitted charge, or (2) 85 percent of median 1999 charges.

347.31 (e) The increases listed in paragraphs (b) and (c) shall be implemented January 1,  
347.32 2000, for managed care.

347.33 (f) Effective for dental services rendered on or after October 1, 2010, by a  
347.34 state-operated dental clinic, payment shall be paid on a reasonable cost basis that is based  
347.35 on the Medicare principles of reimbursement. This payment shall be effective for services

348.1 rendered on or after January 1, 2011, to recipients enrolled in managed care plans or  
348.2 county-based purchasing plans.

348.3 (g) Beginning in fiscal year 2011, if the payments to state-operated dental clinics  
348.4 in paragraph (f), including state and federal shares, are less than \$1,850,000 per fiscal  
348.5 year, a supplemental state payment equal to the difference between the total payments  
348.6 in paragraph (f) and \$1,850,000 shall be paid from the general fund to state-operated  
348.7 services for the operation of the dental clinics.

348.8 (h) If the cost-based payment system for state-operated dental clinics described in  
348.9 paragraph (f) does not receive federal approval, then state-operated dental clinics shall be  
348.10 designated as critical access dental providers under subdivision 4, paragraph (b), and shall  
348.11 receive the critical access dental reimbursement rate as described under subdivision 4,  
348.12 paragraph (a).

348.13 (i) Effective for services rendered on or after September 1, 2011, through June 30,  
348.14 2013, payment rates for dental services shall be reduced by three percent. This reduction  
348.15 does not apply to state-operated dental clinics in paragraph (f).

348.16 (j) Effective for services rendered on or after January 1, 2014, payment rates for  
348.17 dental services shall be increased by five percent from the rates in effect on December  
348.18 31, 2013. This increase does not apply to state-operated dental clinics in paragraph (f),  
348.19 federally qualified health centers, rural health centers, and Indian health services. Effective  
348.20 January 1, 2014, payments made to managed care plans and county-based purchasing  
348.21 plans under sections 256B.69, 256B.692, and 256L.12 shall reflect the payment increase  
348.22 described in this paragraph.

348.23 (k) Effective for services rendered on or after July 1, 2015, through December  
348.24 31, 2016, the commissioner shall increase payment rates for services furnished by  
348.25 dental providers located outside of the seven-county metropolitan area by the maximum  
348.26 percentage possible above the rates in effect on June 30, 2015, while remaining within  
348.27 the limits of funding appropriated for this purpose. This increase does not apply to  
348.28 state-operated dental clinics in paragraph (f), federally qualified health centers, rural health  
348.29 centers, and Indian health services. Effective January 1, 2016, through December 31,  
348.30 2016, payments to managed care plans and county-based purchasing plans under sections  
348.31 256B.69 and 256B.692 shall reflect the payment increase described in this paragraph. The  
348.32 commissioner shall require managed care and county-based purchasing plans to pass on  
348.33 the full amount of the increase, in the form of higher payment rates to dental providers  
348.34 located outside of the seven-county metropolitan area.

348.35 (l) Effective for services provided on or after January 1, 2017, the commissioner  
348.36 shall increase payment rates by 9.65 percent for dental services provided outside of

349.1 the seven-county metropolitan area. This increase does not apply to state-operated  
349.2 dental clinics in paragraph (f), federally qualified health centers, rural health centers, or  
349.3 Indian health services. Effective January 1, 2017, payments to managed care plans and  
349.4 county-based purchasing plans under sections 256B.69 and 256B.692 shall reflect the  
349.5 payment increase described in this paragraph.

349.6 Sec. 18. Minnesota Statutes 2015 Supplement, section 256B.76, subdivision 4, is  
349.7 amended to read:

349.8 Subd. 4. **Critical access dental providers.** (a) ~~Effective for dental services rendered~~  
349.9 ~~on or after January 1, 2002,~~ The commissioner shall increase reimbursements to dentists  
349.10 and dental clinics deemed by the commissioner to be critical access dental providers. For  
349.11 dental services rendered on or after July 1, ~~2007~~ 2016, the commissioner shall increase  
349.12 reimbursement by ~~35~~ 37.5 percent above the reimbursement rate that would otherwise be  
349.13 paid to the critical access dental provider, except as specified under paragraph (b). The  
349.14 commissioner shall pay the managed care plans and county-based purchasing plans in  
349.15 amounts sufficient to reflect increased reimbursements to critical access dental providers  
349.16 as approved by the commissioner.

349.17 (b) For dental services rendered on or after July 1, 2016, by a dental clinic or dental  
349.18 group that meets the critical access dental provider designation under paragraph (d),  
349.19 clause (4), and is owned and operated by a health maintenance organization licensed under  
349.20 chapter 62D, the commissioner shall increase reimbursement by 35 percent above the  
349.21 reimbursement rate that would otherwise be paid to the critical access provider.

349.22 (c) Critical access dental payments made under paragraph (a) or (b) for dental  
349.23 services provided by a critical access dental provider to an enrollee of a managed care plan  
349.24 or county-based purchasing plan must not reflect any capitated payments or cost-based  
349.25 payments from the managed care plan or county-based purchasing plan. The managed  
349.26 care plan or county-based purchasing plan must base the additional critical access dental  
349.27 payment on the amount that would have been paid for that service had the dental provider  
349.28 been paid according to the managed care plan or county-based purchasing plan's fee  
349.29 schedule that applies to dental providers that are not paid under a capitated payment  
349.30 or cost-based payment.

349.31 (d) The commissioner shall designate the following dentists and dental clinics as  
349.32 critical access dental providers:

349.33 (1) nonprofit community clinics that:

349.34 (i) have nonprofit status in accordance with chapter 317A;

- 350.1 (ii) have tax exempt status in accordance with the Internal Revenue Code, section  
 350.2 501(c)(3);
- 350.3 (iii) are established to provide oral health services to patients who are low income,  
 350.4 uninsured, have special needs, and are underserved;
- 350.5 (iv) have professional staff familiar with the cultural background of the clinic's  
 350.6 patients;
- 350.7 (v) charge for services on a sliding fee scale designed to provide assistance to  
 350.8 low-income patients based on current poverty income guidelines and family size;
- 350.9 (vi) do not restrict access or services because of a patient's financial limitations  
 350.10 or public assistance status; and
- 350.11 (vii) have free care available as needed;
- 350.12 (2) federally qualified health centers, rural health clinics, and public health clinics;
- 350.13 (3) ~~city or county~~ hospital-based dental clinics owned and operated ~~hospital-based~~  
 350.14 ~~dental clinics~~ by a city, county, or former state hospital as defined in section 62Q.19,  
 350.15 subdivision 1, paragraph (a), clause (4);
- 350.16 (4) a dental clinic or dental group owned and operated by a nonprofit corporation in  
 350.17 accordance with chapter 317A with more than 10,000 patient encounters per year with  
 350.18 patients who are uninsured or covered by medical assistance or MinnesotaCare;
- 350.19 (5) a dental clinic owned and operated by the University of Minnesota or the  
 350.20 Minnesota State Colleges and Universities system; and
- 350.21 (6) private practicing dentists if:
- 350.22 (i) ~~the dentist's office is located within a health professional shortage area as defined~~  
 350.23 ~~under Code of Federal Regulations, title 42, part 5, and United States Code, title 42,~~  
 350.24 ~~section 254E;~~
- 350.25 ~~(ii) more~~ the seven-county metropolitan area and more than 50 percent of the  
 350.26 dentist's patient encounters per year are with patients who are uninsured or covered by  
 350.27 medical assistance or MinnesotaCare; ~~and or~~
- 350.28 ~~(iii) the level of service provided by the dentist is critical to maintaining adequate~~  
 350.29 ~~levels of patient access within the service area in which the dentist operates.~~
- 350.30 (ii) the dentist's office is located outside the seven-county metropolitan area and  
 350.31 more than 25 percent of the dentist's patient encounters per year are with patients who are  
 350.32 uninsured or covered by medical assistance or MinnesotaCare.

350.33 Sec. 19. Minnesota Statutes 2015 Supplement, section 256B.766, is amended to read:

350.34 **256B.766 REIMBURSEMENT FOR BASIC CARE SERVICES.**

351.1 (a) Effective for services provided on or after July 1, 2009, total payments for basic  
351.2 care services, shall be reduced by three percent, except that for the period July 1, 2009,  
351.3 through June 30, 2011, total payments shall be reduced by 4.5 percent for the medical  
351.4 assistance and general assistance medical care programs, prior to third-party liability and  
351.5 spenddown calculation. Effective July 1, 2010, the commissioner shall classify physical  
351.6 therapy services, occupational therapy services, and speech-language pathology and  
351.7 related services as basic care services. The reduction in this paragraph shall apply to  
351.8 physical therapy services, occupational therapy services, and speech-language pathology  
351.9 and related services provided on or after July 1, 2010.

351.10 (b) Payments made to managed care plans and county-based purchasing plans shall  
351.11 be reduced for services provided on or after October 1, 2009, to reflect the reduction  
351.12 effective July 1, 2009, and payments made to the plans shall be reduced effective October  
351.13 1, 2010, to reflect the reduction effective July 1, 2010.

351.14 (c) Effective for services provided on or after September 1, 2011, through June 30,  
351.15 2013, total payments for outpatient hospital facility fees shall be reduced by five percent  
351.16 from the rates in effect on August 31, 2011.

351.17 (d) Effective for services provided on or after September 1, 2011, through June  
351.18 30, 2013, total payments for ambulatory surgery centers facility fees, medical supplies  
351.19 and durable medical equipment not subject to a volume purchase contract, prosthetics  
351.20 and orthotics, renal dialysis services, laboratory services, public health nursing services,  
351.21 physical therapy services, occupational therapy services, speech therapy services,  
351.22 eyeglasses not subject to a volume purchase contract, hearing aids not subject to a volume  
351.23 purchase contract, and anesthesia services shall be reduced by three percent from the  
351.24 rates in effect on August 31, 2011.

351.25 (e) Effective for services provided on or after September 1, 2014, payments  
351.26 for ambulatory surgery centers facility fees, hospice services, renal dialysis services,  
351.27 laboratory services, public health nursing services, eyeglasses not subject to a volume  
351.28 purchase contract, and hearing aids not subject to a volume purchase contract shall be  
351.29 increased by three percent and payments for outpatient hospital facility fees shall be  
351.30 increased by three percent. Payments made to managed care plans and county-based  
351.31 purchasing plans shall not be adjusted to reflect payments under this paragraph.

351.32 (f) Payments for medical supplies and durable medical equipment not subject to a  
351.33 volume purchase contract, and prosthetics and orthotics, provided on or after July 1, 2014,  
351.34 through June 30, 2015, shall be decreased by .33 percent. Payments for medical supplies  
351.35 and durable medical equipment not subject to a volume purchase contract, and prosthetics

352.1 and orthotics, provided on or after July 1, 2015, shall be increased by three percent from  
352.2 the rates as determined under ~~paragraph~~ paragraphs (i) and (j).

352.3 (g) Effective for services provided on or after July 1, 2015, payments for outpatient  
352.4 hospital facility fees, medical supplies and durable medical equipment not subject to a  
352.5 volume purchase contract, prosthetics and orthotics, and laboratory services to a hospital  
352.6 meeting the criteria specified in section 62Q.19, subdivision 1, paragraph (a), clause (4),  
352.7 shall be increased by 90 percent from the rates in effect on June 30, 2015. Payments made  
352.8 to managed care plans and county-based purchasing plans shall not be adjusted to reflect  
352.9 payments under this paragraph.

352.10 (h) This section does not apply to physician and professional services, inpatient  
352.11 hospital services, family planning services, mental health services, dental services,  
352.12 prescription drugs, medical transportation, federally qualified health centers, rural health  
352.13 centers, Indian health services, and Medicare cost-sharing.

352.14 (i) Effective for services provided on or after July 1, 2015, the medical assistance  
352.15 payment rate for durable medical equipment, prosthetics, orthotics, or supplies shall  
352.16 be restored to the January 1, 2008, medical assistance fee schedule, updated to include  
352.17 subsequent rate increases in the Medicare and medical assistance fee schedules, and  
352.18 including following categories of durable medical equipment shall be individually priced  
352.19 items for the following categories: enteral nutrition and supplies, customized and other  
352.20 specialized tracheostomy tubes and supplies, electric patient lifts, and durable medical  
352.21 equipment repair and service. This paragraph does not apply to medical supplies and  
352.22 durable medical equipment subject to a volume purchase contract, products subject to the  
352.23 preferred diabetic testing supply program, and items provided to dually eligible recipients  
352.24 when Medicare is the primary payer for the item. The commissioner shall not apply any  
352.25 medical assistance rate reductions to durable medical equipment as a result of Medicare  
352.26 competitive bidding.

352.27 (j) Effective for services provided on or after July 1, 2015, medical assistance  
352.28 payment rates for durable medical equipment, prosthetics, orthotics, or supplies shall  
352.29 be increased as follows:

352.30 (1) payment rates for durable medical equipment, prosthetics, orthotics, or supplies  
352.31 that were subject to the Medicare competitive bid that took effect in January of 2009 shall  
352.32 be increased by 9.5 percent; and

352.33 (2) payment rates for durable medical equipment, prosthetics, orthotics, or supplies  
352.34 on the medical assistance fee schedule, whether or not subject to the Medicare competitive  
352.35 bid that took effect in January of 2009, shall be increased by 2.94 percent, with this  
352.36 increase being applied after calculation of any increased payment rate under clause (1).

353.1 This paragraph does not apply to medical supplies and durable medical equipment subject  
353.2 to a volume purchase contract, products subject to the preferred diabetic testing supply  
353.3 program, items provided to dually eligible recipients when Medicare is the primary payer  
353.4 for the item, and individually priced items identified in paragraph (i). Payments made to  
353.5 managed care plans and county-based purchasing plans shall not be adjusted to reflect the  
353.6 rate increases in this paragraph.

353.7 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2015.

353.8 Sec. 20. Minnesota Statutes 2014, section 256L.01, subdivision 1a, is amended to read:

353.9 Subd. 1a. **Child.** "Child" means an individual under 21 years of age, ~~including the~~  
353.10 ~~unborn child of a pregnant woman, an emancipated minor, and an emancipated minor's~~  
353.11 ~~spouse.~~

353.12 **EFFECTIVE DATE.** This section is effective the day following final enactment.

353.13 Sec. 21. Minnesota Statutes 2015 Supplement, section 256L.01, subdivision 5, is  
353.14 amended to read:

353.15 Subd. 5. **Income.** "Income" has the meaning given for modified adjusted gross  
353.16 income, as defined in Code of Federal Regulations, title 26, section 1.36B-1, and means  
353.17 a household's ~~projected annual income for the applicable tax year~~ current income, or if  
353.18 income fluctuates month to month, the income for the 12-month eligibility period.

353.19 **EFFECTIVE DATE.** This section is effective July 1, 2017.

353.20 Sec. 22. Minnesota Statutes 2014, section 256L.04, subdivision 1a, is amended to read:

353.21 Subd. 1a. **Social Security number required.** (a) Individuals and families applying  
353.22 for MinnesotaCare coverage must provide a Social Security number if required by Code  
353.23 of Federal Regulations, title 45, section 155.310(a)(3).

353.24 (b) ~~The commissioner shall not deny eligibility to an otherwise eligible applicant~~  
353.25 ~~who has applied for a Social Security number and is awaiting issuance of that Social~~  
353.26 ~~Security number.~~

353.27 (c) ~~Newborns enrolled under section 256L.05, subdivision 3, are exempt from the~~  
353.28 ~~requirements of this subdivision.~~

353.29 (d) ~~Individuals who refuse to provide a Social Security number because of~~  
353.30 ~~well-established religious objections are exempt from the requirements of this subdivision.~~  
353.31 ~~The term "well-established religious objections" has the meaning given in Code of Federal~~  
353.32 ~~Regulations, title 42, section 435.910.~~

354.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

354.2 Sec. 23. Minnesota Statutes 2014, section 256L.04, subdivision 2, is amended to read:

354.3 Subd. 2. **Third-party liability, paternity, and other medical support.** ~~(a) To be~~  
354.4 ~~eligible for MinnesotaCare;~~ Individuals and families ~~must~~ may cooperate with the state  
354.5 agency to identify potentially liable third-party payers and assist the state in obtaining  
354.6 third-party payments. "Cooperation" includes, but is not limited to, complying with  
354.7 the notice requirements in section 256B.056, subdivision 9, identifying any third party  
354.8 who may be liable for care and services provided under MinnesotaCare to the enrollee,  
354.9 providing relevant information to assist the state in pursuing a potentially liable third  
354.10 party, and completing forms necessary to recover third-party payments.

354.11 ~~(b) A parent, guardian, relative caretaker, or child enrolled in the MinnesotaCare~~  
354.12 ~~program must cooperate with the Department of Human Services and the local agency in~~  
354.13 ~~establishing the paternity of an enrolled child and in obtaining medical care support and~~  
354.14 ~~payments for the child and any other person for whom the person can legally assign rights,~~  
354.15 ~~in accordance with applicable laws and rules governing the medical assistance program. A~~  
354.16 ~~child shall not be ineligible for or disenrolled from the MinnesotaCare program solely~~  
354.17 ~~because the child's parent, relative caretaker, or guardian fails to cooperate in establishing~~  
354.18 ~~paternity or obtaining medical support.~~

354.19 **EFFECTIVE DATE.** This section is effective the day following final enactment.

354.20 Sec. 24. Minnesota Statutes 2015 Supplement, section 256L.04, subdivision 7b,  
354.21 is amended to read:

354.22 Subd. 7b. **Annual income limits adjustment.** The commissioner shall adjust the  
354.23 income limits under this section annually ~~on January~~ each July 1 as ~~provided~~ described in  
354.24 Code of Federal Regulations, title 26, section 1.36B-1(h) section 256B.056, subdivision 1c.

354.25 **EFFECTIVE DATE.** This section is effective July 1, 2017.

354.26 Sec. 25. Minnesota Statutes 2015 Supplement, section 256L.05, subdivision 3a,  
354.27 is amended to read:

354.28 Subd. 3a. **Redetermination of eligibility.** (a) An enrollee's eligibility must be  
354.29 redetermined on an annual basis, in accordance with Code of Federal Regulations, title  
354.30 42, section 435.916(a). ~~The period of eligibility is the entire calendar year following the~~  
354.31 ~~year in which eligibility is redetermined. Beginning in calendar year 2015, eligibility~~  
354.32 ~~redeterminations shall occur during the open enrollment period for qualified health plans as~~

355.1 ~~specified in Code of Federal Regulations, title 45, section 155.410.~~ The 12-month eligibility  
355.2 period begins the month of application. Beginning July 1, 2017, the commissioner shall  
355.3 adjust the eligibility period for enrollees to implement renewals throughout the year  
355.4 according to guidance from the Centers for Medicare and Medicaid Services.

355.5 (b) Each new period of eligibility must take into account any changes in  
355.6 circumstances that impact eligibility and premium amount. Coverage begins as provided  
355.7 in section 256L.06.

355.8 **EFFECTIVE DATE.** This section is effective July 1, 2017.

355.9 Sec. 26. Minnesota Statutes 2015 Supplement, section 256L.06, subdivision 3, is  
355.10 amended to read:

355.11 Subd. 3. **Commissioner's duties and payment.** (a) Premiums are dedicated to the  
355.12 commissioner for MinnesotaCare.

355.13 (b) The commissioner shall develop and implement procedures to: (1) require  
355.14 enrollees to report changes in income; (2) adjust sliding scale premium payments, based  
355.15 upon both increases and decreases in enrollee income, at the time the change in income  
355.16 is reported; and (3) disenroll enrollees from MinnesotaCare for failure to pay required  
355.17 premiums. Failure to pay includes payment with a dishonored check, a returned automatic  
355.18 bank withdrawal, or a refused credit card or debit card payment. The commissioner may  
355.19 demand a guaranteed form of payment, including a cashier's check or a money order, as  
355.20 the only means to replace a dishonored, returned, or refused payment.

355.21 (c) Premiums are calculated on a calendar month basis and may be paid on a  
355.22 monthly, quarterly, or semiannual basis, with the first payment due upon notice from the  
355.23 commissioner of the premium amount required. The commissioner shall inform applicants  
355.24 and enrollees of these premium payment options. Premium payment is required before  
355.25 enrollment is complete and to maintain eligibility in MinnesotaCare. Premium payments  
355.26 received before noon are credited the same day. Premium payments received after noon  
355.27 are credited on the next working day.

355.28 (d) Nonpayment of the premium will result in disenrollment from the plan effective  
355.29 for the calendar month following the month for which the premium was due. Persons  
355.30 disenrolled for nonpayment may not reenroll prior to the first day of the month following  
355.31 the payment of an amount equal to two months' premiums.

355.32 (e) The commissioner shall forgive the past-due premium for persons disenrolled  
355.33 under paragraph (d) prior to issuing a premium invoice for the fourth month following  
355.34 disenrollment.

356.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

356.2 Sec. 27. Minnesota Statutes 2014, section 256L.07, subdivision 1, is amended to read:

356.3 Subdivision 1. **General requirements.** Individuals enrolled in MinnesotaCare  
356.4 under section 256L.04, subdivision 1, and individuals enrolled in MinnesotaCare under  
356.5 section 256L.04, subdivision 7, whose income increases above 200 percent of the federal  
356.6 poverty guidelines, are no longer eligible for the program and shall be disenrolled  
356.7 by the commissioner. For persons disenrolled under this subdivision, MinnesotaCare  
356.8 coverage terminates the last day of the calendar month ~~following the month~~ in which  
356.9 the commissioner ~~determines that~~ sends advance notice according to Code of Federal  
356.10 Regulations, title 42, section 431.211, that indicates the income of a family or individual  
356.11 exceeds program income limits.

356.12 **EFFECTIVE DATE.** This section is effective the day following final enactment.

356.13 Sec. 28. Minnesota Statutes 2014, section 256L.11, subdivision 7, is amended to read:

356.14 Subd. 7. **Critical access dental providers.** Effective for dental services provided to  
356.15 MinnesotaCare enrollees on or after ~~January 1, 2007, through August 31, 2011~~ July 1,  
356.16 2016, the commissioner shall increase payment rates to dentists and dental clinics deemed  
356.17 by the commissioner to be critical access providers under section 256B.76, subdivision  
356.18 4, ~~by 50 percent above the payment rate that would otherwise be paid to the provider.~~  
356.19 ~~Effective for dental services provided on or after September 1, 2011, the commissioner~~  
356.20 ~~shall increase the payment rate by 30~~ 32.5 percent above the payment rate that would  
356.21 otherwise be paid to the provider, except for a dental clinic or dental group described in  
356.22 section 256B.76, subdivision 4, paragraph (b), in which the commissioner shall increase  
356.23 the payment rate by 30 percent above the payment rate that would otherwise be paid to  
356.24 the provider. The commissioner shall pay the prepaid health plans under contract with  
356.25 the commissioner amounts sufficient to reflect this rate increase. The prepaid health plan  
356.26 must pass this rate increase to providers who have been identified by the commissioner as  
356.27 critical access dental providers under section 256B.76, subdivision 4.

356.28 Sec. 29. Minnesota Statutes 2015 Supplement, section 256L.15, subdivision 1, is  
356.29 amended to read:

356.30 Subdivision 1. **Premium determination for MinnesotaCare.** (a) Families with  
356.31 children and individuals shall pay a premium determined according to subdivision 2.

356.32 (b) Members of the military and their families who meet the eligibility criteria  
356.33 for MinnesotaCare upon eligibility approval made within 24 months following the end

357.1 of the member's tour of active duty shall have their premiums paid by the commissioner.  
357.2 The effective date of coverage for an individual or family who meets the criteria of this  
357.3 paragraph shall be the first day of the month following the month in which eligibility is  
357.4 approved. This exemption applies for 12 months.

357.5 (c) Beginning July 1, 2009, American Indians enrolled in MinnesotaCare and their  
357.6 families shall have their premiums waived by the commissioner in accordance with section  
357.7 5006 of the American Recovery and Reinvestment Act of 2009, Public Law 111-5. An  
357.8 individual must ~~document~~ indicate status as an American Indian, as defined under Code of  
357.9 Federal Regulations, title 42, section 447.50, to qualify for the waiver of premiums. The  
357.10 commissioner shall accept attestation of an individual's status as an American Indian as  
357.11 verification until the United States Department of Health and Human Services approves  
357.12 an electronic data source for this purpose.

357.13 (d) For premiums effective August 1, 2015, and after, the commissioner, after  
357.14 consulting with the chairs and ranking minority members of the legislative committees  
357.15 with jurisdiction over human services, shall increase premiums under subdivision 2  
357.16 for recipients based on June 2015 program enrollment. Premium increases shall be  
357.17 sufficient to increase projected revenue to the fund described in section 16A.724 by at  
357.18 least \$27,800,000 for the biennium ending June 30, 2017. The commissioner shall publish  
357.19 the revised premium scale on the Department of Human Services Web site and in the State  
357.20 Register no later than June 15, 2015. The revised premium scale applies to all premiums  
357.21 on or after August 1, 2015, in place of the scale under subdivision 2.

357.22 (e) By July 1, 2015, the commissioner shall provide the chairs and ranking minority  
357.23 members of the legislative committees with jurisdiction over human services the revised  
357.24 premium scale effective August 1, 2015, and statutory language to codify the revised  
357.25 premium schedule.

357.26 (f) Premium changes authorized under paragraph (d) must only apply to enrollees  
357.27 not otherwise excluded from paying premiums under state or federal law. Premium  
357.28 changes authorized under paragraph (d) must satisfy the requirements for premiums for  
357.29 the Basic Health Program under title 42 of Code of Federal Regulations, section 600.505.

357.30 **EFFECTIVE DATE.** This section is effective the day following final enactment.

357.31 **Sec. 30. DIRECTION TO COMMISSIONER OF HUMAN SERVICES; NOTICE.**

357.32 For all individuals that received medical assistance non-long-term care services on  
357.33 or after July 1, 2014, the commissioner of human services must provide notice of the 2016  
357.34 amendments to Minnesota Statutes, section 256B.15, subdivisions 1a and 2. The notice  
357.35 must be provided within 90 days from the date of enactment.

358.1 Sec. 31. **REPEALER.**

358.2 (a) Minnesota Statutes 2014, section 256B.059, subdivision 1a, is repealed.

358.3 (b) Minnesota Statutes 2014, sections 256L.04, subdivisions 2a and 8; 256L.22;  
358.4 256L.24; 256L.26; and 256L.28, are repealed.

358.5 **EFFECTIVE DATE.** Paragraph (a) is effective June 1, 2016. Paragraph (b) is  
358.6 effective the day following final enactment.

## 358.7 ARTICLE 20

### 358.8 HEALTH DEPARTMENT

358.9 Section 1. Minnesota Statutes 2014, section 13.3805, is amended by adding a  
358.10 subdivision to read:

358.11 **Subd. 5. Radon testing and mitigation data.** Data maintained by the Department  
358.12 of Health that identify the address of a radon testing or mitigation site, and the name,  
358.13 address, e-mail address, and telephone number of residents and residential property owners  
358.14 of a radon testing or mitigation site, are private data on individuals or nonpublic data.

358.15 **EFFECTIVE DATE.** This section is effective the day following final enactment.

358.16 Sec. 2. Minnesota Statutes 2014, section 62D.04, subdivision 1, is amended to read:

358.17 Subdivision 1. **Application review.** Upon receipt of an application for a certificate  
358.18 of authority, the commissioner of health shall determine whether the applicant for a  
358.19 certificate of authority has:

358.20 (a) demonstrated the willingness and potential ability to assure that health care  
358.21 services will be provided in such a manner as to enhance and assure both the availability  
358.22 and accessibility of adequate personnel and facilities;

358.23 (b) arrangements for an ongoing evaluation of the quality of health care, including a  
358.24 peer review process;

358.25 (c) a procedure to develop, compile, evaluate, and report statistics relating to the  
358.26 cost of its operations, the pattern of utilization of its services, the quality, availability and  
358.27 accessibility of its services, and such other matters as may be reasonably required by  
358.28 regulation of the commissioner of health;

358.29 (d) reasonable provisions for emergency and out of area health care services;

358.30 (e) demonstrated that it is financially responsible and may reasonably be expected to  
358.31 meet its obligations to enrollees and prospective enrollees. In making this determination,  
358.32 the commissioner of health shall require the amount of initial net worth required in section

359.1 62D.042, compliance with the risk-based capital standards under sections 60A.50 to  
359.2 60A.592, the deposit required in section 62D.041, and in addition shall consider:

359.3 (1) the financial soundness of its arrangements for health care services and the  
359.4 proposed schedule of charges used in connection therewith;

359.5 (2) arrangements which will guarantee for a reasonable period of time the continued  
359.6 availability or payment of the cost of health care services in the event of discontinuance of  
359.7 the health maintenance organization; and

359.8 (3) agreements with providers for the provision of health care services;

359.9 (f) demonstrated that it will assume full financial risk on a prospective basis for  
359.10 the provision of comprehensive health maintenance services, including hospital care;  
359.11 provided, however, that the requirement in this paragraph shall not prohibit the following:

359.12 (1) a health maintenance organization from obtaining insurance or making  
359.13 other arrangements (i) for the cost of providing to any enrollee comprehensive health  
359.14 maintenance services, the aggregate value of which exceeds \$5,000 in any year, (ii) for  
359.15 the cost of providing comprehensive health care services to its members on a nonelective  
359.16 emergency basis, or while they are outside the area served by the organization, or (iii) for  
359.17 not more than 95 percent of the amount by which the health maintenance organization's  
359.18 costs for any of its fiscal years exceed 105 percent of its income for such fiscal years; and

359.19 (2) a health maintenance organization from having a provision in a group health  
359.20 maintenance contract allowing an adjustment of premiums paid based upon the actual  
359.21 health services utilization of the enrollees covered under the contract, except that at no  
359.22 time during the life of the contract shall the contract holder fully self-insure the financial  
359.23 risk of health care services delivered under the contract. Risk sharing arrangements shall  
359.24 be subject to the requirements of sections 62D.01 to 62D.30;

359.25 (g) demonstrated that it has made provisions for and adopted a conflict of interest  
359.26 policy applicable to all members of the board of directors and the principal officers of the  
359.27 health maintenance organization. The conflict of interest policy shall include the procedures  
359.28 described in section 317A.255, subdivisions 1 and 2. However, the commissioner is  
359.29 not precluded from finding that a particular transaction is an unreasonable expense as  
359.30 described in section 62D.19 even if the directors follow the required procedures; and

359.31 (h) otherwise met the requirements of sections 62D.01 to 62D.30.

359.32 Sec. 3. Minnesota Statutes 2014, section 62D.08, subdivision 3, is amended to read:

359.33 Subd. 3. **Report requirements.** Such report shall be on forms prescribed by the  
359.34 commissioner of health, and shall include:

360.1 (a) a financial statement of the organization, including its balance sheet and receipts  
360.2 and disbursements for the preceding year certified by an independent certified public  
360.3 accountant, reflecting at least (1) all prepayment and other payments received for health  
360.4 care services rendered, (2) expenditures to all providers, by classes or groups of providers,  
360.5 and insurance companies or nonprofit health service plan corporations engaged to fulfill  
360.6 obligations arising out of the health maintenance contract, (3) expenditures for capital  
360.7 improvements, or additions thereto, including but not limited to construction, renovation  
360.8 or purchase of facilities and capital equipment, and (4) a supplementary statement of  
360.9 assets, liabilities, premium revenue, and expenditures for risk sharing business under  
360.10 section 62D.04, subdivision 1, on forms prescribed by the commissioner;

360.11 (b) the number of new enrollees enrolled during the year, the number of group  
360.12 enrollees and the number of individual enrollees as of the end of the year and the number  
360.13 of enrollees terminated during the year;

360.14 (c) a summary of information compiled pursuant to section 62D.04, subdivision 1,  
360.15 clause (c), in such form as may be required by the commissioner of health;

360.16 (d) a report of the names and addresses of all persons set forth in section 62D.03,  
360.17 subdivision 4, clause (c), who were associated with the health maintenance organization  
360.18 or the major participating entity during the preceding year, and the amount of wages,  
360.19 expense reimbursements, or other payments to such individuals for services to the health  
360.20 maintenance organization or the major participating entity, as those services relate to the  
360.21 health maintenance organization, including a full disclosure of all financial arrangements  
360.22 during the preceding year required to be disclosed pursuant to section 62D.03, subdivision  
360.23 4, clause (d);

360.24 (e) a separate report addressing health maintenance contracts sold to individuals  
360.25 covered by Medicare, title XVIII of the Social Security Act, as amended, including the  
360.26 information required under section 62D.30, subdivision 6; and

360.27 (f) data on the number of complaints received and the category of each complaint  
360.28 as defined by the commissioner. The categories must include access, communication  
360.29 and behavior, health plan administration, facilities and environment, coordination of  
360.30 care, and technical competence and appropriateness. The commissioner, in consultation  
360.31 with interested stakeholders, shall define complaint categories to be used by each health  
360.32 maintenance organization by July 1, 2017, and the categories must be used by each health  
360.33 maintenance organization beginning calendar year 2018; and

360.34 ~~(f)~~ (g) such other information relating to the performance of the health maintenance  
360.35 organization as is reasonably necessary to enable the commissioner of health to carry out  
360.36 the duties under sections 62D.01 to 62D.30.

361.1 Sec. 4. [62D.115] QUALITY OF CARE COMPLAINTS.

361.2 Subdivision 1. Quality of care complaint. For purposes of this section, "quality  
361.3 of care complaint" means an expressed dissatisfaction regarding health care services  
361.4 resulting in potential or actual harm to an enrollee. Quality of care complaints may  
361.5 include the following, to the extent that they affect the clinical quality of health care  
361.6 services rendered: access; provider and staff competence; clinical appropriateness of care;  
361.7 communications; behavior; facility and environmental considerations; and other factors  
361.8 that could impact the quality of health care services.

361.9 Subd. 2. Quality of care complaint investigation. (a) Each health maintenance  
361.10 organization shall develop and implement a quality of care complaint investigation process  
361.11 that meets the requirements of this section. The process must include a written policy and  
361.12 procedures for the receipt, investigation, and follow-up of quality of care complaints, that  
361.13 includes the requirements in paragraphs (b) to (h).

361.14 (b) A health maintenance organization's definition for quality of care complaints  
361.15 must include the concerns identified in subdivision 1.

361.16 (c) A health maintenance organization must include a description of each quality of  
361.17 care complaint level of severity, including:

361.18 (1) classification of complaints that warrant peer protection confidentiality as defined  
361.19 by the commissioner in paragraph (h); and

361.20 (2) investigation procedures for each level of severity.

361.21 (d) Any complaint with an allegation regarding quality of care or service must be  
361.22 investigated by the health maintenance organization. Documentation must show that  
361.23 each allegation has been addressed.

361.24 (e) Conclusions of each investigation must be supported with evidence that may  
361.25 include an associated corrective action plan implemented and documented and a formal  
361.26 response from a provider to the health maintenance organization if a formal response  
361.27 was submitted to the health maintenance organization. The record of investigation must  
361.28 include all related documents, correspondence, summaries, discussions, consultation,  
361.29 and conferences held.

361.30 (f) A medical director review shall be conducted as part of the investigation process  
361.31 when there is potential for patient harm.

361.32 (g) Each quality of care complaint received by a health maintenance organization  
361.33 must be tracked and trended for review by the health maintenance organization according  
361.34 to provider type and the following type of quality of care issue: behavior, facility,  
361.35 environmental, or technical competence.

362.1 (h) The commissioner, in consultation with interested stakeholders, shall define  
362.2 complaints that are subject to peer protection confidentiality in accordance with state and  
362.3 federal law by January 1, 2018.

362.4 Subd. 3. **Complaint reporting.** Each health maintenance organization shall submit  
362.5 to the commissioner, as part of the company's annual filing, data on the number of  
362.6 complaints and the category as defined by the commissioner as required under section  
362.7 62D.08, subdivision 3, paragraph (f).

362.8 Subd. 4. **Records.** Each health maintenance organization shall maintain records of  
362.9 all quality of care complaints and their resolution and retain those records for five years.  
362.10 Notwithstanding section 145.64, information provided to the commissioner according to  
362.11 this subdivision is classified as confidential data on individuals or protected nonpublic  
362.12 data as defined in section 13.02, subdivision 3 or 13.

362.13 Subd. 5. **Exception.** This section does not apply to quality of care complaints  
362.14 received by a health maintenance organization from an enrollee who is covered under a  
362.15 public health care program administered by the commissioner of human services under  
362.16 chapter 256B or 256L.

362.17 Sec. 5. Minnesota Statutes 2014, section 62J.495, subdivision 4, is amended to read:

362.18 Subd. 4. **Coordination with national HIT activities.** (a) The commissioner,  
362.19 in consultation with the e-Health Advisory Committee, shall update the statewide  
362.20 implementation plan required under subdivision 2 and released June 2008, to be consistent  
362.21 with the updated Federal HIT Strategic Plan released by the Office of the National  
362.22 Coordinator in accordance with section 3001 of the HITECH Act. The statewide plan  
362.23 shall meet the requirements for a plan required under section 3013 of the HITECH Act.

362.24 (b) The commissioner, in consultation with the e-Health Advisory Committee,  
362.25 shall work to ensure coordination between state, regional, and national efforts to support  
362.26 and accelerate efforts to effectively use health information technology to improve the  
362.27 quality and coordination of health care and the continuity of patient care among health  
362.28 care providers, to reduce medical errors, to improve population health, to reduce health  
362.29 disparities, and to reduce chronic disease. The commissioner's coordination efforts shall  
362.30 include but not be limited to:

362.31 (1) assisting in the development and support of health information technology  
362.32 regional extension centers established under section 3012(c) of the HITECH Act to  
362.33 provide technical assistance and disseminate best practices; and

363.1 (2) providing supplemental information to the best practices gathered by regional  
363.2 centers to ensure that the information is relayed in a meaningful way to the Minnesota  
363.3 health care community;

363.4 (3) providing financial and technical support to Minnesota health care providers to  
363.5 encourage implementation of admission, discharge and transfer alerts, and care summary  
363.6 document exchange transactions and to evaluate the impact of health information  
363.7 technology on cost and quality of care. Communications about available financial and  
363.8 technical support shall include clear information about the interoperable health record  
363.9 requirements in subdivision 1, including a separate statement in bold-face type clarifying  
363.10 the exceptions to those requirements;

363.11 (4) providing educational resources and technical assistance to health care providers  
363.12 and patients related to state and national privacy, security, and consent laws governing  
363.13 clinical health information, including the requirements in sections 144.291 to 144.298. In  
363.14 carrying out these activities, the commissioner's technical assistance does not constitute  
363.15 legal advice;

363.16 (5) assessing Minnesota's legal, financial, and regulatory framework for health  
363.17 information exchange, including the requirements in sections 144.291 to 144.298, and  
363.18 making recommendations for modifications that would strengthen the ability of Minnesota  
363.19 health care providers to securely exchange data in compliance with patient preferences  
363.20 and in a way that is efficient and financially sustainable; and

363.21 (6) seeking public input on both patient impact and costs associated with  
363.22 requirements related to patient consent for release of health records for the purposes of  
363.23 treatment, payment, and health care operations, as required in section 144.293, subdivision  
363.24 2. The commissioner shall provide a report to the legislature on the findings of this public  
363.25 input process no later than February 1, 2017.

363.26 (c) The commissioner, in consultation with the e-Health Advisory Committee, shall  
363.27 monitor national activity related to health information technology and shall coordinate  
363.28 statewide input on policy development. The commissioner shall coordinate statewide  
363.29 responses to proposed federal health information technology regulations in order to ensure  
363.30 that the needs of the Minnesota health care community are adequately and efficiently  
363.31 addressed in the proposed regulations. The commissioner's responses may include, but  
363.32 are not limited to:

363.33 (1) reviewing and evaluating any standard, implementation specification, or  
363.34 certification criteria proposed by the national HIT standards committee;

363.35 (2) reviewing and evaluating policy proposed by the national HIT policy committee  
363.36 relating to the implementation of a nationwide health information technology infrastructure;

364.1 (3) monitoring and responding to activity related to the development of quality  
364.2 measures and other measures as required by section 4101 of the HITECH Act. Any  
364.3 response related to quality measures shall consider and address the quality efforts required  
364.4 under chapter 62U; and

364.5 (4) monitoring and responding to national activity related to privacy, security, and  
364.6 data stewardship of electronic health information and individually identifiable health  
364.7 information.

364.8 (d) To the extent that the state is either required or allowed to apply, or designate an  
364.9 entity to apply for or carry out activities and programs under section 3013 of the HITECH  
364.10 Act, the commissioner of health, in consultation with the e-Health Advisory Committee  
364.11 and the commissioner of human services, shall be the lead applicant or sole designating  
364.12 authority. The commissioner shall make such designations consistent with the goals and  
364.13 objectives of sections 62J.495 to 62J.497 and 62J.50 to 62J.61.

364.14 (e) The commissioner of human services shall apply for funding necessary to  
364.15 administer the incentive payments to providers authorized under title IV of the American  
364.16 Recovery and Reinvestment Act.

364.17 (f) The commissioner shall include in the report to the legislature information on the  
364.18 activities of this subdivision and provide recommendations on any relevant policy changes  
364.19 that should be considered in Minnesota.

364.20 Sec. 6. Minnesota Statutes 2014, section 62J.496, subdivision 1, is amended to read:

364.21 Subdivision 1. **Account establishment.** (a) An account is established to:

364.22 (1) finance the purchase of certified electronic health records or qualified electronic  
364.23 health records as defined in section 62J.495, subdivision 1a;

364.24 (2) enhance the utilization of electronic health record technology, which may include  
364.25 costs associated with upgrading the technology to meet the criteria necessary to be a  
364.26 certified electronic health record or a qualified electronic health record;

364.27 (3) train personnel in the use of electronic health record technology; and

364.28 (4) improve the secure electronic exchange of health information.

364.29 (b) Amounts deposited in the account, including any grant funds obtained through  
364.30 federal or other sources, loan repayments, and interest earned on the amounts shall  
364.31 be used only for awarding loans or loan guarantees, as a source of reserve and security  
364.32 for leveraged loans, for activities authorized in section 62J.495, subdivision 4, or for  
364.33 the administration of the account.

364.34 (c) The commissioner may accept contributions to the account from private sector  
364.35 entities subject to the following provisions:

365.1 (1) the contributing entity may not specify the recipient or recipients of any loan  
365.2 issued under this subdivision;

365.3 (2) the commissioner shall make public the identity of any private contributor to the  
365.4 loan fund, as well as the amount of the contribution provided;

365.5 (3) the commissioner may issue letters of commendation or make other awards that  
365.6 have no financial value to any such entity; and

365.7 (4) a contributing entity may not specify that the recipient or recipients of any loan  
365.8 use specific products or services, nor may the contributing entity imply that a contribution  
365.9 is an endorsement of any specific product or service.

365.10 (d) The commissioner may use the loan funds to reimburse private sector entities  
365.11 for any contribution made to the loan fund. Reimbursement to private entities may not  
365.12 exceed the principle amount contributed to the loan fund.

365.13 (e) The commissioner may use funds deposited in the account to guarantee, or  
365.14 purchase insurance for, a local obligation if the guarantee or purchase would improve  
365.15 credit market access or reduce the interest rate applicable to the obligation involved.

365.16 (f) The commissioner may use funds deposited in the account as a source of revenue  
365.17 or security for the payment of principal and interest on revenue or general obligation  
365.18 bonds issued by the state if the proceeds of the sale of the bonds will be deposited into  
365.19 the loan fund.

365.20 (g) The commissioner shall not award new loans or loan guarantees after July 1, 2016.

365.21 Sec. 7. Minnesota Statutes 2014, section 144.05, is amended by adding a subdivision  
365.22 to read:

365.23 Subd. 6. **Reports on interagency agreements and intra-agency transfers.** The  
365.24 commissioner of health shall provide quarterly reports to the chairs and ranking minority  
365.25 members of the legislative committees with jurisdiction over health and human services  
365.26 policy and finance on:

365.27 (1) interagency agreements or service-level agreements and any renewals or  
365.28 extensions of existing interagency or service level agreements with a state department  
365.29 under section 15.01, state agency under section 15.012, or the Office of MN.IT Services,  
365.30 with a value of more than \$100,000, or related agreements with the same department or  
365.31 agency with a cumulative value of more than \$100,000; and

365.32 (2) transfers of appropriations of more than \$100,000 between accounts within or  
365.33 between agencies.

366.1 The report must include the statutory citation authorizing the agreement, transfer or dollar  
366.2 amount, purpose, and effective date of the agreement, duration of the agreement, and  
366.3 a copy of the agreement.

366.4 Sec. 8. **[144.1912] GREATER MINNESOTA FAMILY MEDICINE RESIDENCY**  
366.5 **GRANT PROGRAM.**

366.6 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms  
366.7 have the meanings given.

366.8 (b) "Commissioner" means the commissioner of health.

366.9 (c) "Eligible family medicine residency program" means a program that meets the  
366.10 following criteria:

366.11 (1) is located in Minnesota outside the seven-county metropolitan area, as defined in  
366.12 section 473.121, subdivision 4;

366.13 (2) is accredited as a family medicine residency program or is a candidate for  
366.14 accreditation;

366.15 (3) is focused on the education and training of family medicine physicians to serve  
366.16 communities outside the metropolitan area; and

366.17 (4) demonstrates that over the most recent three years, at least 25 percent of its  
366.18 graduates practice in Minnesota communities outside the metropolitan area.

366.19 Subd. 2. **Program administration.** (a) The commissioner shall award family  
366.20 medicine residency grants to existing, eligible, not-for-profit family medicine residency  
366.21 programs to support current and new residency positions. Funds shall be allocated first to  
366.22 proposed new family medicine residency positions, and remaining funds shall be allocated  
366.23 proportionally based on the number of existing residents in eligible programs. The  
366.24 commissioner may fund a new residency position for up to three years.

366.25 (b) Grant funds awarded may only be spent to cover the costs of:

366.26 (1) establishing, maintaining, or expanding training for family medicine residents;

366.27 (2) recruitment, training, and retention of residents and faculty;

366.28 (3) travel and lodging for residents; and

366.29 (4) faculty, resident, and preceptor salaries.

366.30 (c) Grant funds shall not be used to supplant any other government or private funds  
366.31 available for these purposes.

366.32 Subd. 3. **Applications.** Eligible family medicine residency programs seeking a  
366.33 grant must apply to the commissioner. The application must include objectives, a related  
366.34 work plan and budget, a description of the number of new and existing residency positions  
366.35 that will be supported using grant funds, and additional information the commissioner

367.1 determines to be necessary. The commissioner shall determine whether applications are  
367.2 complete and responsive and may require revisions or additional information before  
367.3 awarding a grant.

367.4 Subd. 4. **Program oversight.** The commissioner shall require and collect from  
367.5 family medicine residency programs receiving grants, information necessary to administer  
367.6 and evaluate the program. The evaluation shall include the scope of expansion of new  
367.7 residency positions and information describing specific programs to enhance current  
367.8 residency positions, which may include facility improvements. The commissioner shall  
367.9 continue to collect data on greater Minnesota family medicine residency shortages.

367.10 Sec. 9. Minnesota Statutes 2015 Supplement, section 144.4961, subdivision 3, is  
367.11 amended to read:

367.12 Subd. 3. **Rulemaking.** The commissioner of health shall adopt rules ~~for~~ establishing  
367.13 licensure requirements and enforcement of applicable laws and rules work standards  
367.14 relating to indoor radon in dwellings and other buildings, with the exception of newly  
367.15 constructed Minnesota homes according to section 326B.106, subdivision 6. The  
367.16 commissioner shall coordinate, oversee, and implement all state functions in matters  
367.17 concerning the presence, effects, measurement, and mitigation of risks of radon in  
367.18 dwellings and other buildings.

367.19 **EFFECTIVE DATE.** This section is effective the day following final enactment.

367.20 Sec. 10. Minnesota Statutes 2015 Supplement, section 144.4961, subdivision 4,  
367.21 is amended to read:

367.22 Subd. 4. **System tag.** All radon mitigation systems installed in Minnesota on or  
367.23 after ~~October 1, 2017~~ January 1, 2018, must have a radon mitigation system tag provided  
367.24 by the commissioner. A radon mitigation professional must attach the tag to the radon  
367.25 mitigation system in a visible location.

367.26 Sec. 11. Minnesota Statutes 2015 Supplement, section 144.4961, subdivision 5,  
367.27 is amended to read:

367.28 Subd. 5. **License required annually.** Effective January 1, 2018, a license is required  
367.29 annually for every person, firm, or corporation that ~~sells a device or~~ performs a service  
367.30 for compensation to detect the presence of radon in the indoor atmosphere, performs  
367.31 laboratory analysis, or performs a service to mitigate radon in the indoor atmosphere. ~~This~~  
367.32 ~~section does not apply to retail stores that only sell or distribute radon sampling but are not~~  
367.33 ~~engaged in the manufacture of radon sampling devices.~~

368.1 Sec. 12. Minnesota Statutes 2015 Supplement, section 144.4961, subdivision 6,  
368.2 is amended to read:

368.3 Subd. 6. **Exemptions.** ~~Radon systems installed in newly constructed Minnesota~~  
368.4 ~~homes according to section 326B.106, subdivision 6, prior to the issuance of a certificate~~  
368.5 ~~of occupancy are not required to follow the requirements of this section. This section~~  
368.6 ~~does not apply to:~~

368.7 (1) employees of a firm or corporation that installs radon control systems in newly  
368.8 constructed Minnesota homes as specified in subdivision 11;

368.9 (2) a person authorized as a building official under Minnesota Rules, part 1300.0070,  
368.10 or that person's designee; or

368.11 (3) any person, firm, corporation, or entity that distributes radon testing devices or  
368.12 information for general educational purposes.

368.13 **EFFECTIVE DATE.** This section is effective the day following final enactment.

368.14 Sec. 13. Minnesota Statutes 2015 Supplement, section 144.4961, subdivision 8,  
368.15 is amended to read:

368.16 Subd. 8. **Licensing fees.** (a) All radon license applications submitted to the  
368.17 commissioner of health must be accompanied by the required fees. If the commissioner  
368.18 determines that insufficient fees were paid, the necessary additional fees must be paid  
368.19 before the commissioner approves the application. The commissioner shall charge the  
368.20 following fees for each radon license:

368.21 (1) Each measurement professional license, ~~\$300~~ \$150 per year. "Measurement  
368.22 professional" means any person who performs a test to determine the presence and  
368.23 concentration of radon in a building ~~they do~~ the person does not own or lease; ~~provides~~  
368.24 ~~professional or expert advice on radon testing, radon exposure, or health risks related to~~  
368.25 ~~radon exposure; or makes representations of doing any of these activities.~~

368.26 (2) Each mitigation professional license, ~~\$500~~ \$250 per year. "Mitigation  
368.27 professional" means an individual who ~~performs~~ installs or designs a radon mitigation  
368.28 system in a building ~~they do~~ the individual does not own or lease; ~~provides professional or~~  
368.29 ~~expert advice on radon mitigation or radon entry routes; or provides on-site supervision~~  
368.30 ~~of radon mitigation and mitigation technicians; or makes representations of doing any of~~  
368.31 ~~these activities.~~ "On-site supervision" means a review at the property of mitigation work  
368.32 upon completion of the work and attachment of a system tag. Employees or subcontractors  
368.33 who are supervised by a licensed mitigation professional are not required to be licensed  
368.34 under this clause. This license also permits the licensee to perform the activities of a  
368.35 measurement professional described in clause (1).

369.1 (3) Each mitigation company license, ~~\$500~~ \$100 per year. "Mitigation company"  
369.2 means any business or government entity that performs or authorizes employees to  
369.3 perform radon mitigation. This fee is waived if the mitigation company is a sole  
369.4 proprietorship employs only one licensed mitigation professional.

369.5 (4) Each radon analysis laboratory license, \$500 per year. "Radon analysis  
369.6 laboratory" means a business entity or government entity that analyzes passive radon  
369.7 detection devices to determine the presence and concentration of radon in the devices.  
369.8 This fee is waived if the laboratory is a government entity and is only distributing test kits  
369.9 for the general public to use in Minnesota.

369.10 (5) Each Minnesota Department of Health radon mitigation system tag, \$75 per tag.  
369.11 "Minnesota Department of Health radon mitigation system tag" or "system tag" means a  
369.12 unique identifiable radon system label provided by the commissioner of health.

369.13 (b) Fees collected under this section shall be deposited in the state treasury and  
369.14 credited to the state government special revenue fund.

369.15 **EFFECTIVE DATE.** This section is effective the day following final enactment.

369.16 Sec. 14. Minnesota Statutes 2015 Supplement, section 144.4961, is amended by adding  
369.17 a subdivision to read:

369.18 **Subd. 10. Local inspections or permits.** This section does not preclude local units  
369.19 of government from requiring additional permits or inspections for radon control systems,  
369.20 and does not supersede any local inspection or permit requirements.

369.21 **EFFECTIVE DATE.** This section is effective the day following final enactment.

369.22 Sec. 15. Minnesota Statutes 2015 Supplement, section 144.4961, is amended by adding  
369.23 a subdivision to read:

369.24 **Subd. 11. Application; newly constructed homes.** This section does not apply to  
369.25 newly constructed Minnesota homes according to section 326B.106, subdivision 6, prior  
369.26 to the issuance of a certificate of occupancy.

369.27 **EFFECTIVE DATE.** This section is effective the day following final enactment.

369.28 Sec. 16. Minnesota Statutes 2014, section 144A.75, subdivision 5, is amended to read:

369.29 **Subd. 5. Hospice provider.** "Hospice provider" means an individual, organization,  
369.30 association, corporation, unit of government, or other entity that is regularly engaged  
369.31 in the delivery, directly or by contractual arrangement, of hospice services for a fee to  
369.32 ~~terminally ill~~ hospice patients. A hospice must provide all core services.

370.1 Sec. 17. Minnesota Statutes 2014, section 144A.75, subdivision 6, is amended to read:

370.2 Subd. 6. **Hospice patient.** "Hospice patient" means an individual ~~who has been~~  
370.3 ~~diagnosed as terminally ill, with a probable life expectancy of under one year, as whose~~  
370.4 illness has been documented by the individual's attending physician and hospice medical  
370.5 director, who alone or, when unable, through the individual's family has voluntarily  
370.6 consented to and received admission to a hospice provider, and who:

370.7 (1) has been diagnosed as terminally ill, with a probable life expectancy of under  
370.8 one year; or

370.9 (2) is 21 years of age or younger; has been diagnosed with a chronic, complex, and  
370.10 life-threatening illness contributing to a shortened life expectancy; and is not expected  
370.11 to survive to adulthood.

370.12 Sec. 18. Minnesota Statutes 2014, section 144A.75, subdivision 8, is amended to read:

370.13 Subd. 8. **Hospice services; hospice care.** "Hospice services" or "hospice care"  
370.14 means palliative and supportive care and other services provided by an interdisciplinary  
370.15 team under the direction of an identifiable hospice administration to terminally ill hospice  
370.16 patients and their families to meet the physical, nutritional, emotional, social, spiritual,  
370.17 and special needs experienced during the final stages of illness, dying, and bereavement,  
370.18 or during a chronic, complex, and life-threatening illness contributing to a shortened life  
370.19 expectancy for hospice patients who meet the criteria in subdivision 6, clause (2). These  
370.20 services are provided through a centrally coordinated program that ensures continuity and  
370.21 consistency of home and inpatient care that is provided directly or through an agreement.

370.22 Sec. 19. Minnesota Statutes 2015 Supplement, section 144A.75, subdivision 13,  
370.23 is amended to read:

370.24 Subd. 13. **Residential hospice facility.** (a) "Residential hospice facility" means a  
370.25 facility that resembles a single-family home modified to address life safety, accessibility,  
370.26 and care needs, located in a residential area that directly provides 24-hour residential  
370.27 and support services in a home-like setting for hospice patients as an integral part of the  
370.28 continuum of home care provided by a hospice and that houses:

370.29 (1) no more than eight hospice patients; or

370.30 (2) at least nine and no more than 12 hospice patients with the approval of the local  
370.31 governing authority, notwithstanding section 462.357, subdivision 8.

370.32 (b) Residential hospice facility also means a facility that directly provides 24-hour  
370.33 residential and support services for hospice patients and that:

370.34 (1) houses no more than 21 hospice patients;

371.1 (2) meets hospice certification regulations adopted pursuant to title XVIII of the  
371.2 federal Social Security Act, United States Code, title 42, section 1395, et seq.; and

371.3 (3) is located on St. Anthony Avenue in St. Paul, Minnesota, and was licensed as a  
371.4 40-bed non-Medicare certified nursing home as of January 1, 2015.

371.5 Sec. 20. Minnesota Statutes 2014, section 144A.75, is amended by adding a  
371.6 subdivision to read:

371.7 Subd. 13a. **Respite care.** "Respite care" means short-term care in an inpatient  
371.8 facility, such as a residential hospice facility, when necessary to relieve the hospice  
371.9 patient's family or other persons caring for the patient. Respite care may be provided on  
371.10 an occasional basis.

371.11 Sec. 21. [145.908] GRANT PROGRAM; SCREENING AND TREATMENT FOR  
371.12 PRE- AND POSTPARTUM MOOD AND ANXIETY DISORDERS.

371.13 Subdivision 1. **Grant program established.** Within the limits of federal funds  
371.14 available specifically for this purpose, the commissioner of health shall establish a grant  
371.15 program to provide culturally competent programs to screen and treat pregnant women  
371.16 and women who have given birth in the preceding 12 months for pre- and postpartum  
371.17 mood and anxiety disorders. Organizations may use grant funds to establish new screening  
371.18 or treatment programs, or expand or maintain existing screening or treatment programs. In  
371.19 establishing the grant program, the commissioner shall prioritize expanding or enhancing  
371.20 screening for pre- and postpartum mood and anxiety disorders in primary care settings.  
371.21 The commissioner shall determine the types of organizations eligible for grants.

371.22 Subd. 2. **Allowable uses of funds.** Grant funds awarded by the commissioner  
371.23 under this section:

371.24 (1) must be used to provide health care providers with appropriate training  
371.25 and relevant resources on screening, treatment, follow-up support, and links to  
371.26 community-based resources for pre- and postpartum mood and anxiety disorders; and

371.27 (2) may be used to:

371.28 (i) enable health care providers to provide or receive psychiatric consultations to  
371.29 treat eligible women for pre- and postpartum mood and anxiety disorders;

371.30 (ii) conduct a public awareness campaign;

371.31 (iii) fund start-up costs for telephone lines, Web sites, and other resources to collect  
371.32 and disseminate information about screening and treatment for pre- and postpartum mood  
371.33 and anxiety disorders; or

371.34 (iv) establish connections between community-based resources.

372.1 Subd. 3. **Federal funds.** The commissioner shall apply for any available grant funds  
372.2 from the federal Department of Health and Human Services for this program.

372.3 Sec. 22. Minnesota Statutes 2014, section 149A.50, subdivision 2, is amended to read:

372.4 Subd. 2. **Requirements for funeral establishment.** A funeral establishment  
372.5 licensed under this section must:

372.6 (1) ~~contain a~~ comply with preparation and embalming room requirements as  
372.7 described in section 149A.92;

372.8 (2) contain office space for making arrangements; and

372.9 (3) comply with applicable local and state building codes, zoning laws, and  
372.10 ordinances.

372.11 **EFFECTIVE DATE.** This section is effective the day following final enactment.

372.12 Sec. 23. Minnesota Statutes 2015 Supplement, section 149A.92, subdivision 1, is  
372.13 amended to read:

372.14 Subdivision 1. **Establishment update.** ~~(a) Notwithstanding subdivision 11, a~~  
372.15 ~~funeral establishment with other establishment locations that uses one preparation and~~  
372.16 ~~embalming room for all establishment locations has until July 1, 2017, to bring the other~~  
372.17 ~~establishment locations that are not used for preparation or embalming into compliance~~  
372.18 ~~with this section so long as the preparation and embalming room that is used complies~~  
372.19 ~~with the minimum standards in this section.~~

372.20 ~~(b) At the time that ownership of a funeral establishment changes, the physical~~  
372.21 ~~location of the establishment changes, or the building housing the funeral establishment or~~  
372.22 ~~business space of the establishment is remodeled the existing preparation and embalming~~  
372.23 ~~room must be brought into compliance with the minimum standards in this section and in~~  
372.24 ~~accordance with subdivision 11.~~

372.25 (a) Any room used by a funeral establishment for preparation and embalming must  
372.26 comply with the minimum standards of this section. A funeral establishment where no  
372.27 preparation and embalming is performed, but which conducts viewings, visitations, and  
372.28 services, or which holds human remains while awaiting final disposition, need not comply  
372.29 with the minimum standards of this section.

372.30 (b) Each funeral establishment must have a preparation and embalming room that  
372.31 complies with the minimum standards of this section, except that a funeral establishment  
372.32 that operates branch locations need only have one compliant preparation and embalming  
372.33 room for all locations.

373.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

373.2 Sec. 24. Minnesota Statutes 2014, section 327.14, subdivision 8, is amended to read:

373.3 Subd. 8. **Recreational camping area.** "Recreational camping area" means any area,  
373.4 whether privately or publicly owned, used on a daily, nightly, weekly, or longer basis for  
373.5 the accommodation of five or more tents or recreational camping vehicles free of charge  
373.6 or for compensation. "Recreational camping area" excludes:

373.7 (1) children's camps;

373.8 (2) industrial camps;

373.9 (3) migrant labor camps, as defined in Minnesota Statutes and state commissioner  
373.10 of health rules;

373.11 (4) United States Forest Service camps;

373.12 (5) state forest service camps;

373.13 (6) state wildlife management areas or state-owned public access areas which are  
373.14 restricted in use to picnicking and boat landing; ~~and~~

373.15 (7) temporary holding areas for self-contained recreational camping vehicles  
373.16 created by and adjacent to motor sports facilities, if the chief law enforcement officer of  
373.17 an affected jurisdiction determines that it is in the interest of public safety to provide a  
373.18 temporary holding area; and

373.19 (8) a privately owned area used for camping no more than once a year and for no  
373.20 longer than seven consecutive days by members of a private club where the members pay  
373.21 annual dues to belong to the club.

373.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

373.23 Sec. 25. Laws 2015, chapter 71, article 8, section 24, the effective date, is amended to  
373.24 read:

373.25 **EFFECTIVE DATE.** This section is effective July 1, 2015, except subdivisions 4  
373.26 and 5, which are effective ~~October 1, 2017~~ July 1, 2016.

373.27 Sec. 26. **REPEALER.**

373.28 Minnesota Statutes 2014, section 149A.92, subdivision 11, is repealed the day  
373.29 following final enactment.

## ARTICLE 21

## HEALTH-RELATED OCCUPATIONAL LICENSING

## GENETIC COUNSELORS

Section 1. [147F.01] DEFINITIONS.

Subdivision 1. **Applicability.** For purposes of this chapter, the terms defined in this section have the meanings given them.

Subd. 2. **ABGC.** "ABGC" means the American Board of Genetic Counseling, a national agency for certification and recertification of genetic counselors, or its successor organization or equivalent.

Subd. 3. **ABMG.** "ABMG" means the American Board of Medical Genetics, a national agency for certification and recertification of genetic counselors, medical geneticists, and Ph.D. geneticists, or its successor organization.

Subd. 4. **ACGC.** "ACGC" means the Accreditation Council for Genetic Counseling, a specialized program accreditation board for educational training programs granting master's degrees or higher in genetic counseling, or its successor organization.

Subd. 5. **Board.** "Board" means the Board of Medical Practice.

Subd. 6. **Eligible status.** "Eligible status" means an applicant who has met the requirements and received approval from the ABGC to sit for the certification examination.

Subd. 7. **Genetic counseling.** "Genetic counseling" means the provision of services described in section 147F.03 to help clients and their families understand the medical, psychological, and familial implications of genetic contributions to a disease or medical condition.

Subd. 8. **Genetic counselor.** "Genetic counselor" means an individual licensed under this chapter to engage in the practice of genetic counseling.

Subd. 9. **Licensed physician.** "Licensed physician" means an individual who is licensed to practice medicine under chapter 147.

Subd. 10. **NSGC.** "NSGC" means the National Society of Genetic Counselors, a professional membership association for genetic counselors that approves continuing education programs.

Subd. 11. **Qualified supervisor.** "Qualified supervisor" means any person who is licensed under this chapter as a genetic counselor or a physician licensed under chapter 147 to practice medicine in Minnesota.

Subd. 12. **Supervisee.** "Supervisee" means a genetic counselor with a provisional license.

375.1            Subd. 13. **Supervision.** "Supervision" means an assessment of the work of the  
375.2 supervisee, including regular meetings and file review, by a qualified supervisor according  
375.3 to the supervision contract. Supervision does not require the qualified supervisor to be  
375.4 present while the supervisee provides services.

375.5            Sec. 2. **[147F.03] SCOPE OF PRACTICE.**

375.6            The practice of genetic counseling by a licensed genetic counselor includes the  
375.7 following services:

375.8            (1) obtaining and interpreting individual and family medical and developmental  
375.9 histories;

375.10           (2) determining the mode of inheritance and the risk of transmitting genetic  
375.11 conditions and birth defects;

375.12           (3) discussing the inheritance, features, natural history, means of diagnosis, and  
375.13 management of conditions with clients;

375.14           (4) identifying, coordinating, ordering, and explaining the clinical implications of  
375.15 genetic laboratory tests and other laboratory studies;

375.16           (5) assessing psychosocial factors, including social, educational, and cultural issues;

375.17           (6) providing client-centered counseling and anticipatory guidance to the client or  
375.18 family based on their responses to the condition, risk of occurrence, or risk of recurrence;

375.19           (7) facilitating informed decision-making about testing and management;

375.20           (8) identifying and using community resources that provide medical, educational,  
375.21 financial, and psychosocial support and advocacy; and

375.22           (9) providing accurate written medical, genetic, and counseling information for  
375.23 families and health care professionals.

375.24           Sec. 3. **[147F.05] UNLICENSED PRACTICE PROHIBITED; PROTECTED**  
375.25 **TITLES AND RESTRICTIONS ON USE.**

375.26           Subdivision 1. **Protected titles.** No individual may use the title "genetic counselor,"  
375.27 "licensed genetic counselor," "gene counselor," "genetic consultant," "genetic assistant,"  
375.28 "genetic associate," or any words, letters, abbreviations, or insignia indicating or implying  
375.29 that the individual is eligible for licensure by the state as a genetic counselor unless the  
375.30 individual has been licensed as a genetic counselor according to this chapter.

375.31           Subd. 2. **Unlicensed practice prohibited.** Effective January 1, 2018, no individual  
375.32 may practice genetic counseling unless the individual is licensed as a genetic counselor  
375.33 under this chapter except as otherwise provided under this chapter.

376.1 Subd. 3. **Other practitioners.** (a) Nothing in this chapter shall be construed to  
376.2 prohibit or restrict the practice of any profession or occupation licensed or registered by the  
376.3 state by an individual duly licensed or registered to practice the profession or occupation  
376.4 or to perform any act that falls within the scope of practice of the profession or occupation.

376.5 (b) Nothing in this chapter shall be construed to require a license under this chapter  
376.6 for:

376.7 (1) an individual employed as a genetic counselor by the federal government or a  
376.8 federal agency if the individual is providing services under the direction and control of  
376.9 the employer;

376.10 (2) a student or intern, having graduated within the past six months, or currently  
376.11 enrolled in an ACGC-accredited genetic counseling educational program providing  
376.12 genetic counseling services that are an integral part of the student's or intern's course  
376.13 of study, are performed under the direct supervision of a licensed genetic counselor or  
376.14 physician who is on duty in the assigned patient care area, and the student is identified by  
376.15 the title "genetic counseling intern";

376.16 (3) a visiting ABGC- or ABMG-certified genetic counselor working as a consultant  
376.17 in this state who permanently resides outside of the state, or the occasional use of services  
376.18 from organizations from outside of the state that employ ABGC- or ABMG-certified  
376.19 genetic counselors. This is limited to practicing for 30 days total within one calendar year.  
376.20 Certified genetic counselors from outside of the state working as a consultant in this state  
376.21 must be licensed in their state of residence if that credential is available; or

376.22 (4) an individual who is licensed to practice medicine under chapter 147.

376.23 Subd. 4. **Sanctions.** An individual who violates this section is guilty of a  
376.24 misdemeanor and shall be subject to sanctions or actions according to section 214.11.

376.25 Sec. 4. **[147F.07] LICENSURE REQUIREMENTS.**

376.26 Subdivision 1. **General requirements for licensure.** To be eligible for licensure, an  
376.27 applicant, with the exception of those seeking licensure by reciprocity under subdivision  
376.28 2, must submit to the board:

376.29 (1) a completed application on forms provided by the board along with all fees  
376.30 required under section 147F.17. The applicant must include:

376.31 (i) the applicant's name, Social Security number, home address and telephone  
376.32 number, and business address and telephone number if currently employed;

376.33 (ii) the name and location of the genetic counseling or medical program the applicant  
376.34 completed;

376.35 (iii) a list of degrees received from other educational institutions;

- 377.1 (iv) a description of the applicant's professional training;  
377.2 (v) a list of registrations, certifications, and licenses held in other jurisdictions;  
377.3 (vi) a description of any other jurisdiction's refusal to credential the applicant;  
377.4 (vii) a description of all professional disciplinary actions initiated against the  
377.5 applicant in any jurisdiction; and  
377.6 (viii) any history of drug or alcohol abuse, and any misdemeanor, gross  
377.7 misdemeanor, or felony conviction;  
377.8 (2) evidence of graduation from an education program accredited by the ACGC or  
377.9 its predecessor or successor organization;  
377.10 (3) a verified copy of a valid and current certification issued by the ABGC or ABMG  
377.11 as a certified genetic counselor, or by the ABMG as a certified medical geneticist;  
377.12 (4) additional information as requested by the board, including any additional  
377.13 information necessary to ensure that the applicant is able to practice with reasonable skill  
377.14 and safety to the public;  
377.15 (5) a signed statement verifying that the information in the application is true and  
377.16 correct to the best of the applicant's knowledge and belief; and  
377.17 (6) a signed waiver authorizing the board to obtain access to the applicant's records  
377.18 in this or any other state in which the applicant completed an educational program or  
377.19 engaged in the practice of genetic counseling.
- 377.20 Subd. 2. **Licensure by reciprocity.** To be eligible for licensure by reciprocity,  
377.21 the applicant must hold a current genetic counselor or medical geneticist registration  
377.22 or license in another state, the District of Columbia, or a territory of the United States,  
377.23 whose standards for registration or licensure are at least equivalent to those of Minnesota,  
377.24 and must:
- 377.25 (1) submit the application materials and fees as required by subdivision 1, clauses  
377.26 (1), (2), and (4) to (6);  
377.27 (2) provide a verified copy from the appropriate government body of a current  
377.28 registration or license for the practice of genetic counseling in another jurisdiction that has  
377.29 initial registration or licensing requirements equivalent to or higher than the requirements  
377.30 in subdivision 1; and  
377.31 (3) provide letters of verification from the appropriate government body in each  
377.32 jurisdiction in which the applicant holds a registration or license. Each letter must state  
377.33 the applicant's name, date of birth, registration or license number, date of issuance, a  
377.34 statement regarding disciplinary actions, if any, taken against the applicant, and the terms  
377.35 under which the registration or license was issued.

378.1 Subd. 3. **Licensure by equivalency.** (a) The board may grant a license to an  
378.2 individual who does not meet the certification requirements in subdivision 1 but who  
378.3 has been employed as a genetic counselor for a minimum of ten years and provides the  
378.4 following documentation to the board:

378.5 (1) proof of a master's or higher degree in genetics or related field of study from an  
378.6 accredited educational institution;

378.7 (2) proof that the individual has never failed the ABGC or ABMG certification  
378.8 examination;

378.9 (3) three letters of recommendation, with at least one from an individual eligible  
378.10 for licensure under this chapter, and at least one from an individual certified as a genetic  
378.11 counselor by the ABGC or ABMG or an individual certified as a medical geneticist by  
378.12 the ABMG. An individual who submits a letter of recommendation must have worked  
378.13 with the applicant in an employment setting during the past ten years and must attest to  
378.14 the applicant's competency; and

378.15 (4) documentation of the completion of 100 hours of NSGC-approved continuing  
378.16 education credits within the past five years.

378.17 (b) This subdivision expires January 1, 2018.

378.18 Subd. 4. **License expiration.** A genetic counselor license shall be valid for one  
378.19 year from the date of issuance.

378.20 Subd. 5. **License renewal.** To be eligible for license renewal, a licensed genetic  
378.21 counselor must submit to the board:

378.22 (1) a renewal application on a form provided by the board;

378.23 (2) the renewal fee required under section 147F.17;

378.24 (3) evidence of compliance with the continuing education requirements in section  
378.25 147F.11; and

378.26 (4) any additional information requested by the board.

378.27 Sec. 5. **[147F.09] BOARD ACTION ON APPLICATIONS FOR LICENSURE.**

378.28 (a) The board shall act on each application for licensure according to paragraphs  
378.29 (b) to (d).

378.30 (b) The board shall determine if the applicant meets the requirements for licensure  
378.31 under section 147F.07. The board may investigate information provided by an applicant to  
378.32 determine whether the information is accurate and complete.

378.33 (c) The board shall notify each applicant in writing of action taken on the application,  
378.34 the grounds for denying licensure if a license is denied, and the applicant's right to review  
378.35 the board's decision under paragraph (d).

379.1 (d) Applicants denied licensure may make a written request to the board, within 30  
379.2 days of the board's notice, to appear before the advisory council and for the advisory  
379.3 council to review the board's decision to deny the applicant's license. After reviewing the  
379.4 denial, the advisory council shall make a recommendation to the board as to whether  
379.5 the denial shall be affirmed. Each applicant is allowed only one request for review per  
379.6 licensure period.

379.7 **Sec. 6. [147F.11] CONTINUING EDUCATION REQUIREMENTS.**

379.8 (a) A licensed genetic counselor must complete a minimum of 25 hours of NSGC-  
379.9 or ABMG-approved continuing education units every two years. If a licensee's renewal  
379.10 term is prorated to be more or less than one year, the required number of continuing  
379.11 education units is prorated proportionately.

379.12 (b) The board may grant a variance to the continuing education requirements  
379.13 specified in this section if a licensee demonstrates to the satisfaction of the board that the  
379.14 licensee is unable to complete the required number of educational units during the renewal  
379.15 term. The board may allow the licensee to complete the required number of continuing  
379.16 education units within a time frame specified by the board. In no case shall the board  
379.17 allow the licensee to complete less than the required number of continuing education units.

379.18 **Sec. 7. [147F.13] DISCIPLINE; REPORTING.**

379.19 For purposes of this chapter, licensed genetic counselors and applicants are subject  
379.20 to sections 147.091 to 147.162.

379.21 **Sec. 8. [147F.15] LICENSED GENETIC COUNSELOR ADVISORY COUNCIL.**

379.22 Subdivision 1. **Membership.** The board shall appoint a five-member Licensed  
379.23 Genetic Counselor Advisory Council. One member must be a licensed physician with  
379.24 experience in genetics, three members must be licensed genetic counselors, and one  
379.25 member must be a public member.

379.26 Subd. 2. **Organization.** The advisory council shall be organized and administered  
379.27 as provided in section 15.059.

379.28 Subd. 3. **Duties.** The advisory council shall:

379.29 (1) advise the board regarding standards for licensed genetic counselors;

379.30 (2) provide for distribution of information regarding licensed genetic counselor  
379.31 practice standards;

379.32 (3) advise the board on enforcement of this chapter;

380.1 (4) review applications and recommend granting or denying licensure or license  
380.2 renewal;

380.3 (5) advise the board on issues related to receiving and investigating complaints,  
380.4 conducting hearings, and imposing disciplinary action in relation to complaints against  
380.5 licensed genetic counselors; and

380.6 (6) perform other duties authorized for advisory councils under chapter 214, as  
380.7 directed by the board.

380.8 Subd. 4. **Expiration.** Notwithstanding section 15.059, the advisory council does  
380.9 not expire.

380.10 **Sec. 9. [147F.17] FEES.**

380.11 Subdivision 1. **Fees.** Fees are as follows:

380.12 (1) license application fee, \$200;

380.13 (2) initial licensure and annual renewal, \$150; and

380.14 (3) late fee, \$75.

380.15 Subd. 2. **Proration of fees.** The board may prorate the initial license fee. All  
380.16 licensees are required to pay the full fee upon license renewal.

380.17 Subd. 3. **Penalty for late renewals.** An application for registration renewal  
380.18 submitted after the deadline must be accompanied by a late fee in addition to the required  
380.19 fees.

380.20 Subd. 4. **Nonrefundable fees.** All fees are nonrefundable.

380.21 Subd. 5. **Deposit.** Fees collected by the board under this section shall be deposited  
380.22 in the state government special revenue fund.

## 380.23 **ORTHOTICS, PEDORTHICS, AND PROSTHETICS**

380.24 **Sec. 10. [153B.10] SHORT TITLE.**

380.25 Chapter 153B may be cited as the "Minnesota Orthotist, Prosthetist, and Pedorthist  
380.26 Practice Act."

380.27 **Sec. 11. [153B.15] DEFINITIONS.**

380.28 Subdivision 1. **Application.** For purposes of this chapter, the following words  
380.29 have the meanings given.

380.30 Subd. 2. **Advisory council.** "Advisory council" means the Orthotics, Prosthetics,  
380.31 and Pedorthics Advisory Council established under section 153B.25.

380.32 Subd. 3. **Board.** "Board" means the Board of Podiatric Medicine.

381.1 Subd. 4. **Custom-fabricated device.** "Custom-fabricated device" means an orthosis,  
381.2 prosthesis, or pedorthic device for use by a patient that is fabricated to comprehensive  
381.3 measurements or a mold or patient model in accordance with a prescription and which  
381.4 requires on-site or in-person clinical and technical judgment in its design, fabrication,  
381.5 and fitting.

381.6 Subd. 5. **Licensed orthotic-prosthetic assistant.** "Licensed orthotic-prosthetic  
381.7 assistant" or "assistant" means a person, licensed by the board, who is educated and  
381.8 trained to participate in comprehensive orthotic and prosthetic care while under the  
381.9 supervision of a licensed orthotist or licensed prosthetist. Assistants may perform orthotic  
381.10 and prosthetic procedures and related tasks in the management of patient care. The  
381.11 assistant may fabricate, repair, and maintain orthoses and prostheses. The use of the title  
381.12 "orthotic-prosthetic assistant" or representations to the public is limited to a person who is  
381.13 licensed under this chapter as an orthotic-prosthetic assistant.

381.14 Subd. 6. **Licensed orthotic fitter.** "Licensed orthotic fitter" or "fitter" means a  
381.15 person licensed by the board who is educated and trained in providing certain orthoses,  
381.16 and is trained to conduct patient assessments, formulate treatment plans, implement  
381.17 treatment plans, perform follow-up, and practice management pursuant to a prescription.  
381.18 An orthotic fitter must be competent to fit certain custom-fitted, prefabricated, and  
381.19 off-the-shelf orthoses as follows:

- 381.20 (1) cervical orthoses, except those used to treat an unstable cervical condition;  
381.21 (2) prefabricated orthoses for the upper and lower extremities, except those used in:  
381.22 (i) the initial or acute treatment of long bone fractures and dislocations;  
381.23 (ii) therapeutic shoes and inserts needed as a result of diabetes; and  
381.24 (iii) functional electrical stimulation orthoses;  
381.25 (3) prefabricated spinal orthoses, except those used in the treatment of scoliosis or  
381.26 unstable spinal conditions, including halo cervical orthoses; and  
381.27 (4) trusses.

381.28 The use of the title "orthotic fitter" or representations to the public is limited to a person  
381.29 who is licensed under this chapter as an orthotic fitter.

381.30 Subd. 7. **Licensed orthotist.** "Licensed orthotist" means a person licensed by  
381.31 the board who is educated and trained to practice orthotics, which includes managing  
381.32 comprehensive orthotic patient care pursuant to a prescription. The use of the title  
381.33 "orthotist" or representations to the public is limited to a person who is licensed under  
381.34 this chapter as an orthotist.

381.35 Subd. 8. **Licensed pedorthist.** "Licensed pedorthist" means a person licensed by  
381.36 the board who is educated and trained to manage comprehensive pedorthic patient care

382.1 and who performs patient assessments, formulates and implements treatment plans, and  
382.2 performs follow-up and practice management pursuant to a prescription. A pedorthist may  
382.3 fit, fabricate, adjust, or modify devices within the scope of the pedorthist's education and  
382.4 training. Use of the title "pedorthist" or representations to the public is limited to a person  
382.5 who is licensed under this chapter as a pedorthist.

382.6 Subd. 9. **Licensed prosthetist.** "Licensed prosthetist" means a person licensed by  
382.7 the board who is educated and trained to manage comprehensive prosthetic patient care,  
382.8 and who performs patient assessments, formulates and implements treatment plans, and  
382.9 performs follow-up and practice management pursuant to a prescription. Use of the title  
382.10 "prosthetist" or representations to the public is limited to a person who is licensed under  
382.11 this chapter as a prosthetist.

382.12 Subd. 10. **Licensed prosthetist orthotist.** "Licensed prosthetist orthotist" means a  
382.13 person licensed by the board who is educated and trained to manage comprehensive  
382.14 prosthetic and orthotic patient care, and who performs patient assessments, formulates and  
382.15 implements treatment plans, and performs follow-up and practice management pursuant to  
382.16 a prescription. Use of the title "prosthetist orthotist" or representations to the public is  
382.17 limited to a person who is licensed under this chapter as a prosthetist orthotist.

382.18 Subd. 11. **NCOPE.** "NCOPE" means National Commission on Orthotic and  
382.19 Prosthetic Education, an accreditation program that ensures educational institutions and  
382.20 residency programs meet the minimum standards of quality to prepare individuals to enter  
382.21 the orthotic, prosthetic, and pedorthic professions.

382.22 Subd. 12. **Orthosis.** "Orthosis" means an external device that is custom-fabricated  
382.23 or custom-fitted to a specific patient based on the patient's unique physical condition and  
382.24 is applied to a part of the body to help correct a deformity, provide support and protection,  
382.25 restrict motion, improve function, or relieve symptoms of a disease, syndrome, injury, or  
382.26 postoperative condition.

382.27 Subd. 13. **Orthotics.** "Orthotics" means the science and practice of evaluating,  
382.28 measuring, designing, fabricating, assembling, fitting, adjusting, or servicing an orthosis  
382.29 pursuant to a prescription. The practice of orthotics includes providing the initial training  
382.30 necessary for fitting an orthotic device for the support, correction, or alleviation of  
382.31 neuromuscular or musculoskeletal dysfunction, disease, injury, or deformity.

382.32 Subd. 14. **Over-the-counter.** "Over-the-counter" means a prefabricated,  
382.33 mass-produced item that is prepackaged, requires no professional advice or judgment in  
382.34 size selection or use, and is currently available at retail stores without a prescription.  
382.35 Over-the-counter items are not regulated by this chapter.

383.1 Subd. 15. **Off-the-shelf.** "Off-the-shelf" means a prefabricated device sized or  
383.2 modified for the patient's use pursuant to a prescription and that requires changes to be  
383.3 made by a qualified practitioner to achieve an individual fit, such as requiring the item  
383.4 to be trimmed, bent, or molded with or without heat, or requiring any other alterations  
383.5 beyond self adjustment.

383.6 Subd. 16. **Pedorthic device.** "Pedorthic device" means below-the-ankle partial  
383.7 foot prostheses for transmetatarsal and more distal amputations, foot orthoses, and  
383.8 subtalar-control foot orthoses to control the range of motion of the subtalar joint.  
383.9 A prescription is required for any pedorthic device, modification, or prefabricated  
383.10 below-the-knee orthosis addressing a medical condition that originates at the ankle or  
383.11 below. Pedorthic devices do not include nontherapeutic inlays or footwear regardless  
383.12 of method of manufacture; unmodified, nontherapeutic over-the-counter shoes; or  
383.13 prefabricated foot care products.

383.14 Subd. 17. **Pedorthics.** "Pedorthics" means the science and practice of evaluating,  
383.15 measuring, designing, fabricating, assembling, fitting, adjusting, or servicing a pedorthic  
383.16 device pursuant to a prescription for the correction or alleviation of neuromuscular or  
383.17 musculoskeletal dysfunction, disease, injury, or deformity. The practice of pedorthics  
383.18 includes providing patient care and services pursuant to a prescription to prevent or  
383.19 ameliorate painful or disabling conditions of the foot and ankle.

383.20 Subd. 18. **Prescription.** "Prescription" means an order deemed medically necessary  
383.21 by a physician, podiatric physician, osteopathic physician, or a licensed health care  
383.22 provider who has authority in this state to prescribe orthotic and prosthetic devices,  
383.23 supplies, and services.

383.24 Subd. 19. **Prosthesis.** "Prosthesis" means a custom-designed, fabricated, fitted, or  
383.25 modified device to treat partial or total limb loss for purposes of restoring physiological  
383.26 function or cosmesis. Prosthesis does not include artificial eyes, ears, fingers, or toes;  
383.27 dental appliances; external breast prosthesis; or cosmetic devices that do not have a  
383.28 significant impact on the musculoskeletal functions of the body.

383.29 Subd. 20. **Prosthetics.** "Prosthetics" means the science and practice of evaluating,  
383.30 measuring, designing, fabricating, assembling, fitting, adjusting, or servicing a prosthesis  
383.31 pursuant to a prescription. It includes providing the initial training necessary to fit a  
383.32 prosthesis in order to replace external parts of a human body lost due to amputation,  
383.33 congenital deformities, or absence.

383.34 Subd. 21. **Resident.** "Resident" means a person who has completed a  
383.35 NCOPE-approved education program in orthotics or prosthetics and is receiving clinical  
383.36 training in a residency accredited by NCOPE.

384.1 Subd. 22. **Residency.** "Residency" means a minimum of an NCOPE-approved  
384.2 program to acquire practical clinical training in orthotics and prosthetics in a patient  
384.3 care setting.

384.4 Subd. 23. **Supervisor.** "Supervisor" means the licensed orthotist, prosthetist, or  
384.5 pedorthist who oversees and is responsible for the delivery of appropriate, effective,  
384.6 ethical, and safe orthotic, prosthetic, or pedorthic patient care.

384.7 **Sec. 12. [153B.20] EXCEPTIONS.**

384.8 Nothing in this chapter shall prohibit:

384.9 (1) a physician, osteopathic physician, or podiatric physician licensed by the state of  
384.10 Minnesota from providing services within the physician's scope of practice;

384.11 (2) a health care professional licensed by the state of Minnesota, including, but not  
384.12 limited to, chiropractors, physical therapists, and occupational therapy practitioners from  
384.13 providing services within the professional's scope of practice, or an individual working  
384.14 under the supervision of a licensed physician or podiatric physician;

384.15 (3) the practice of orthotics, prosthetics, or pedorthics by a person who is employed  
384.16 by the federal government or any bureau, division, or agency of the federal government  
384.17 while in the discharge of the employee's official duties;

384.18 (4) the practice of orthotics, prosthetics, or pedorthics by:

384.19 (i) a student enrolled in an accredited or approved orthotics, prosthetics, or  
384.20 pedorthics education program who is performing activities required by the program;

384.21 (ii) a resident enrolled in an NCOPE-accredited residency program; or

384.22 (iii) a person working in a qualified, supervised work experience or internship who  
384.23 is obtaining the clinical experience necessary for licensure under this chapter; or

384.24 (5) an orthotist, prosthetist, prosthetist orthotist, pedorthist, assistant, or fitter who is  
384.25 licensed in another state or territory of the United States or in another country that has  
384.26 equivalent licensure requirements as approved by the board from providing services within  
384.27 the professional's scope of practice subject to this chapter, if the individual is qualified and  
384.28 has applied for licensure under this chapter. The individual shall be allowed to practice for  
384.29 no longer than six months following the filing of the application for licensure, unless the  
384.30 individual withdraws the application for licensure or the board denies the license.

384.31 **Sec. 13. [153B.25] ORTHOTICS, PROSTHETICS, AND PEDORTHICS**  
384.32 **ADVISORY COUNCIL.**

384.33 Subdivision 1. **Creation; membership.** (a) There is established an Orthotics,  
384.34 Prosthetics, and Pedorthics Advisory Council that shall consist of seven voting members

385.1 appointed by the board. Five members shall be licensed and practicing orthotists,  
385.2 prosthetists, or pedorthists. Each profession shall be represented on the advisory council.  
385.3 One member shall be a Minnesota-licensed doctor of podiatric medicine who is also a  
385.4 member of the Board of Podiatric Medicine, and one member shall be a public member.

385.5 (b) The council shall be organized and administered under section 15.059.

385.6 Subd. 2. **Duties.** The advisory council shall:

385.7 (1) advise the board on enforcement of the provisions contained in this chapter;

385.8 (2) review reports of investigations or complaints relating to individuals and make  
385.9 recommendations to the board as to whether a license should be denied or disciplinary  
385.10 action taken against an individual;

385.11 (3) advise the board regarding standards for licensure of professionals under this  
385.12 chapter; and

385.13 (4) perform other duties authorized for advisory councils by chapter 214, as directed  
385.14 by the board.

385.15 Subd. 3. **Chair.** The council must elect a chair from among its members.

385.16 Subd. 4. **Administrative provisions.** The Board of Podiatric Medicine must  
385.17 provide meeting space and administrative services for the council.

385.18 Sec. 14. **[153B.30] LICENSURE.**

385.19 Subdivision 1. **Application.** An application for a license shall be submitted to the  
385.20 board in the format required by the board and shall be accompanied by the required fee,  
385.21 which is nonrefundable.

385.22 Subd. 2. **Qualifications.** (a) To be eligible for licensure as an orthotist, prosthetist,  
385.23 or prosthetist orthotist, an applicant shall meet orthotist, prosthetist, or prosthetist orthotist  
385.24 certification requirements of either the American Board for Certification in Orthotics,  
385.25 Prosthetics, and Pedorthics or the Board of Certification/Accreditation requirements in  
385.26 effect at the time of the individual's application for licensure and be in good standing  
385.27 with the certifying board.

385.28 (b) To be eligible for licensure as a pedorthist, an applicant shall meet the pedorthist  
385.29 certification requirements of either the American Board for Certification in Orthotics,  
385.30 Prosthetics, and Pedorthics or the Board of Certification/Accreditation that are in effect  
385.31 at the time of the individual's application for licensure and be in good standing with  
385.32 the certifying board.

385.33 (c) To be eligible for licensure as an orthotic or prosthetic assistant, an applicant shall  
385.34 meet the orthotic or prosthetic assistant certification requirements of the American Board

386.1 for Certification in Orthotics, Prosthetics, and Pedorthics that are in effect at the time of  
386.2 the individual's application for licensure and be in good standing with the certifying board.

386.3 (d) To be eligible for licensure as an orthotic fitter, an applicant shall meet the  
386.4 orthotic fitter certification requirements of either the American Board for Certification in  
386.5 Orthotics, Prosthetics, and Pedorthics or the Board of Certification/Accreditation that are  
386.6 in effect at the time of the individual's application for licensure and be in good standing  
386.7 with the certifying board.

386.8 Subd. 3. **License term.** A license to practice is valid for a term of up to 24 months  
386.9 beginning on January 1 or commencing after initially fulfilling the license requirements  
386.10 and ending on December 31 of the following year.

386.11 Sec. 15. **[153B.35] EMPLOYMENT BY AN ACCREDITED FACILITY; SCOPE**  
386.12 **OF PRACTICE.**

386.13 A licensed orthotist, prosthetist, pedorthist, assistant, or orthotic fitter may provide  
386.14 limited, supervised orthotic or prosthetic patient care services beyond their licensed scope  
386.15 of practice if all of the following conditions are met:

386.16 (1) the licensee is employed by a patient care facility that is accredited by a national  
386.17 accrediting organization in orthotics, prosthetics, and pedorthics;

386.18 (2) written objective criteria are documented by the accredited facility to describe  
386.19 the knowledge and skills required by the licensee to demonstrate competency to provide  
386.20 additional specific and limited orthotic or prosthetic patient care services that are outside  
386.21 the licensee's scope of practice;

386.22 (3) the licensee provides orthotic or prosthetic patient care only at the direction of a  
386.23 supervisor who is licensed as an orthotist, pedorthist, or prosthetist who is employed by  
386.24 the facility to provide the specific orthotic or prosthetic patient care or services that are  
386.25 outside the licensee's scope of practice; and

386.26 (4) the supervised orthotic or prosthetic patient care occurs in compliance with  
386.27 facility accreditation standards.

386.28 Sec. 16. **[153B.40] CONTINUING EDUCATION.**

386.29 Subdivision 1. **Requirement.** Each licensee shall obtain the number of continuing  
386.30 education hours required by the certifying board to maintain certification status pursuant  
386.31 to the specific license category.

386.32 Subd. 2. **Proof of attendance.** A licensee must submit to the board proof of  
386.33 attendance at approved continuing education programs during the license renewal period  
386.34 in which it was attended in the form of a certificate, statement of continuing education

387.1 credits from the American Board for Certification in Orthotics, Prosthetics, and Pedorthics  
387.2 or the Board of Certification/Accreditation, descriptive receipt, or affidavit. The board  
387.3 may conduct random audits.

387.4 Subd. 3. **Extension of continuing education requirements.** For good cause, a  
387.5 licensee may apply to the board for a six-month extension of the deadline for obtaining  
387.6 the required number of continuing education credits. No more than two consecutive  
387.7 extensions may be granted. For purposes of this subdivision, "good cause" includes  
387.8 unforeseen hardships such as illness, family emergency, or military call-up.

387.9 Sec. 17. **[153B.45] LICENSE RENEWAL.**

387.10 Subdivision 1. **Submission of license renewal application.** A licensee must submit  
387.11 to the board a license renewal application on a form provided by the board together with  
387.12 the license renewal fee. The completed form must be postmarked no later than January 1  
387.13 in the year of renewal. The form must be signed by the licensee in the place provided for  
387.14 the renewal applicant's signature, include evidence of participation in approved continuing  
387.15 education programs, and any other information as the board may reasonably require.

387.16 Subd. 2. **Renewal application postmarked after January 1.** A renewal application  
387.17 postmarked after January 1 in the renewal year shall be returned to the licensee for addition  
387.18 of the late renewal fee. A license renewal application postmarked after January 1 in the  
387.19 renewal year is not complete until the late renewal fee has been received by the board.

387.20 Subd. 3. **Failure to submit renewal application.** (a) At any time after January 1 of  
387.21 the applicable renewal year, the board shall send notice to a licensee who has failed to  
387.22 apply for license renewal. The notice shall be mailed to the licensee at the last address on  
387.23 file with the board and shall include the following information:

387.24 (1) that the licensee has failed to submit application for license renewal;

387.25 (2) the amount of renewal and late fees;

387.26 (3) information about continuing education that must be submitted in order for  
387.27 the license to be renewed;

387.28 (4) that the licensee must respond within 30 calendar days after the notice was sent  
387.29 by the board; and

387.30 (5) that the licensee may voluntarily terminate the license by notifying the board  
387.31 or may apply for license renewal by sending the board a completed renewal application,  
387.32 license renewal and late fees, and evidence of compliance with continuing education  
387.33 requirements.

387.34 (b) Failure by the licensee to notify the board of the licensee's intent to voluntarily  
387.35 terminate the license or to submit a license renewal application shall result in expiration

388.1 of the license and termination of the right to practice. The expiration of the license and  
388.2 termination of the right to practice shall not be considered disciplinary action against the  
388.3 licensee.

388.4 (c) A license that has been expired under this subdivision may be reinstated.

388.5 Sec. 18. **[153B.50] NAME AND ADDRESS CHANGE.**

388.6 (a) A licensee who has changed names must notify the board in writing within 90  
388.7 days and request a revised license. The board may require official documentation of the  
388.8 legal name change.

388.9 (b) A licensee must maintain with the board a correct mailing address to receive  
388.10 board communications and notices. A licensee who has changed addresses must notify the  
388.11 board in writing within 90 days. Mailing a notice by United States mail to a licensee's last  
388.12 known mailing address constitutes valid mailing.

388.13 Sec. 19. **[153B.55] INACTIVE STATUS.**

388.14 (a) A licensee who notifies the board in the format required by the board may elect  
388.15 to place the licensee's credential on inactive status and shall be excused from payment  
388.16 of renewal fees until the licensee notifies the board in the format required by the board  
388.17 of the licensee's plan to return to practice.

388.18 (b) A person requesting restoration from inactive status shall be required to pay the  
388.19 current renewal fee and comply with section 153B.45.

388.20 (c) A person whose license has been placed on inactive status shall not practice in  
388.21 this state.

388.22 Sec. 20. **[153B.60] LICENSE LAPSE DUE TO MILITARY SERVICE.**

388.23 A licensee whose license has expired while on active duty in the armed forces of the  
388.24 United States, with the National Guard while called into service or training, or while in  
388.25 training or education preliminary to induction into military service may have the licensee's  
388.26 license renewed or restored without paying a late fee or license restoration fee if the licensee  
388.27 provides verification to the board within two years of the termination of service obligation.

388.28 Sec. 21. **[153B.65] ENDORSEMENT.**

388.29 The board may license, without examination and on payment of the required fee,  
388.30 an applicant who is an orthotist, prosthetist, prosthetist orthotist, pedorthist, assistant, or  
388.31 fitter who is certified by the American Board for Certification in Orthotics, Prosthetics,

389.1 and Pedorthics or a national certification organization with educational, experiential, and  
389.2 testing standards equal to or higher than the licensing requirements in Minnesota.

389.3 **Sec. 22. [153B.70] GROUNDS FOR DISCIPLINARY ACTION.**

389.4 (a) The board may refuse to issue or renew a license, revoke or suspend a license, or  
389.5 place on probation or reprimand a licensee for one or any combination of the following:

389.6 (1) making a material misstatement in furnishing information to the board;

389.7 (2) violating or intentionally disregarding the requirements of this chapter;

389.8 (3) conviction of a crime, including a finding or verdict of guilt, an admission of

389.9 guilt, or a no-contest plea, in this state or elsewhere, reasonably related to the practice

389.10 of the profession. Conviction, as used in this clause, includes a conviction of an offense

389.11 which, if committed in this state, would be deemed a felony, gross misdemeanor, or

389.12 misdemeanor, without regard to its designation elsewhere, or a criminal proceeding where

389.13 a finding or verdict of guilty is made or returned but the adjudication of guilt is either

389.14 withheld or not entered;

389.15 (4) making a misrepresentation in order to obtain or renew a license;

389.16 (5) displaying a pattern of practice or other behavior that demonstrates incapacity or

389.17 incompetence to practice;

389.18 (6) aiding or assisting another person in violating the provisions of this chapter;

389.19 (7) failing to provide information within 60 days in response to a written request from

389.20 the board, including documentation of completion of continuing education requirements;

389.21 (8) engaging in dishonorable, unethical, or unprofessional conduct;

389.22 (9) engaging in conduct of a character likely to deceive, defraud, or harm the public;

389.23 (10) inability to practice due to habitual intoxication, addiction to drugs, or mental

389.24 or physical illness;

389.25 (11) being disciplined by another state or territory of the United States, the federal

389.26 government, a national certification organization, or foreign nation, if at least one of the

389.27 grounds for the discipline is the same or substantially equivalent to one of the grounds

389.28 in this section;

389.29 (12) directly or indirectly giving to or receiving from a person, firm, corporation,

389.30 partnership, or association a fee, commission, rebate, or other form of compensation for

389.31 professional services not actually or personally rendered;

389.32 (13) incurring a finding by the board that the licensee, after the licensee has been

389.33 placed on probationary status, has violated the conditions of the probation;

389.34 (14) abandoning a patient or client;

390.1 (15) willfully making or filing false records or reports in the course of the licensee's  
390.2 practice including, but not limited to, false records or reports filed with state or federal  
390.3 agencies;

390.4 (16) willfully failing to report child maltreatment as required under the Maltreatment  
390.5 of Minors Act, section 626.556; or

390.6 (17) soliciting professional services using false or misleading advertising.

390.7 (b) A license to practice is automatically suspended if (1) a guardian of a licensee is  
390.8 appointed by order of a court pursuant to sections 524.5-101 to 524.5-502, for reasons  
390.9 other than the minority of the licensee, or (2) the licensee is committed by order of a court  
390.10 pursuant to chapter 253B. The license remains suspended until the licensee is restored to  
390.11 capacity by a court and, upon petition by the licensee, the suspension is terminated by the  
390.12 board after a hearing. The licensee may be reinstated to practice, either with or without  
390.13 restrictions, by demonstrating clear and convincing evidence of rehabilitation. The  
390.14 regulated person is not required to prove rehabilitation if the subsequent court decision  
390.15 overturns previous court findings of public risk.

390.16 (c) If the board has probable cause to believe that a licensee or applicant has violated  
390.17 paragraph (a), clause (10), it may direct the person to submit to a mental or physical  
390.18 examination. For the purpose of this section, every person is deemed to have consented to  
390.19 submit to a mental or physical examination when directed in writing by the board and to  
390.20 have waived all objections to the admissibility of the examining physician's testimony or  
390.21 examination report on the grounds that the testimony or report constitutes a privileged  
390.22 communication. Failure of a regulated person to submit to an examination when directed  
390.23 constitutes an admission of the allegations against the person, unless the failure was due to  
390.24 circumstances beyond the person's control, in which case a default and final order may be  
390.25 entered without the taking of testimony or presentation of evidence. A regulated person  
390.26 affected under this paragraph shall at reasonable intervals be given an opportunity to  
390.27 demonstrate that the person can resume the competent practice of the regulated profession  
390.28 with reasonable skill and safety to the public. In any proceeding under this paragraph,  
390.29 neither the record of proceedings nor the orders entered by the board shall be used against  
390.30 a regulated person in any other proceeding.

390.31 (d) In addition to ordering a physical or mental examination, the board may,  
390.32 notwithstanding section 13.384 or 144.293, or any other law limiting access to medical or  
390.33 other health data, obtain medical data and health records relating to a licensee or applicant  
390.34 without the person's or applicant's consent if the board has probable cause to believe that a  
390.35 licensee is subject to paragraph (a), clause (10). The medical data may be requested  
390.36 from a provider as defined in section 144.291, subdivision 2, paragraph (i), an insurance

391.1 company, or a government agency, including the Department of Human Services. A  
391.2 provider, insurance company, or government agency shall comply with any written request  
391.3 of the board under this section and is not liable in any action for damages for releasing the  
391.4 data requested by the board if the data are released pursuant to a written request under this  
391.5 section, unless the information is false and the provider giving the information knew, or  
391.6 had reason to know, the information was false. Information obtained under this section  
391.7 is private data on individuals as defined in section 13.02.

391.8 (e) If the board issues an order of immediate suspension of a license, a hearing must  
391.9 be held within 30 days of the suspension and completed without delay.

391.10 Sec. 23. **[153B.75] INVESTIGATION; NOTICE AND HEARINGS.**

391.11 The board has the authority to investigate alleged violations of this chapter, conduct  
391.12 hearings, and impose corrective or disciplinary action as provided in section 214.103.

391.13 Sec. 24. **[153B.80] UNLICENSED PRACTICE.**

391.14 Subdivision 1. **License required.** Effective January 1, 2018, no individual shall  
391.15 practice as an orthotist, prosthetist, prosthetist orthotist, pedorthist, orthotic or prosthetic  
391.16 assistant, or orthotic fitter, unless the individual holds a valid license issued by the board  
391.17 under this chapter, except as permitted under section 153B.20 or 153B.35.

391.18 Subd. 2. **Designation.** No individual shall represent themselves to the public as  
391.19 a licensed orthotist, prosthetist, prosthetist orthotist, pedorthist, orthotic or prosthetic  
391.20 assistant, or an orthotic fitter, unless the individual is licensed under this chapter.

391.21 Subd. 3. **Penalties.** Any individual who violates this section is guilty of a  
391.22 misdemeanor. The board shall have the authority to seek a cease and desist order against  
391.23 any individual who is engaged in the unlicensed practice of a profession regulated by the  
391.24 board under this chapter.

391.25 Sec. 25. **[153B.85] FEES.**

391.26 Subdivision 1. **Fees.** (a) The application fee for initial licensure shall not exceed  
391.27 \$600.

391.28 (b) The biennial renewal fee for a license to practice as an orthotist, prosthetist,  
391.29 prosthetist orthotist, or pedorthist shall not exceed \$600.

391.30 (c) The biennial renewal fee for a license to practice as an assistant or a fitter shall  
391.31 not exceed \$300.

391.32 (d) The fee for license restoration shall not exceed \$600.

391.33 (e) The fee for license verification shall not exceed \$30.

392.1 (f) The fee to obtain a list of licensees shall not exceed \$25.

392.2 Subd. 2. **Proration of fees.** For the first renewal period following initial licensure,  
392.3 the renewal fee is the fee specified in subdivision 1, paragraph (b) or (c), prorated to the  
392.4 nearest dollar that is represented by the ratio of the number of days the license is held  
392.5 in the initial licensure period to 730 days.

392.6 Subd. 3. **Late fee.** The fee for late license renewal is the license renewal fee in  
392.7 effect at the time of renewal plus \$100.

392.8 Subd. 4. **Nonrefundable fees.** All fees are nonrefundable.

392.9 Subd. 5. **Deposit.** Fees collected by the board under this section shall be deposited  
392.10 in the state government special revenue fund.

392.11 Sec. 26. Minnesota Statutes 2014, section 214.075, subdivision 3, is amended to read:

392.12 Subd. 3. **Consent form; fees; fingerprints.** (a) In order to effectuate the federal  
392.13 and state level, fingerprint-based criminal background check, the applicant or licensee  
392.14 must submit a completed criminal history records check consent form and a full set of  
392.15 fingerprints to the respective health-related licensing board or a designee in the manner  
392.16 and form specified by the board.

392.17 (b) The applicant or licensee is responsible for all fees associated with preparation of  
392.18 the fingerprints, the criminal records check consent form, and the criminal background  
392.19 check. The fees for the criminal records background check shall be set by the BCA and  
392.20 the FBI and are not refundable. The fees shall be submitted to the respective health-related  
392.21 licensing board by the applicant or licensee as prescribed by the respective board.

392.22 (c) All fees received by the health-related licensing boards under this subdivision  
392.23 shall be deposited in a dedicated ~~account~~ accounts in the special revenue fund and are  
392.24 appropriated to the ~~Board of Nursing Home Administrators for the administrative services~~  
392.25 ~~unit~~ health-related licensing boards to pay for the criminal background checks conducted  
392.26 by the Bureau of Criminal Apprehension and Federal Bureau of Investigation.

392.27 Sec. 27. **FIRST APPOINTMENTS, FIRST MEETING, AND FIRST CHAIR OF**  
392.28 **THE ORTHOTICS, PROSTHETICS, AND PEDORTHICS ADVISORY COUNCIL.**

392.29 The Board of Podiatric Medicine shall make its first appointments authorized  
392.30 under Minnesota Statutes, section 153B.25, to the Orthotics, Prosthetics, and Pedorthics  
392.31 Advisory Council, by September 1, 2016. The board shall designate four of its first  
392.32 appointees to serve terms that are coterminous with the governor. The chair of the Board  
392.33 of Podiatric Medicine or the chair's designee shall convene the first meeting of the council

393.1 by November 1, 2016. The council must elect a chair from among its members at the first  
393.2 meeting of the council.

393.3 **Sec. 28. INITIAL APPOINTMENTS; FIRST MEETING; AND FIRST CHAIR**  
393.4 **OF THE LICENSED GENETIC COUNSELOR ADVISORY COUNCIL.**

393.5 The Board of Medical Practice shall make its first appointments authorized under  
393.6 Minnesota Statutes, section 147F.15, to the Licensed Genetic Counselor Advisory Council  
393.7 by December 1, 2016. The chair of the Board of Medical Practice or the chair's designee  
393.8 shall convene the first meeting of the council by March 1, 2017. The council must elect a  
393.9 chair from its members at the first meeting of the council.

393.10 **ARTICLE 22**

393.11 **HUMAN SERVICES FORECAST ADJUSTMENTS**

393.12 Section 1. **HUMAN SERVICES APPROPRIATION.**

393.13 The sums shown in the columns marked "Appropriations" are added to or, if shown  
393.14 in parentheses, subtracted from the appropriations in Laws 2015, chapter 71, article 13,  
393.15 from the general fund or any fund named to the Department of Human Services for the  
393.16 purposes specified in this article, to be available for the fiscal year indicated for each  
393.17 purpose. The figures "2016" and "2017" used in this article mean that the appropriations  
393.18 listed under them are available for the fiscal year ending June 30, 2016, or June 30, 2017,  
393.19 respectively. "The first year" is fiscal year 2016. "The second year" is fiscal year 2017.  
393.20 "The biennium" is fiscal years 2016 and 2017.

393.21		<b><u>APPROPRIATIONS</u></b>
393.22		<b><u>Available for the Year</u></b>
393.23		<b><u>Ending June 30</u></b>
393.24		<b><u>2016</u>                      <u>2017</u></b>

393.25 **Sec. 2. COMMISSIONER OF HUMAN**  
393.26 **SERVICES**

393.27 **Subdivision 1. Total Appropriation                      \$    (615,912,000) \$    (518,891,000)**

393.28	<u>Appropriations by Fund</u>	
393.29	<u>2016</u>	<u>2017</u>
393.30	<u>General Fund</u> <u>(307,806,000)</u>	<u>(246,029,000)</u>
393.31	<u>Health Care Access</u>	
393.32	<u>Fund</u> <u>(289,770,000)</u>	<u>(277,101,000)</u>
393.33	<u>Federal TANF</u> <u>(18,336,000)</u>	<u>4,239,000</u>

393.34 **Subd. 2. Forecasted Programs**

394.1	<b><u>(a) MFIP/DWP</u></b>		
394.2	<u>Appropriations by Fund</u>		
394.3	<u>General Fund</u>	<u>9,833,000</u>	<u>(8,799,000)</u>
394.4	<u>Federal TANF</u>	<u>(20,225,000)</u>	<u>4,212,000</u>
394.5	<b><u>(b) MFIP Child Care Assistance</u></b>		<u>(23,094,000)</u>
394.6	<b><u>(c) General Assistance</u></b>		<u>(7,760,000)</u>
394.7	<b><u>(d) Minnesota Supplemental Aid</u></b>		<u>(2,120,000)</u>
394.8	<b><u>(e) Group Residential Housing</u></b>		<u>(1,613,000)</u>
394.9	<b><u>(f) Northstar Care for Children</u></b>		<u>(8,101,000)</u>
394.10	<b><u>(g) MinnesotaCare</u></b>		<u>2,231,000</u>
394.11	<u>These appropriations are from the health care</u>		
394.12	<u>access fund.</u>		
394.13	<b><u>(h) Medical Assistance</u></b>		
394.14	<u>Appropriations by Fund</u>		
394.15	<u>General Fund</u>	<u>(294,773,000)</u>	<u>(243,700,000)</u>
394.16	<u>Health Care Access</u>		
394.17	<u>Fund</u>	<u>(61,949,000)</u>	<u>(47,074,000)</u>
394.18	<b><u>(i) Alternative Care Program</u></b>		<u>-0-</u>
394.19	<b><u>(j) CCDTF Entitlements</u></b>		<u>-0-</u>
394.20	<b><u>Subd. 3. Technical Activities</u></b>		<u>9,831,000</u>
394.21	<u>These appropriations are from the federal</u>		<u>20,416,000</u>
394.22	<u>TANF fund.</u>		<u>1,889,000</u>
394.23	<b>Sec. 3. <u>EFFECTIVE DATE.</u></b>		
394.24	<u>Sections 1 and 2 are effective the day following final enactment.</u>		

**ARTICLE 23**

**HEALTH AND HUMAN SERVICES APPROPRIATIONS**

Section 1. **HEALTH AND HUMAN SERVICES APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2015, chapter 71, article 14, to the agencies and for the purposes specified in this article. The appropriations are from the



396.1 **Base Adjustment.** The general fund base is  
 396.2 decreased by \$43,000 in fiscal year 2018 and  
 396.3 \$43,000 in fiscal year 2019.

396.4 **(d) Continuing Care** -0- 1,000

396.5 **Base Adjustment.** The general fund base is  
 396.6 increased by \$1,000 in fiscal year 2018 and  
 396.7 increased by \$3,000 in fiscal year 2019.

396.8 **(e) Community Supports** -0- 74,000

396.9 **Base Adjustment.** The general fund base  
 396.10 is increased by \$469,000 in fiscal year 2018  
 396.11 and \$429,000 in fiscal year 2019.

396.12 **Subd. 3. Forecasted Programs**

396.13 **(a) Northstar Care for Children** -0- -0-

396.14 **Base Adjustment.** The general fund base is  
 396.15 increased by \$8,802,000 in fiscal year 2018  
 396.16 and increased by \$10,927,000 in fiscal year  
 396.17 2019.

396.18 **(b) MinnesotaCare** -0- 33,000

396.19 This appropriation is from the health care  
 396.20 access fund.

396.21 **(c) Medical Assistance**

396.22	<u>Appropriations by Fund</u>		
396.23	<u>General</u>	-0-	<u>5,092,000</u>
396.24	<u>Health Care Access</u>	-0-	<u>277,000</u>

396.25 **(d) Consolidated Chemical Dependency**  
 396.26 **Treatment Fund** -0- 2,104,000

396.27 **CCDTF Transfer.** Notwithstanding  
 396.28 Minnesota Statutes, section 254B.06,  
 396.29 subdivision 1, in fiscal year 2017, the  
 396.30 commissioner shall transfer \$2,000,000  
 396.31 from the consolidated chemical dependency  
 396.32 treatment fund administrative account in the

- 397.1 special revenue fund to the general fund.
- 397.2 This is a onetime transfer.
- 397.3 Subd. 4. **Grant Programs**
- 397.4 (a) **Children's Services Grants** -0- 800,000
- 397.5 **American Indian Child Welfare Initiative.**
- 397.6 \$800,000 in fiscal year 2017 is for planning
- 397.7 efforts to expand the American Indian
- 397.8 Child Welfare Initiative authorized under
- 397.9 Minnesota Statutes, section 256.01,
- 397.10 subdivision 14b. Of this appropriation,
- 397.11 \$400,000 is for grants to the Mille Lacs
- 397.12 Band of Ojibwe and \$400,000 is for grants
- 397.13 to the Red Lake Nation. This is a onetime
- 397.14 appropriation.
- 397.15 **Base Adjustment.** The general fund base is
- 397.16 decreased by \$800,000 in fiscal year 2018
- 397.17 and \$800,000 in fiscal year 2019.
- 397.18 (b) **Child and Community Service Grants** -0- 1,900,000
- 397.19 **White Earth Band of Ojibwe Human**
- 397.20 **Services Initiative Project.** \$1,400,000
- 397.21 in fiscal year 2017 is for a grant to the
- 397.22 White Earth Band of Ojibwe for the direct
- 397.23 implementation and administrative costs of
- 397.24 the White Earth Human Services Initiative
- 397.25 Project authorized under Laws 2011, First
- 397.26 Special Session chapter 9, article 9, section
- 397.27 18.
- 397.28 **Red Lake Nation Human Services**
- 397.29 **Initiative Project.** \$500,000 in fiscal year
- 397.30 2017 is for a grant to the Red Lake Nation for
- 397.31 the direct implementation and administrative
- 397.32 costs of the Red Lake Human Services
- 397.33 Initiative Project authorized under Minnesota

398.1 Statutes, section 256.01, subdivision 2,  
 398.2 paragraph (a), clause (7).

398.3 **(c) Child and Economic Support Grants** -0- 66,000

398.4 **Safe Harbor for Sexually Exploited Youth.**

398.5 \$33,000 in fiscal year 2017 is for emergency  
 398.6 shelter and transitional and long-term  
 398.7 housing beds for sexually exploited youth  
 398.8 and youth at risk of sexual exploitation, and  
 398.9 for statewide youth outreach workers to  
 398.10 connect sexually exploited youth with shelter  
 398.11 and services. The base for this appropriation  
 398.12 is \$750,000 in fiscal year 2018 and \$750,000  
 398.13 in fiscal year 2019. The commissioner shall  
 398.14 not use any portion of this appropriation nor  
 398.15 of the base amounts in fiscal year 2018 and  
 398.16 fiscal year 2019 for administrative costs.

398.17 **Base Level Adjustment.** The general fund  
 398.18 base is increased by \$2,134,000 in fiscal year  
 398.19 2018 and \$2,134,000 in fiscal year 2019.

398.20 **(d) Adult Mental Health Grants** -0- 200,000

398.21 **Adult Mental Illness Crisis Housing**

398.22 **Assistance Program.** The general fund  
 398.23 appropriation for the adult mental illness  
 398.24 crisis housing assistance program is  
 398.25 decreased by \$300,000 in fiscal year 2017.  
 398.26 The general fund appropriation is increased  
 398.27 by \$300,000 in fiscal year 2017 for expanding  
 398.28 eligibility to include persons with serious  
 398.29 mental illness under Minnesota Statutes,  
 398.30 section 245.99, subdivision 2.

398.31 **Integrated Behavioral Health Care**

398.32 **Coordination Demonstration Project.**

398.33 \$200,000 in fiscal year 2017 is for a grant  
 398.34 to the Zumbro Valley Health Center. The  
 398.35 grant shall be used to continue a pilot

399.1 project to test an integrated behavioral  
 399.2 health care coordination model. The grant  
 399.3 recipient must report measurable outcomes  
 399.4 to the commissioner of human services  
 399.5 by December 1, 2018. This is a onetime  
 399.6 appropriation and is available until June 30,  
 399.7 2018.

399.8 **Base Adjustment.** The general fund base is  
 399.9 decreased by \$200,000 in fiscal year 2018 and  
 399.10 is decreased by \$200,000 in fiscal year 2019.

399.11 **(e) Child Mental Health Grants** -0- 33,000

399.12 **School-Linked Mental Health Grants.**  
 399.13 \$33,000 in fiscal year 2017 is for children's  
 399.14 mental health grants under Minnesota  
 399.15 Statutes, section 245.4889, subdivision 1,  
 399.16 paragraph (b), clause (8), for current grantees  
 399.17 to expand services to school buildings,  
 399.18 school districts, or counties that do not have  
 399.19 school-linked mental health available, and  
 399.20 to provide training to grantees on the use of  
 399.21 evidence-based practices. The general fund  
 399.22 base for this appropriation is \$1,450,000 in  
 399.23 fiscal year 2018 and \$1,450,000 in fiscal year  
 399.24 2019. The amount in fiscal year 2019 shall  
 399.25 be awarded through a competitive process  
 399.26 open to all eligible grantees as part of a new  
 399.27 grant cycle. This appropriation does not  
 399.28 include additional administrative money.

399.29 **Base Adjustment.** The general fund base is  
 399.30 increased by \$1,417,000 in fiscal years 2018  
 399.31 and 2019.

399.32 **(f) Chemical Dependency Treatment Support**  
 399.33 **Grants** -0- 34,000

399.34 **Peer Specialists.** \$34,000 in fiscal year  
 399.35 2017 from the general fund is for grants

400.1 to recovery community organizations to  
 400.2 train, hire, and supervise peer specialists  
 400.3 to work with underserved populations as  
 400.4 part of the continuum of care for substance  
 400.5 use disorders. Recovery community  
 400.6 organizations located in Rochester,  
 400.7 Moorhead, and the Twin Cities metropolitan  
 400.8 area are eligible to receive grant funds. The  
 400.9 general fund base for this appropriation is  
 400.10 \$725,000 in fiscal year 2018 and \$725,000 in  
 400.11 fiscal year 2019.

400.12 **Base Adjustment.** The general fund base is  
 400.13 increased by \$691,000 in fiscal years 2018  
 400.14 and 2019.

400.15 **Subd. 5. DCT State-Operated Services**

400.16 **Allocation of Funds.** The commissioner may  
 400.17 allocate the appropriations in this subdivision  
 400.18 to ensure a safe environment at the Minnesota  
 400.19 Security Hospital and other hospitals in direct  
 400.20 care and treatment state-operated services.

400.21 Any reallocation of the appropriations under  
 400.22 this subdivision must be reported in the  
 400.23 report required under Minnesota Statutes,  
 400.24 section 256.01, subdivision 41.

400.25 **(a) DCT State-Operated Services Mental**  
 400.26 **Health**

1,256,000

33,830,000

400.27 **Restore Funds Transferred to Minnesota**  
 400.28 **State-Operated Community Services.**

400.29 \$14,000,000 in fiscal year 2017 is to restore  
 400.30 funds transferred to the enterprise fund for  
 400.31 state-operated community services in fiscal  
 400.32 year 2016. This is a onetime appropriation.

400.33 **Community Behavioral Health Hospitals**

400.34 **Full Capacity Staffing.** \$19,678,000 in  
 400.35 fiscal year 2017 is to increase staffing to a

401.1 level sufficient to operate the community  
 401.2 behavioral health hospitals at full licensed  
 401.3 capacity. The base for this appropriation  
 401.4 is \$25,879,000 in fiscal year 2018 and  
 401.5 \$25,879,000 in fiscal year 2019.

401.6 **Anoka-Metro Regional Treatment Center**  
 401.7 **Nursing Float Pool.** \$788,000 in fiscal  
 401.8 year 2017 is for a nursing float pool for  
 401.9 weekend coverage at the Anoka-Metro  
 401.10 Regional Treatment Center. The base for this  
 401.11 appropriation is \$1,526,000 in fiscal year  
 401.12 2018 and \$1,526,000 in fiscal year 2019.

401.13 **Anoka-Metro Regional Treatment Center**  
 401.14 **Increased Clinical Oversight.** \$336,000  
 401.15 in fiscal year 2017 is for increased clinical  
 401.16 oversight at the Anoka-Metro Regional  
 401.17 Treatment Center. The base for this  
 401.18 appropriation is \$632,000 in fiscal year 2018  
 401.19 and \$632,000 in fiscal year 2019.

401.20 **Base Adjustment.** The general fund base is  
 401.21 decreased by \$7,149,000 in fiscal year 2018  
 401.22 and \$7,149,000 in fiscal year 2019.

401.23 **(b) DCT State-Operated Services Enterprise**  
 401.24 **Services**

-0-

14,000,000

401.25 **State-Operated Community Services.**  
 401.26 \$14,000,000 in fiscal year 2017 is for  
 401.27 the Minnesota state-operated community  
 401.28 services program. This is a onetime  
 401.29 appropriation. The commissioner must  
 401.30 transfer \$14,000,000 in fiscal year 2017 to the  
 401.31 enterprise fund for Minnesota state-operated  
 401.32 community services. This is a onetime  
 401.33 transfer.

402.1 **Base Adjustment.** The general fund base is  
 402.2 decreased by \$14,000,000 in fiscal year 2018  
 402.3 and \$14,000,000 in fiscal year 2019.

402.4 **(c) DCT State-Operated Services Minnesota**  
 402.5 **Security Hospital** 2,200,000 10,056,000

402.6 **Competency Restoration Program.**  
 402.7 \$6,754,000 in fiscal year 2017 is for the  
 402.8 development of a new residential competency  
 402.9 restoration program to be operated by  
 402.10 state-operated forensic services. The  
 402.11 commissioner shall use this appropriation to  
 402.12 make available 20 hospital beds at Anoka  
 402.13 Metro Regional Treatment Center and  
 402.14 12 secure beds at the Minnesota Security  
 402.15 Hospital. The base for this appropriation  
 402.16 is \$8,423,000 in fiscal year 2018 and  
 402.17 \$8,423,000 in fiscal year 2019.

402.18 **Base Adjustment.** The general fund base is  
 402.19 increased by \$2,490,000 in fiscal year 2018  
 402.20 and \$2,490,000 in fiscal year 2019.

402.21 **Subd. 6. DCT Minnesota Sex Offender**  
 402.22 **Program** 3,395,000 4,669,000

402.23 **Base Adjustment.** The general fund base  
 402.24 is increased by \$788,000 in fiscal year 2018  
 402.25 and \$788,000 in fiscal year 2019.

402.26 **Sec. 3. COMMISSIONER OF HEALTH**

402.27 **Subdivision 1. Total Appropriation** \$ -0- \$ 2,214,000

<u>Appropriations by Fund</u>	<u>2016</u>	<u>2017</u>
402.29 <u>General</u>	<u>-0-</u>	<u>33,000</u>
402.30 <u>State Government</u>		
402.31 <u>Special Revenue</u>	<u>-0-</u>	<u>146,000</u>
402.32 <u>Health Care Access</u>	<u>-0-</u>	<u>2,035,000</u>

402.34 The appropriations for each purpose are  
 402.35 shown in the following subdivisions.

403.1 **Subd. 2. Health Improvement**

403.2 Appropriations by Fund

403.3	<u>General</u>	<u>-0-</u>	<u>33,000</u>
403.4	<u>Health Care Access</u>	<u>-0-</u>	<u>2,035,000</u>

403.5 **Safe Harbor for Sexually Exploited Youth.**

403.6 \$33,000 in fiscal year 2017 is from the general  
 403.7 fund for trauma-informed, culturally specific  
 403.8 services for exploited youth. The base for  
 403.9 this appropriation is \$750,000 in fiscal year  
 403.10 2018 and \$750,000 in fiscal year 2019.

403.11 Neither the appropriation in fiscal year 2017  
 403.12 nor the base amounts in fiscal years 2018 and  
 403.13 2019 may be used for administration.

403.14 **Greater Minnesota Family Medicine**

403.15 **Residency.** \$1,035,000 in fiscal year 2017  
 403.16 is from the health care access fund for the  
 403.17 greater Minnesota family medicine residency  
 403.18 grant program under Minnesota Statutes,  
 403.19 section 144.1912. The commissioner may  
 403.20 use up to \$35,000 for administration.

403.21 **Medical Education.** \$1,000,000 in fiscal  
 403.22 year 2017 from the health care access fund  
 403.23 is for the medical education program under  
 403.24 Minnesota Statutes, section 62J.692.

403.25 **Base Adjustments.** The general fund base  
 403.26 is increased by \$717,000 in fiscal year 2018  
 403.27 and \$717,000 in fiscal year 2019.

403.28 **Subd. 3. Health Protection** -0- 146,000

403.29 This appropriation is from the state  
 403.30 government special revenue fund.

403.31 **Base Adjustment.** The state government  
 403.32 special revenue fund base is decreased by  
 403.33 \$219,000 in fiscal year 2018 and \$156,000 in  
 403.34 fiscal year 2019.

404.1	Sec. 4. <b><u>HEALTH-RELATED BOARDS</u></b>		
404.2	Subdivision 1. <b><u>Total Appropriation</u></b>	<b><u>\$ 195,000</u></b>	<b><u>\$ 352,000</u></b>
404.3	<u>This appropriation is from the state</u>		
404.4	<u>government special revenue fund.</u>		
404.5	Subd. 2. <b><u>Board of Dentistry</u></b>	<u>(850,000)</u>	<u>(864,000)</u>
404.6	Subd. 3. <b><u>Board of Marriage and Family</u></b>		
404.7	<b><u>Therapy</u></b>	<u>40,000</u>	<u>50,000</u>
404.8	Subd. 4. <b><u>Board of Medical Practice</u></b>	<u>-0-</u>	<u>22,000</u>
404.9	<b><u>Genetic Counselor Licensing.</u></b> \$22,000 in		
404.10	<u>fiscal year 2017 is from the state government</u>		
404.11	<u>special revenue fund for genetic counselor</u>		
404.12	<u>licensure activities under Minnesota Statutes,</u>		
404.13	<u>chapter 147F.</u>		
404.14	Subd. 5. <b><u>Board of Pharmacy</u></b>	<u>115,000</u>	<u>145,000</u>
404.15	Subd. 6. <b><u>Board of Physical Therapy</u></b>	<u>890,000</u>	<u>924,000</u>
404.16	<b><u>Health Professional Services Program.</u></b> Of		
404.17	<u>this appropriation, \$850,000 in fiscal year</u>		
404.18	<u>2016 and \$864,000 in fiscal year 2017 are</u>		
404.19	<u>from the state government special revenue</u>		
404.20	<u>fund for the health professional services</u>		
404.21	<u>program.</u>		
404.22	Subd. 7. <b><u>Board of Podiatric Medicine</u></b>	<u>-0-</u>	<u>75,000</u>
404.23	<b><u>Orthotist, Prosthetist, and Pedorthist</u></b>		
404.24	<b><u>Licensing.</u></b> \$75,000 in fiscal year 2017 is		
404.25	<u>from the state government special revenue</u>		
404.26	<u>fund for licensure activities under the</u>		
404.27	<u>Minnesota Orthotists, Prosthetist, and</u>		
404.28	<u>Pedorthist Practice Act, Minnesota Statutes,</u>		
404.29	<u>chapter 153B. The base for this appropriation</u>		
404.30	<u>is \$112,000 in fiscal year 2018 and \$112,000</u>		
404.31	<u>in fiscal year 2019.</u>		
404.32	<b><u>Base Adjustment.</u></b> The state government		
404.33	<u>special revenue fund base is increased by</u>		

405.1 \$37,000 in fiscal year 2018 and \$37,000 in  
 405.2 fiscal year 2019.

405.3 **Sec. 5. OMBUDSMAN FOR MENTAL**  
 405.4 **HEALTH AND DEVELOPMENTAL**  
 405.5 **DISABILITIES**

**\$ -0- \$ 250,000**

405.6 **Sec. 6. DEPARTMENT OF COMMERCE** **\$ (210,000) \$ (213,000)**

405.7 Sec. 7. Laws 2015, chapter 71, article 14, section 4, subdivision 3, is amended to read:

405.8 Subd. 3. **Board of Dentistry** **2,192,000 2,206,000**

405.9 ~~This appropriation includes \$864,000 in fiscal~~  
 405.10 ~~year 2016 and \$878,000 in fiscal year 2017~~  
 405.11 ~~for the health professional services program.~~

405.12 **Sec. 8. DIRECTION TO COMMISSIONER OF MANAGEMENT AND**  
 405.13 **BUDGET.**

405.14 In making determinations under Minnesota Statutes, section 295.52, subdivision 8,  
 405.15 the commissioner of management and budget in fiscal year 2017 only shall not include  
 405.16 \$74,000,000 of the transfer under Minnesota Statutes, section 16A.724, subdivision 2,  
 405.17 paragraph (a), as an expenditure or transfer of the health care access fund in determining  
 405.18 the ratio of revenues to expenditures and transfers when making any determination of  
 405.19 tax rate reductions under that subdivision.

405.20 **Sec. 9. EXPIRATION OF UNCODIFIED LANGUAGE.**

405.21 All uncodified language contained in this article expires on June 30, 2017, unless a  
 405.22 different expiration date is explicit.

405.23 **Sec. 10. EFFECTIVE DATE.**

405.24 This article is effective the day following final enactment.

**ARTICLE 24****TEACHERS**

406.1

406.2

406.3 Section 1. Minnesota Statutes 2014, section 122A.09, as amended by Laws 2015,  
406.4 chapter 69, article 2, section 3, and Laws 2015, First Special Session chapter 3, article 2,  
406.5 sections 9 to 11, is amended to read:

406.6

**122A.09 DUTIES.**

406.7 Subdivision 1. **Code of ethics.** The Board of Teaching must develop by rule a code  
406.8 of ethics covering standards of professional teaching practices, including areas of ethical  
406.9 conduct and professional performance and methods of enforcement.

406.10 Subd. 2. **Advise members of profession.** The board must act in an advisory  
406.11 capacity to members of the profession in matters of interpretation of the code of ethics.

406.12 Subd. 3. **Election of chair and officers.** The board shall elect a chair and such  
406.13 other officers as it may deem necessary.

406.14 Subd. 4. **License and rules.** (a) The board must adopt rules to license public school  
406.15 teachers and interns subject to chapter 14.

406.16 (b) The board must require all candidates for teacher licensure to demonstrate a  
406.17 passing score on a board-adopted skills examination in reading, writing, and mathematics,  
406.18 as a requirement for an initial teacher licensure professional five-year teaching license,  
406.19 except that the board may issue up to four ~~temporary~~, initial professional one-year teaching  
406.20 licenses to an otherwise qualified candidate who has not yet passed the board-adopted  
406.21 skills exam. The board must require colleges and universities offering a board-approved  
406.22 teacher preparation program to provide remedial assistance to persons who did not achieve  
406.23 a qualifying score on the board-adopted skills examination, including those for whom  
406.24 English is a second language. The requirement to pass a board-adopted reading, writing,  
406.25 and mathematics skills examination does not apply to nonnative English speakers, as  
406.26 verified by qualified Minnesota school district personnel or Minnesota higher education  
406.27 faculty, who, after meeting the content and pedagogy requirements under this subdivision,  
406.28 apply for a teaching license to provide direct instruction in their native language or world  
406.29 language instruction under section 120B.022, subdivision 1. The Board of Teaching and  
406.30 the entity administering the content, pedagogy, and skills examinations must allow any  
406.31 individual who produces documentation of a disability in the form of an evaluation, 504  
406.32 plan, or individual education program (IEP) to receive the same testing accommodations  
406.33 on the content, pedagogy, and skills examinations that the applicant received during their  
406.34 secondary or postsecondary education.

407.1 (c) The board must adopt rules to approve teacher preparation programs. The board,  
407.2 upon the request of a postsecondary student preparing for teacher licensure or a licensed  
407.3 graduate of a teacher preparation program, shall assist in resolving a dispute between the  
407.4 person and a postsecondary institution providing a teacher preparation program when the  
407.5 dispute involves an institution's recommendation for licensure affecting the person or the  
407.6 person's credentials. At the board's discretion, assistance may include the application  
407.7 of chapter 14.

407.8 (d) The board must provide the leadership and adopt rules for the redesign of teacher  
407.9 education programs to implement a research based, results-oriented curriculum that  
407.10 focuses on the skills teachers need in order to be effective. Among other components,  
407.11 teacher preparation programs may use the Minnesota State Colleges and Universities  
407.12 program model to provide a school-year-long student teaching program that combines  
407.13 clinical opportunities with academic coursework and in-depth student teaching  
407.14 experiences to offer students ongoing mentorship, coaching, and assessment, help to  
407.15 prepare a professional development plan, and structured learning experiences. The board  
407.16 shall implement new systems of teacher preparation program evaluation to assure program  
407.17 effectiveness based on proficiency of graduates in demonstrating attainment of program  
407.18 outcomes. Teacher preparation programs including alternative teacher preparation  
407.19 programs under section 122A.245, among other programs, must include a content-specific,  
407.20 board-approved, performance-based assessment that measures teacher candidates in three  
407.21 areas: planning for instruction and assessment; engaging students and supporting learning;  
407.22 and assessing student learning. The board's redesign rules must include creating flexible,  
407.23 specialized teaching licenses, credentials, and other endorsement forms to increase  
407.24 students' participation in language immersion programs, world language instruction,  
407.25 career development opportunities, work-based learning, early college courses and careers,  
407.26 career and technical programs, Montessori schools, and project and place-based learning,  
407.27 among other career and college ready learning offerings.

407.28 (e) The board must adopt rules requiring candidates for ~~initial~~ professional  
407.29 five-year teaching licenses to pass an examination of general pedagogical knowledge  
407.30 and examinations of licensure-specific teaching skills. The rules shall be effective by  
407.31 September 1, 2001. The rules under this paragraph also must require candidates for initial  
407.32 licenses to teach prekindergarten or elementary students to pass, as part of the examination  
407.33 of licensure-specific teaching skills, test items assessing the candidates' knowledge,  
407.34 skill, and ability in comprehensive, scientifically based reading instruction under section  
407.35 122A.06, subdivision 4, and their knowledge and understanding of the foundations of

408.1 reading development, the development of reading comprehension, and reading assessment  
408.2 and instruction, and their ability to integrate that knowledge and understanding.

408.3 (f) The board must adopt rules requiring teacher educators to work directly with  
408.4 elementary or secondary school teachers in elementary or secondary schools to obtain  
408.5 periodic exposure to the elementary or secondary teaching environment.

408.6 (g) The board must grant licenses to interns and to candidates for ~~initial~~ professional  
408.7 five-year teaching licenses based on appropriate professional competencies that are  
408.8 aligned with the board's licensing system and students' diverse learning needs. All teacher  
408.9 candidates must have preparation in English language development and content instruction  
408.10 for English learners in order to be able to effectively instruct the English learners in their  
408.11 classrooms. The board must include these licenses in a statewide differentiated licensing  
408.12 system that creates new leadership roles for successful experienced teachers premised on a  
408.13 collaborative professional culture dedicated to meeting students' diverse learning needs  
408.14 in the 21st century, recognizes the importance of cultural and linguistic competencies,  
408.15 including the ability to teach and communicate in culturally competent and aware ways,  
408.16 and formalizes mentoring and induction for newly licensed teachers provided through a  
408.17 teacher support framework.

408.18 (h) The board must design and implement an assessment system which requires a  
408.19 candidate for an initial license and first continuing license to demonstrate the abilities  
408.20 necessary to perform selected, representative teaching tasks at appropriate levels.

408.21 (i) The board must receive recommendations from local committees as established  
408.22 by the board for the renewal of teaching licenses. The board must require a licensed  
408.23 ~~teachers~~ teacher who ~~are~~ is renewing a ~~continuing license~~ professional five-year teaching  
408.24 license to include in the renewal requirements further preparation in English language  
408.25 development and specially designed content instruction in English for English learners.

408.26 (j) The board must grant life licenses to those who qualify according to requirements  
408.27 established by the board, and suspend or revoke licenses pursuant to sections 122A.20 and  
408.28 214.10. The board must not establish any expiration date for application for life licenses.

408.29 (k) The board must adopt rules that require all licensed teachers who are renewing  
408.30 their ~~continuing license~~ professional five-year teaching licenses to include in their renewal  
408.31 requirements further preparation in the areas of using positive behavior interventions  
408.32 and in accommodating, modifying, and adapting curricula, materials, and strategies to  
408.33 appropriately meet the needs of individual students and ensure adequate progress toward  
408.34 the state's graduation rule.

408.35 (l) In adopting rules to license public school teachers who provide health-related  
408.36 services for disabled children, the board shall adopt rules consistent with license or

409.1 registration requirements of the commissioner of health and the health-related boards who  
409.2 license personnel who perform similar services outside of the school.

409.3 (m) The board must adopt rules that require all licensed teachers who are renewing  
409.4 their ~~continuing license~~ professional five-year teaching licenses to include in their renewal  
409.5 requirements further reading preparation, consistent with section 122A.06, subdivision  
409.6 4. The rules do not take effect until they are approved by law. Teachers who do not  
409.7 provide direct instruction including, at least, counselors, school psychologists, school  
409.8 nurses, school social workers, audiovisual directors and coordinators, and recreation  
409.9 personnel are exempt from this section.

409.10 (n) The board must adopt rules that require all licensed teachers who are renewing  
409.11 their ~~continuing license~~ professional five-year teaching licenses to include in their  
409.12 renewal requirements at least one hour of suicide prevention best practices in each  
409.13 licensure renewal period that are based on nationally recognized evidence-based  
409.14 programs and practices, among the continuing education credits required to renew  
409.15 a license under this paragraph, and further preparation, first, in understanding the  
409.16 key warning signs of early-onset mental illness in children and adolescents and then,  
409.17 during subsequent licensure renewal periods, preparation may include providing a  
409.18 more in-depth understanding of students' mental illness trauma, accommodations for  
409.19 students' mental illness, parents' role in addressing students' mental illness, Fetal Alcohol  
409.20 Spectrum Disorders, autism, the requirements of section 125A.0942 governing restrictive  
409.21 procedures, and de-escalation methods, among other similar topics.

409.22 (o) The board must adopt rules by January 1, 2016, to license applicants under  
409.23 sections 122A.23 and 122A.245. The rules must permit applicants to demonstrate their  
409.24 qualifications through the board's recognition of a teaching license from another state  
409.25 in a similar content field, completion of a state-approved teacher preparation program,  
409.26 teaching experience as the teacher of record in a similar licensure field, depth of content  
409.27 knowledge, depth of content methods or general pedagogy, subject-specific professional  
409.28 development and contribution to the field, or classroom performance as determined by  
409.29 documented student growth on normed assessments or documented effectiveness on  
409.30 evaluations. The rules must adopt criteria for determining a "similar content field" and  
409.31 "similar licensure area."

409.32 Subd. 4a. **Teacher and administrator preparation and performance data;**  
409.33 **report.** (a) The Board of Teaching and the Board of School Administrators, in cooperation  
409.34 with the Minnesota Association of Colleges of Teacher Education and Minnesota colleges  
409.35 and universities offering board-adopted teacher or administrator preparation programs,  
409.36 annually must collect and report summary data on teacher and administrator preparation

410.1 and performance outcomes, consistent with this subdivision. The Board of Teaching  
410.2 and the Board of School Administrators annually by June 1 must update and post the  
410.3 reported summary preparation and performance data on teachers and administrators from  
410.4 the preceding school years on a Web site hosted jointly by the boards.

410.5 (b) Publicly reported summary data on teacher preparation programs must include:  
410.6 student entrance requirements for each Board of Teaching-approved program, including  
410.7 grade point average for enrolling students in the preceding year; the average board-adopted  
410.8 skills examination or ACT or SAT scores of students entering the program in the preceding  
410.9 year; summary data on faculty qualifications, including at least the content areas of faculty  
410.10 undergraduate and graduate degrees and their years of experience either as kindergarten  
410.11 through grade 12 classroom teachers or school administrators; the average time resident  
410.12 and nonresident program graduates in the preceding year needed to complete the program;  
410.13 the current number and percent of students by program who graduated, received a standard  
410.14 Minnesota teaching license, and were hired to teach full time in their licensure field in a  
410.15 Minnesota district or school in the preceding year; the number of content area credits and  
410.16 other credits by undergraduate program that students in the preceding school year needed  
410.17 to complete to graduate; students' pass rates on skills and subject matter exams required for  
410.18 graduation in each program and licensure area in the preceding school year; survey results  
410.19 measuring student and graduate satisfaction with the program in the preceding school  
410.20 year; a standard measure of the satisfaction of school principals or supervising teachers  
410.21 with the student teachers assigned to a school or supervising teacher; and information  
410.22 under paragraphs (d) and (e). Program reporting must be consistent with subdivision 11.

410.23 (c) Publicly reported summary data on administrator preparation programs  
410.24 approved by the Board of School Administrators must include: summary data on faculty  
410.25 qualifications, including at least the content areas of faculty undergraduate and graduate  
410.26 degrees and their years of experience either as kindergarten through grade 12 classroom  
410.27 teachers or school administrators; the average time program graduates in the preceding  
410.28 year needed to complete the program; the current number and percent of students who  
410.29 graduated, received a standard Minnesota administrator license, and were employed as an  
410.30 administrator in a Minnesota school district or school in the preceding year; the number of  
410.31 credits by graduate program that students in the preceding school year needed to complete  
410.32 to graduate; survey results measuring student, graduate, and employer satisfaction with  
410.33 the program in the preceding school year; and information under paragraphs (f) and (g).  
410.34 Program reporting must be consistent with section 122A.14, subdivision 10.

410.35 (d) School districts annually by October 1 must report to the Board of Teaching  
410.36 the following information for all teachers who finished the probationary period and

411.1 accepted a continuing contract position with the district from September 1 of the previous  
411.2 year through August 31 of the current year: the effectiveness category or rating of the  
411.3 teacher on the summative evaluation under section 122A.40, subdivision 8, or 122A.41,  
411.4 subdivision 5; the licensure area in which the teacher primarily taught during the  
411.5 three-year evaluation cycle; and the teacher preparation program preparing the teacher in  
411.6 the teacher's primary areas of instruction and licensure.

411.7 (e) School districts annually by October 1 must report to the Board of Teaching the  
411.8 following information for all probationary teachers in the district who were released or  
411.9 whose contracts were not renewed from September 1 of the previous year through August  
411.10 31 of the current year: the licensure areas in which the probationary teacher taught; and  
411.11 the teacher preparation program preparing the teacher in the teacher's primary areas of  
411.12 instruction and licensure.

411.13 (f) School districts annually by October 1 must report to the Board of School  
411.14 Administrators the following information for all school principals and assistant principals  
411.15 who finished the probationary period and accepted a continuing contract position with the  
411.16 district from September 1 of the previous year through August 31 of the current year: the  
411.17 effectiveness category or rating of the principal or assistant principal on the summative  
411.18 evaluation under section 123B.147, subdivision 3; and the principal preparation program  
411.19 providing instruction to the principal or assistant principal.

411.20 (g) School districts annually by October 1 must report to the Board of School  
411.21 Administrators all probationary school principals and assistant principals in the district  
411.22 who were released or whose contracts were not renewed from September 1 of the previous  
411.23 year through August 31 of the current year.

411.24 Subd. 5. **Commissioner's representative to comment on proposed rule.** ~~Prior~~  
411.25 ~~to the adoption by~~ Before the Board of Teaching ~~of~~ adopts any rule ~~which~~ that must be  
411.26 submitted to public hearing, a representative of the commissioner shall appear before the  
411.27 Board of Teaching and at the hearing required ~~pursuant to~~ under section 14.14, subdivision  
411.28 1, to comment on the cost and educational implications of that proposed rule.

411.29 Subd. 6. **Register of persons licensed.** The executive secretary of the Board of  
411.30 Teaching shall keep a record of the proceedings of and a register of all persons licensed  
411.31 pursuant to the provisions of this chapter. The register must show the name, address,  
411.32 license number and the renewal of the license. The board must on July 1, of each year  
411.33 or as soon thereafter as is practicable, compile a list of such duly licensed teachers and  
411.34 transmit a copy of the list to the board. A copy of the register must be available during  
411.35 business hours at the office of the board to any interested person.

412.1 Subd. 7. **Commissioner's assistance; board money.** The commissioner shall  
412.2 provide all necessary materials and assistance for the transaction of the business of the  
412.3 Board of Teaching and all moneys received by the Board of Teaching shall be paid into  
412.4 the state treasury as provided by law. The expenses of administering sections 122A.01,  
412.5 122A.05 to 122A.09, 122A.15, 122A.16, 122A.17, 122A.18, 122A.20, 122A.21, 122A.22,  
412.6 122A.23, 122A.26, 122A.30, 122A.40, 122A.41, 122A.42, 122A.45, 122A.49, 122A.54,  
412.7 122A.55, 122A.56, 122A.57, and 122A.58 which are incurred by the Board of Teaching  
412.8 shall be paid for from appropriations made to the Board of Teaching.

412.9 Subd. 8. **Fraud; gross misdemeanor.** A person who claims to be a licensed teacher  
412.10 without a valid existing license issued by the board or any person who employs fraud or  
412.11 deception in applying for or securing a license is guilty of a gross misdemeanor.

412.12 Subd. 9. **Board may adopt rules.** The Board of Teaching may adopt rules subject  
412.13 to the provisions of chapter 14 to implement sections 122A.05 to 122A.09, 122A.16,  
412.14 122A.17, 122A.18, 122A.20, 122A.21, and 122A.23.

412.15 Subd. 10. ~~Variances~~ Permissions. (a) Notwithstanding subdivision 9 and section  
412.16 ~~14.05, subdivision 4 14.055,~~ the Board of Teaching may grant ~~a variance~~ waivers to its  
412.17 rules upon application by a school district or a charter school for purposes of implementing  
412.18 experimental programs in learning or management.

412.19 (b) To enable a school district or a charter school to meet the needs of students  
412.20 enrolled in an alternative education program and to enable licensed teachers instructing  
412.21 those students to satisfy content area licensure requirements, the Board of Teaching  
412.22 annually may permit a licensed teacher teaching in an alternative education program to  
412.23 instruct students in a content area for which the teacher is not licensed, consistent with  
412.24 paragraph (a).

412.25 (c) A special education license ~~variance~~ permission issued by the Board of Teaching  
412.26 for a primary employer's low-incidence region ~~shall be~~ is valid in all low-incidence regions.

412.27 (d) The Board of Teaching may issue a one-year professional license under  
412.28 paragraph (a), which the board may renew two times, to allow a person holding a full  
412.29 credential from the American Montessori Society, a diploma from Association Montessori  
412.30 Internationale, or a certificate of completion from a program accredited by the Montessori  
412.31 Accreditation Council for Teacher Education to teach in a Montessori program operated  
412.32 by a school district or charter school.

412.33 (e) The Board of Teaching may grant a one-year waiver, renewable two times,  
412.34 to allow individuals who hold a bachelor's degree from an accredited postsecondary  
412.35 institution, demonstrate occupational competency based on at least three years of full-time  
412.36 work experience in business or industry, and enroll and make satisfactory progress in

413.1 an alternative preparation program leading to certification as a career and technical  
 413.2 education instructor to teach career and technical education courses offered by a school  
 413.3 district or charter school. Consistent with this paragraph and section 136F.361, the Board  
 413.4 of Teaching must strongly encourage teacher preparation programs and institutions  
 413.5 throughout Minnesota to develop alternative pathways for certifying and licensing  
 413.6 high school career and technical education instructors and teachers, allowing such  
 413.7 candidates to meet certification and licensure standards that demonstrate their content  
 413.8 knowledge, classroom experience, and pedagogical practices and their qualifications  
 413.9 based on a combination of occupational testing, professional certification or licensure, and  
 413.10 long-standing work experience.

413.11 Subd. 11. **Teacher preparation program reporting.** By December 31, 2018, and  
 413.12 annually thereafter, the Board of Teaching shall report and publish on its Web site the  
 413.13 cumulative summary results of at least three consecutive years of data reported to the board  
 413.14 under subdivision 4a, paragraph (b). Where the data are sufficient to yield statistically  
 413.15 reliable information and the results would not reveal personally identifiable information  
 413.16 about an individual teacher, the board shall report the data by teacher preparation program.

413.17 **EFFECTIVE DATE.** Subdivision 4, paragraph (n), is effective the day following  
 413.18 final enactment and applies to teachers renewing their teaching licenses beginning August  
 413.19 1, 2017. Subdivision 10, paragraphs (d) and (e) are effective for the 2016-2017 through  
 413.20 2018-2019 school years.

413.21 Sec. 2. Minnesota Statutes 2014, section 122A.16, is amended to read:

413.22 **122A.16 HIGHLY QUALIFIED TEACHER DEFINED.**

413.23 (a) A qualified teacher is one holding a valid license, under this chapter, to perform  
 413.24 the particular service for which the teacher is employed in a public school.

413.25 ~~(b) For the purposes of the federal No Child Left Behind Act, a highly qualified~~  
 413.26 ~~teacher is one who holds a valid license under this chapter, including under section~~  
 413.27 ~~122A.245, among other sections and is determined by local administrators as having~~  
 413.28 ~~highly qualified status according to the approved Minnesota highly qualified plan.~~  
 413.29 ~~Teachers delivering core content instruction must be deemed highly qualified at the local~~  
 413.30 ~~level and reported to the state via the staff automated reporting system.~~

413.31 Sec. 3. Minnesota Statutes 2014, section 122A.18, as amended by Laws 2015, First  
 413.32 Special Session chapter 3, article 2, sections 14 and 15, is amended to read:

413.33 **122A.18 BOARD TO ISSUE LICENSES.**

414.1 Subdivision 1. **Authority to license.** (a) The Board of Teaching must license  
 414.2 teachers, as defined in section 122A.15, subdivision 1, except for supervisory personnel,  
 414.3 as defined in section 122A.15, subdivision 2.

414.4 (b) The Board of School Administrators must license supervisory personnel as  
 414.5 defined in section 122A.15, subdivision 2, except for athletic coaches.

414.6 (c) Licenses under the jurisdiction of the Board of Teaching, the Board of School  
 414.7 Administrators, and the commissioner of education must be issued through the licensing  
 414.8 section of the department.

414.9 (d) The Board of Teaching and the Department of Education must enter into a data  
 414.10 sharing agreement to share educational data at the E-12 level for the limited purpose  
 414.11 of program approval and improvement for teacher education programs. The program  
 414.12 approval process must include targeted redesign of teacher preparation programs to  
 414.13 address identified E-12 student areas of concern.

414.14 (e) The Board of School Administrators and the Department of Education must enter  
 414.15 into a data sharing agreement to share educational data at the E-12 level for the limited  
 414.16 purpose of program approval and improvement for education administration programs.  
 414.17 The program approval process must include targeted redesign of education administration  
 414.18 preparation programs to address identified E-12 student areas of concern.

414.19 (f) For purposes of the data sharing agreements under paragraphs (d) and (e), the  
 414.20 Board of Teaching, Board of School Administrators, and Department of Education may  
 414.21 share private data, as defined in section 13.02, subdivision 12, on teachers and school  
 414.22 administrators. The data sharing agreements must not include educational data, as defined  
 414.23 in section 13.32, subdivision 1, but may include summary data, as defined in section  
 414.24 13.02, subdivision 19, derived from educational data.

414.25 Subd. 2. **Teacher and support personnel qualifications.** (a) The Board of Teaching  
 414.26 must issue licenses under its jurisdiction to persons the board finds to be qualified and  
 414.27 competent for their respective positions, including those meeting the standards adopted  
 414.28 under section 122A.09, subdivision 4, paragraph ~~(o)~~ (n).

414.29 (b) The board must require a candidate for teacher licensure to demonstrate a passing  
 414.30 score on a board-adopted examination of skills in reading, writing, and mathematics,  
 414.31 before being granted ~~an initial~~ a professional five-year teaching license to provide direct  
 414.32 instruction to pupils in prekindergarten, elementary, secondary, or special education  
 414.33 programs, except that the board may issue up to four temporary, one-year teaching licenses  
 414.34 to an otherwise qualified candidate who has not yet passed a board-adopted skills exam.  
 414.35 At the request of the employing school district or charter school, the Board of Teaching  
 414.36 may issue ~~a restricted~~ an initial professional one-year teaching license to an otherwise

415.1 qualified teacher not passing or demonstrating a passing score on a board-adopted skills  
415.2 examination in reading, writing, and mathematics. For purposes of this section, the  
415.3 ~~restricted~~ initial professional one-year teaching license issued by the board is limited to the  
415.4 current subject or content matter the teacher is employed to teach and limited to the district  
415.5 or charter school requesting the ~~restricted~~ initial professional one-year teaching license. If  
415.6 the board denies the request, it must provide a detailed response to the school administrator  
415.7 as to the reasons for the denial. The board must require colleges and universities offering  
415.8 a board approved teacher preparation program to make available upon request remedial  
415.9 assistance that includes a formal diagnostic component to persons enrolled in their  
415.10 institution who did not achieve a qualifying score on a board-adopted skills examination,  
415.11 including those for whom English is a second language. The colleges and universities  
415.12 must make available assistance in the specific academic areas of candidates' deficiency.  
415.13 School districts may make available upon request similar, appropriate, and timely remedial  
415.14 assistance that includes a formal diagnostic component to those persons employed by the  
415.15 district who completed their teacher education program, who did not achieve a qualifying  
415.16 score on a board-adopted skills examination, and who received ~~a temporary~~ an initial  
415.17 professional one-year teaching license to teach in Minnesota. The Board of Teaching  
415.18 shall report annually to the education committees of the legislature on the total number  
415.19 of teacher candidates during the most recent school year taking a board-adopted skills  
415.20 examination, the number who achieve a qualifying score on the examination, the number  
415.21 who do not achieve a qualifying score on the examination, and the candidates who have  
415.22 not passed a content or pedagogy exam, disaggregated by categories of race, ethnicity,  
415.23 and eligibility for financial aid.

415.24 (c) The Board of Teaching must grant ~~continuing~~ professional five-year teaching  
415.25 licenses only to those persons who have met board criteria for ~~granting a continuing~~ that  
415.26 license, which includes passing a board-adopted skills examination in reading, writing, and  
415.27 mathematics, and the exceptions in section 122A.09, subdivision 4, paragraph (b), that are  
415.28 consistent with this paragraph. The requirement to pass a board-adopted reading, writing,  
415.29 and mathematics skills examination, does not apply to nonnative English speakers, as  
415.30 verified by qualified Minnesota school district personnel or Minnesota higher education  
415.31 faculty, who, after meeting the content and pedagogy requirements under this subdivision,  
415.32 apply for a professional five-year teaching license to provide direct instruction in their  
415.33 native language or world language instruction under section 120B.022, subdivision 1.

415.34 (d) All colleges and universities approved by the board of teaching to prepare persons  
415.35 for teacher licensure must include in their teacher preparation programs a common core  
415.36 of teaching knowledge and skills to be acquired by all persons recommended for teacher

416.1 licensure. Among other requirements, teacher candidates must demonstrate the knowledge  
416.2 and skills needed to provide appropriate instruction to English learners to support and  
416.3 accelerate their academic literacy, including oral academic language, and achievement in  
416.4 content areas in a regular classroom setting. This common core shall meet the standards  
416.5 developed by the interstate new teacher assessment and support consortium in its 1992  
416.6 "model standards for beginning teacher licensing and development." Amendments to  
416.7 standards adopted under this paragraph are covered by chapter 14. The board of teaching  
416.8 shall report annually to the education committees of the legislature on the performance  
416.9 of teacher candidates on common core assessments of knowledge and skills under this  
416.10 paragraph during the most recent school year.

416.11 Subd. 2a. **Reading strategies.** (a) All colleges and universities approved by the  
416.12 Board of Teaching to prepare persons for classroom teacher licensure must include in  
416.13 their teacher preparation programs research-based best practices in reading, consistent  
416.14 with section 122A.06, subdivision 4, that enable the licensure candidate to know how to  
416.15 teach reading in the candidate's content areas. Teacher candidates must be instructed  
416.16 in using students' native languages as a resource in creating effective differentiated  
416.17 instructional strategies for English learners developing literacy skills. These colleges and  
416.18 universities also must prepare early childhood and elementary teacher candidates for initial  
416.19 professional five-year teaching licenses to teach prekindergarten or elementary students  
416.20 for the assessment of reading instruction portion of the examination of licensure-specific  
416.21 teaching skills under section 122A.09, subdivision 4, paragraph (e), covering assessment  
416.22 of reading instruction.

416.23 (b) Board-approved teacher preparation programs for teachers of elementary  
416.24 education must require instruction ~~in the application of~~ in applying comprehensive,  
416.25 scientifically based, and balanced reading instruction programs that:

416.26 (1) teach students to read using foundational knowledge, practices, and strategies  
416.27 consistent with section 122A.06, subdivision 4, so that all students ~~will~~ achieve continuous  
416.28 progress in reading; and

416.29 (2) teach specialized instruction in reading strategies, interventions, and remediations  
416.30 that enable students of all ages and proficiency levels to become proficient readers.

416.31 (c) Nothing in this section limits the authority of a school district to select a school's  
416.32 reading program or curriculum.

416.33 Subd. 2b. **Reading specialist.** Not later than July 1, 2002, the Board of Teaching  
416.34 must adopt rules providing for the reading teacher licensure ~~of teachers of reading~~.

416.35 Subd. 3. **Supervisory and coach qualifications; code of ethics.** The commissioner  
416.36 of education must issue licenses under its jurisdiction to persons the commissioner finds

417.1 to be qualified and competent for their respective positions under the rules it adopts.

417.2 The commissioner of education may develop, by rule, a code of ethics for supervisory  
417.3 personnel covering standards of professional practices, including areas of ethical conduct  
417.4 and professional performance and methods of enforcement.

417.5 Subd. 3a. **Technology strategies.** All colleges and universities approved by the  
417.6 Board of Teaching to prepare persons for classroom teacher licensure must include in their  
417.7 teacher preparation programs the knowledge and skills teacher candidates need to deliver  
417.8 digital and blended learning and curriculum and engage students with technology.

417.9 Subd. 4. **Expiration and renewal.** (a) Each license the Department of Education  
417.10 issues through its licensing section must bear the date of issue and the name of the  
417.11 state-approved teacher training provider. Licenses must expire and be renewed according  
417.12 to the respective rules the Board of Teaching, the Board of School Administrators, or the  
417.13 commissioner of education adopts. Requirements for renewing a license must include  
417.14 showing satisfactory evidence of successful teaching or administrative experience for  
417.15 at least one school year during the period covered by the license in grades or subjects  
417.16 for which the license is valid or completing such additional preparation as the Board of  
417.17 Teaching prescribes. The Board of School Administrators shall establish requirements for  
417.18 renewing the licenses of supervisory personnel except athletic coaches. The State Board  
417.19 of Teaching shall establish requirements for renewing the licenses of athletic coaches.

417.20 (b) ~~Relicensure~~ Applicants for license renewal who have been employed as a teacher  
417.21 during the renewal period of their expiring license, as a condition of ~~relicensure~~ license  
417.22 renewal, must present to their local continuing education and relicensure committee  
417.23 or other local relicensure committee evidence of work that demonstrates professional  
417.24 reflection and growth in best teaching practices, including among other things, practices in  
417.25 meeting the varied needs of English learners, from young children to adults under section  
417.26 124D.59, subdivisions 2 and 2a. The applicant must include a reflective statement of  
417.27 professional accomplishment and the applicant's own assessment of professional growth  
417.28 showing evidence of:

417.29 (1) support for student learning;

417.30 (2) use of best practices techniques and their applications to student learning;

417.31 (3) collaborative work with colleagues that includes examples of collegiality such as  
417.32 attested-to committee work, collaborative staff development programs, and professional  
417.33 learning community work; or

417.34 (4) continual professional development that may include (i) job-embedded or other  
417.35 ongoing formal professional learning or (ii) for teachers employed for only part of the

418.1 renewal period of their expiring license, other similar professional development efforts  
418.2 made during the relicensure period.

418.3 The Board of Teaching must ensure that its teacher relicensing requirements also include  
418.4 this paragraph.

418.5 (c) The Board of Teaching shall offer alternative ~~continuing relicensure~~ options for  
418.6 license renewal for teachers who are accepted into and complete the National Board for  
418.7 Professional Teaching Standards certification process, and offer additional continuing  
418.8 relicensure options for teachers who earn National Board for Professional Teaching  
418.9 Standards certification. Continuing relicensure requirements for teachers who do not  
418.10 maintain National Board for Professional Teaching Standards certification are those the  
418.11 board prescribes, consistent with this section.

418.12 Subd. 4a. **Limited provisional licenses.** The board may grant two-year provisional  
418.13 licenses to licensure candidates in a field in which they were not previously licensed or in a  
418.14 field in which a shortage of licensed teachers exists. A shortage is defined as an inadequate  
418.15 supply of licensed personnel in a given licensure area as determined by the commissioner.

418.16 ~~Subd. 5. **Effective date.** Nothing contained herein shall be construed as affecting~~  
418.17 ~~the validity of a permanent certificate or license issued prior to July 1, 1969.~~

418.18 Subd. 6. **Human relations.** The Board of Teaching ~~and the commissioner of~~  
418.19 ~~education~~ shall accept training programs completed through Peace Corps, VISTA, or  
418.20 Teacher Corps in lieu of ~~completion of~~ completing the human relations component of the  
418.21 training program for purposes of issuing or renewing a teaching license ~~in education~~.

418.22 Subd. 7. **Limited provisional licenses.** The Board of Teaching may grant  
418.23 provisional licenses, which shall be valid for two years, in fields in which licenses were not  
418.24 issued previously or in fields in which a shortage of licensed teachers exists. A shortage is  
418.25 defined as a lack of or an inadequate supply of licensed personnel within a given licensure  
418.26 area in a school district that has notified the Board of Teaching of the shortage and has  
418.27 applied to the Board of Teaching for provisional licenses for that district's licensed staff.

418.28 Subd. 7a. **Permission to substitute teach.** (a) The Board of Teaching may allow a  
418.29 person who is enrolled in and making satisfactory progress in a board-approved teacher  
418.30 program and who has successfully completed student teaching to be employed as a  
418.31 short-call substitute teacher.

418.32 (b) The Board of Teaching may issue a lifetime qualified short-call substitute  
418.33 teaching license to a person who:

418.34 (1) was a qualified teacher under section 122A.16 while holding a ~~continuing~~  
418.35 professional five-year teaching license issued by the board, and receives a retirement

419.1 annuity from the Teachers Retirement Association or the St. Paul Teachers Retirement  
419.2 Fund Association;

419.3 (2) holds an out-of-state teaching license and receives a retirement annuity as a  
419.4 result of the person's teaching experience; or

419.5 (3) held a ~~continuing~~ professional five-year teaching license issued by the board,  
419.6 taught at least three school years in an accredited nonpublic school in Minnesota, and  
419.7 receives a retirement annuity as a result of the person's teaching experience.

419.8 A person holding a lifetime qualified short-call substitute teaching license is not required  
419.9 to complete continuing education clock hours. A person holding this license may reapply  
419.10 to the board for a ~~continuing~~ professional five-year teaching license and must again  
419.11 complete continuing education clock hours one school year after receiving the ~~continuing~~  
419.12 professional five-year teaching license.

419.13 Subd. 7b. **Temporary limited licenses; personnel variances.** (a) The Board of  
419.14 Teaching must accept applications for a temporary limited teaching license beginning  
419.15 July 1 of the school year for which the license is requested and must issue or deny the  
419.16 temporary limited teaching license within 30 days of receiving the complete application.

419.17 (b) The Board of Teaching must accept applications for a personnel variance  
419.18 beginning July 1 of the school year for which the variance is requested and must issue or  
419.19 deny the personnel variance within 30 days of receiving the complete application.

419.20 Subd. 7c. **Temporary military license.** The Board of Teaching shall establish  
419.21 a temporary license in accordance with section 197.4552 for teaching. The fee for a  
419.22 temporary license under this subdivision shall be \$87.90 for an online application or  
419.23 \$86.40 for a paper application.

419.24 Subd. 8. **Background checks.** (a) The Board of Teaching and the commissioner  
419.25 of education must request a criminal history background check from the superintendent  
419.26 of the Bureau of Criminal Apprehension on all first-time teaching applicants for ~~initial~~  
419.27 licenses under their jurisdiction. ~~An application for a license under this section must be~~  
419.28 ~~accompanied by~~ Applicants must include with their licensure applications:

419.29 (1) an executed criminal history consent form, including fingerprints; and

419.30 (2) a money order or cashier's check payable to the Bureau of Criminal Apprehension  
419.31 for the fee for conducting the criminal history background check.

419.32 (b) The superintendent of the Bureau of Criminal Apprehension shall perform the  
419.33 background check required under paragraph (a) by retrieving criminal history data as  
419.34 defined in section 13.87 and shall also conduct a search of the national criminal records  
419.35 repository. The superintendent is authorized to exchange fingerprints with the Federal  
419.36 Bureau of Investigation for purposes of the criminal history check. The superintendent

420.1 shall recover the cost to the bureau of a background check through the fee charged to  
 420.2 the applicant under paragraph (a).

420.3 (c) The Board of Teaching or the commissioner of education may issue a license  
 420.4 pending completion of a background check under this subdivision, but must notify  
 420.5 the individual that the individual's license may be revoked based on the result of the  
 420.6 background check.

420.7 Sec. 4. Minnesota Statutes 2015 Supplement, section 122A.23, is amended to read:

420.8 **122A.23 APPLICANTS TRAINED IN OTHER STATES.**

420.9 Subdivision 1. **Preparation equivalency.** When a license to teach is authorized to  
 420.10 be issued to any holder of a diploma or a degree of a Minnesota state university, or of the  
 420.11 University of Minnesota, or of a liberal arts university, or a technical training institution,  
 420.12 such license may also, in the discretion of the Board of Teaching ~~or the commissioner of~~  
 420.13 ~~education, whichever has jurisdiction,~~ be issued to any holder of a diploma or a degree of a  
 420.14 teacher training institution of equivalent rank and standing of any other state. The diploma  
 420.15 or degree must be granted by virtue of completing coursework in teacher preparation as  
 420.16 preliminary to the granting of a diploma or a degree of the same rank and class. For  
 420.17 purposes of granting a Minnesota teaching license to a person who receives a diploma or  
 420.18 degree from a state-accredited, out-of-state teacher training program leading to licensure,  
 420.19 the Board of Teaching must establish criteria and streamlined policies and procedures by  
 420.20 January 1, 2016, to recognize the experience and professional credentials of the person  
 420.21 holding the out-of-state diploma or degree and allow that person to demonstrate to the  
 420.22 board the person's qualifications for receiving a Minnesota teaching license based on  
 420.23 performance measures the board adopts by January 1, 2016, under this section.

420.24 Subd. 2. **Applicants licensed in other states.** (a) Subject to the requirements  
 420.25 of sections 122A.18, subdivision 8, and 123B.03, the Board of Teaching must issue a  
 420.26 professional five-year teaching license or ~~a temporary~~ an initial professional one-year  
 420.27 teaching license under paragraphs (c) to (f) to an applicant who holds at least a  
 420.28 baccalaureate degree from a regionally accredited college or university and holds or  
 420.29 held an out-of-state teaching license that requires the applicant to successfully complete  
 420.30 a teacher preparation program approved by the issuing state, which includes either (1)  
 420.31 field-specific teaching methods, student teaching, or equivalent experience, or (2) at least  
 420.32 two years of teaching experience as the teacher of record in a similar licensure field area.

420.33 (b) The Board of Teaching may issue a standard professional five-year teaching  
 420.34 license on the basis of teaching experience and examination requirements only.

421.1 (c) The Board of Teaching must issue a professional five-year teaching license to  
421.2 an applicant who:

421.3 (1) successfully completed all exams and human relations preparation components  
421.4 required by the Board of Teaching; and

421.5 (2) holds or held an out-of-state teaching license to teach a similar content field and  
421.6 grade levels if the scope of the out-of-state license is no more than two grade levels less  
421.7 than a similar Minnesota license, and either (i) has completed field-specific teaching  
421.8 methods, student teaching, or equivalent experience, or (ii) has at least two years of  
421.9 teaching experience as the teacher of record in a similar licensure field area.

421.10 (d) The Board of Teaching, consistent with board rules and paragraph (i), must  
421.11 issue up to four ~~one-year temporary~~ initial professional one-year teaching licenses to an  
421.12 applicant who holds or held an out-of-state teaching license to teach a similar ~~content field~~  
421.13 licensure area and grade levels, where the scope of the out-of-state license is no more  
421.14 than two grade levels less than a similar Minnesota license, but has not successfully  
421.15 completed all exams and human relations preparation components required by the Board  
421.16 of Teaching. The board must issue a professional five-year teaching license to an applicant  
421.17 who successfully completes the requirements under this paragraph.

421.18 (e) The Board of Teaching, consistent with board rules, must issue up to four initial  
421.19 professional one-year ~~temporary~~ teaching licenses to an applicant who:

421.20 (1) successfully completed all exams and human relations preparation components  
421.21 required by the Board of Teaching; and

421.22 (2) holds or held an out-of-state teaching license to teach a similar ~~content field~~  
421.23 licensure area and grade levels, where the scope of the out-of-state license is no more than  
421.24 two grade levels less than a similar Minnesota license, but has not completed field-specific  
421.25 teaching methods or student teaching or equivalent experience.

421.26 The applicant may complete field-specific teaching methods ~~and student teaching~~  
421.27 ~~or equivalent experience~~ by successfully participating in a one-year school district  
421.28 mentorship program consistent with board-adopted standards of effective practice and  
421.29 Minnesota graduation requirements. If no school district mentorship program is available,  
421.30 the applicant must complete field-specific teaching methods coursework while serving  
421.31 as a teacher of record and providing classroom instruction in the applicant's field of  
421.32 licensure. The board must issue a professional five-year teaching license to an applicant  
421.33 who successfully completes the requirements under this paragraph.

421.34 (f) ~~The Board of Teaching must issue a restricted teaching license for only in the~~  
421.35 ~~content field or grade levels specified in the out-of-state license to an applicant who:~~

422.1 ~~(1) successfully completed all exams and human relations preparation components~~  
 422.2 ~~required by the Board of Teaching; and~~

422.3 ~~(2) holds or held an out-of-state teaching license where the out-of-state license is~~  
 422.4 ~~more limited in the content field or grade levels than a similar Minnesota license.~~

422.5 (f) The Board of Teaching must issue to an applicant with an out-of-state teaching  
 422.6 license up to four initial professional one-year teaching licenses that are restricted in  
 422.7 content or grade levels specified in the out-of-state license if the applicant's out-of-state  
 422.8 teaching license is more limited than a similar Minnesota license in content field or  
 422.9 grade levels. The Board of Teaching must issue a professional five-year teaching license  
 422.10 to an applicant who successfully completes all exams and human relations preparation  
 422.11 components required by the Board of Teaching. Any content or grade level restriction  
 422.12 placed on a license under this paragraph remains in effect.

422.13 (g) The Board of Teaching may issue a two-year ~~limited~~ provisional ~~license~~  
 422.14 permission to an applicant under this subdivision to teach in a shortage area, consistent  
 422.15 with section 122A.18, subdivision 4a.

422.16 (h) The Board of Teaching may issue a license under this subdivision if the applicant  
 422.17 has attained the additional degrees, credentials, or licenses required in a particular  
 422.18 licensure field and the applicant can demonstrate competency by obtaining qualifying  
 422.19 scores on the board-adopted skills examination in reading, writing, and mathematics, and  
 422.20 on applicable board-adopted rigorous content area and pedagogy examinations under  
 422.21 section 122A.09, subdivision 4, paragraphs (a) and (e).

422.22 (i) The Board of Teaching must require an applicant for a professional five-year  
 422.23 teaching license or a temporary an initial professional one-year teaching license under  
 422.24 this subdivision to pass a board-adopted skills examination in reading, writing, and  
 422.25 mathematics before the board issues the license unless, notwithstanding other provisions  
 422.26 of this subdivision, an applicable board-approved National Association of State Directors  
 422.27 of Teacher Education and Certification interstate ~~reciprocity~~ agreement exists to allow  
 422.28 fully certified teachers from other states to transfer their certification to Minnesota.

422.29 **Subd. 3. Teacher licensure agreements with adjoining states.** (a) Notwithstanding  
 422.30 any other law to the contrary, the Board of Teaching must enter into a National Association  
 422.31 of State Directors of Teacher Education and Certification (NASDTEC) interstate  
 422.32 agreement and other interstate agreements for teacher licensure to allow fully certified  
 422.33 teachers from adjoining states to transfer their certification to Minnesota. The board must  
 422.34 enter into these interstate agreements only after determining that the rigor of the teacher  
 422.35 licensure or certification requirements in the adjoining state is commensurate with the  
 422.36 rigor of Minnesota's teacher licensure requirements. The board may limit an interstate

423.1 agreement to particular content fields or grade levels based on established priorities or  
423.2 identified shortages. This subdivision does not apply to out-of-state applicants holding  
423.3 only a provisional teaching license.

423.4 (b) The Board of Teaching must work with designated authorities in adjoining states  
423.5 to establish interstate teacher licensure agreements under this section.

423.6 Sec. 5. Minnesota Statutes 2014, section 122A.245, as amended by Laws 2015, First  
423.7 Special Session chapter 3, article 2, sections 19 to 21, is amended to read:

423.8 **122A.245 ALTERNATIVE TEACHER PREPARATION PROGRAM AND**  
423.9 **~~LIMITED-TERM~~ PRELIMINARY TEACHER LICENSE.**

423.10 Subdivision 1. **Requirements.** (a) To improve academic excellence, improve  
423.11 ethnic and cultural diversity in the classroom, and close the academic achievement gap,  
423.12 the Board of Teaching must approve qualified teacher preparation programs under this  
423.13 section that are a means to acquire a two-year ~~limited-term~~ preliminary teacher license,  
423.14 which the board may renew one time for an additional one-year term, and to prepare for  
423.15 acquiring a standard professional five-year license. The following entities are eligible  
423.16 to participate under this section:

423.17 (1) a school district, charter school, or nonprofit corporation organized under chapter  
423.18 317A for an education-related purpose that forms a partnership with a college or university  
423.19 that has a board-approved alternative teacher preparation program; or

423.20 (2) a school district or charter school, after consulting with a college or university  
423.21 with a board-approved teacher preparation program, that forms a partnership with a  
423.22 nonprofit corporation organized under chapter 317A for an education-related purpose that  
423.23 has a board-approved teacher preparation program.

423.24 (b) Before becoming a teacher of record, a candidate must:

423.25 (1) have a bachelor's degree with a 3.0 or higher grade point average unless the  
423.26 board waives the grade point average requirement based on board-adopted criteria adopted  
423.27 by January 1, 2016;

423.28 (2) demonstrate a passing score on a board-adopted reading, writing, and  
423.29 mathematics skills examination under section 122A.09, subdivision 4, paragraph (b); and

423.30 (3) obtain qualifying scores on applicable board-approved rigorous content area and  
423.31 pedagogy examinations under section 122A.09, subdivision 4, paragraph (e).

423.32 (c) The Board of Teaching must issue a two-year ~~limited-term~~ preliminary teacher  
423.33 license to a person who enrolls in an alternative teacher preparation program.

423.34 Subd. 2. **Characteristics.** An alternative teacher preparation program under this  
423.35 section must include:

424.1 (1) a minimum 200-hour instructional phase that provides intensive preparation and  
424.2 student teaching before the teacher candidate assumes classroom responsibilities;

424.3 (2) a research-based and results-oriented approach focused on best teaching practices  
424.4 to increase student proficiency and growth measured against state academic standards;

424.5 (3) strategies to combine pedagogy and best teaching practices to better inform  
424.6 teacher candidates' classroom instruction;

424.7 (4) assessment, supervision, and evaluation of teacher candidates to determine  
424.8 their specific needs throughout the program and to support their efforts to successfully  
424.9 complete the program;

424.10 (5) intensive, ongoing, and multiyear professional learning opportunities that  
424.11 accelerate teacher candidates' professional growth, support student learning, and provide a  
424.12 workplace orientation, professional staff development, and mentoring and peer review  
424.13 focused on standards of professional practice and continuous professional growth; and

424.14 (6) a requirement that teacher candidates demonstrate to the local site team under  
424.15 subdivision 5 satisfactory progress toward acquiring ~~a standard license~~ professional  
424.16 five-year teaching licenses from the Board of Teaching.

424.17 Subd. 3. **Program approval; disapproval.** (a) The Board of Teaching must approve  
424.18 alternative teacher preparation programs under this section based on board-adopted  
424.19 criteria that reflect best practices for alternative teacher preparation programs, consistent  
424.20 with this section.

424.21 (b) The board must permit teacher candidates to demonstrate mastery of pedagogy  
424.22 and content standards in school-based settings and through other nontraditional means.  
424.23 "Nontraditional means" must include a portfolio of previous experiences, teaching  
424.24 experience, educator evaluations, certifications marking the completion of education  
424.25 training programs, and essentially equivalent demonstrations.

424.26 (c) The board must use nontraditional criteria to determine the qualifications of  
424.27 program instructors.

424.28 (d) The board may permit instructors to hold a baccalaureate degree only.

424.29 (e) If the Board of Teaching determines that a teacher preparation program under this  
424.30 section does not meet the requirements of this section, it may revoke its approval of the  
424.31 program after it notifies the program provider of any deficiencies and gives the program  
424.32 provider an opportunity to remedy the deficiencies.

424.33 Subd. 4. **Employment conditions.** Where applicable, teacher candidates with  
424.34 ~~a limited-term~~ a preliminary teacher license under this section are members of the  
424.35 local employee organization representing teachers and subject to the terms of the local  
424.36 collective bargaining agreement between the exclusive representative of the teachers and

425.1 the school board. A collective bargaining agreement between a school board and the  
425.2 exclusive representative of the teachers must not prevent or restrict or otherwise interfere  
425.3 with a school district's ability to employ a teacher prepared under this section.

425.4 Subd. 5. **Approval for standard professional five-year license.** A school board  
425.5 or its designee must appoint members to a local site team that includes teachers, school  
425.6 administrators, and postsecondary faculty under subdivision 1, paragraph (a), clause  
425.7 (1), or staff of a participating nonprofit corporation under subdivision 1, paragraph (a),  
425.8 clause (2), to evaluate the performance of the teacher candidate. The evaluation must be  
425.9 consistent with board-adopted performance measures, use the Minnesota state standards  
425.10 of effective practice and subject matter content standards for teachers established in  
425.11 Minnesota Rules, and include a report to the board recommending whether or not to issue  
425.12 the teacher candidate a standard professional five-year teaching license.

425.13 Subd. 6. **Applicants trained in other states.** A person who successfully completes  
425.14 another state's alternative teacher preparation program, consistent with section 122A.23,  
425.15 ~~subdivision 1~~, may apply to the Board of Teaching for a ~~standard~~ an initial professional  
425.16 one-year teaching license under subdivision 7 or a professional five-year teaching license.

425.17 Subd. 7. **Standard Professional five-year license.** The Board of Teaching must  
425.18 issue a ~~standard~~ professional five-year teaching license to an otherwise qualified teacher  
425.19 candidate under this section who successfully performs throughout a program under this  
425.20 section, obtains qualifying scores on applicable board-adopted rigorous skills, pedagogy,  
425.21 and content area examinations under section 122A.09, subdivision 4, paragraphs (a) and  
425.22 (e), and is recommended for licensure under subdivision 5 or successfully demonstrates to  
425.23 the board qualifications for licensure under subdivision 6.

425.24 Subd. 8. **Highly Qualified teacher.** A person holding a valid limited-term license  
425.25 under this section is a ~~highly~~ qualified teacher and the teacher of record under section  
425.26 122A.16.

425.27 Subd. 9. **Exchange of best practices.** By July 31 in an even-numbered year,  
425.28 ~~a program participant and~~ approved alternative preparation program providers, the  
425.29 Minnesota State Colleges and Universities, the University of Minnesota, the Minnesota  
425.30 Private College Council, and the Department of Education must exchange information  
425.31 about best practices and educational innovations.

425.32 Subd. 10. **Reports.** The Board of Teaching must submit an interim report on the  
425.33 efficacy of this program to the policy and finance committees of the legislature with  
425.34 jurisdiction over kindergarten through grade 12 education by February 15, 2013, and a  
425.35 final report by February 15, 2015.

426.1 Sec. 6. Minnesota Statutes 2015 Supplement, section 122A.40, subdivision 8, is  
426.2 amended to read:

426.3 Subd. 8. **Development, evaluation, and peer coaching for continuing contract**  
426.4 **teachers.** (a) To improve student learning and success, a school board and an exclusive  
426.5 representative of the teachers in the district, consistent with paragraph (b), may develop  
426.6 a teacher evaluation and peer review process for probationary and continuing contract  
426.7 teachers through joint agreement. If a school board and the exclusive representative of the  
426.8 teachers do not agree to an annual teacher evaluation and peer review process, then the  
426.9 school board and the exclusive representative of the teachers must implement the state  
426.10 teacher evaluation plan under paragraph (c). The process must include having trained  
426.11 observers serve as peer coaches or having teachers participate in professional learning  
426.12 communities, consistent with paragraph (b).

426.13 (b) To develop, improve, and support qualified teachers and effective teaching  
426.14 practices ~~and~~, improve student learning and success, and provide all enrolled students in  
426.15 a district or school with improved and equitable access to more effective and diverse  
426.16 teachers, the annual evaluation process for teachers:

426.17 (1) must, for probationary teachers, provide for all evaluations required under  
426.18 subdivision 5;

426.19 (2) must establish a three-year professional review cycle for each teacher that  
426.20 includes an individual growth and development plan, a peer review process, and at least  
426.21 one summative evaluation performed by a qualified and trained evaluator such as a school  
426.22 administrator. For the years when a tenured teacher is not evaluated by a qualified and  
426.23 trained evaluator, the teacher must be evaluated by a peer review;

426.24 (3) must be based on professional teaching standards established in rule;

426.25 (4) must coordinate staff development activities under sections 122A.60 and  
426.26 122A.61 with this evaluation process and teachers' evaluation outcomes;

426.27 (5) may provide time during the school day and school year for peer coaching and  
426.28 teacher collaboration;

426.29 (6) may include job-embedded learning opportunities such as professional learning  
426.30 communities;

426.31 (7) may include mentoring and induction programs for teachers, including teachers  
426.32 who are members of populations underrepresented among the licensed teachers in  
426.33 the district or school and who reflect the diversity of students under section 120B.35,  
426.34 subdivision 3, paragraph (b), clause (2), who are enrolled in the district or school;

426.35 (8) must include an option for teachers to develop and present a portfolio  
426.36 demonstrating evidence of reflection and professional growth, consistent with section

427.1 122A.18, subdivision 4, paragraph (b), and include teachers' own performance assessment  
427.2 based on student work samples and examples of teachers' work, which may include video  
427.3 among other activities for the summative evaluation;

427.4 (9) must use data from valid and reliable assessments aligned to state and local  
427.5 academic standards and must use state and local measures of student growth and literacy  
427.6 that may include value-added models or student learning goals to determine 35 percent of  
427.7 teacher evaluation results;

427.8 (10) must use longitudinal data on student engagement and connection, and other  
427.9 student outcome measures explicitly aligned with the elements of curriculum for which  
427.10 teachers are responsible, including academic literacy, oral academic language, and  
427.11 achievement of content areas of English learners;

427.12 (11) must require qualified and trained evaluators such as school administrators to  
427.13 perform summative evaluations and ensure school districts and charter schools provide for  
427.14 effective evaluator training specific to teacher development and evaluation;

427.15 (12) must give teachers not meeting professional teaching standards under clauses  
427.16 (3) through (11) support to improve through a teacher improvement process that includes  
427.17 established goals and timelines; and

427.18 (13) must discipline a teacher for not making adequate progress in the teacher  
427.19 improvement process under clause (12) that may include a last chance warning,  
427.20 termination, discharge, nonrenewal, transfer to a different position, a leave of absence, or  
427.21 other discipline a school administrator determines is appropriate.

427.22 Data on individual teachers generated under this subdivision are personnel data  
427.23 under section 13.43. The observation and interview notes of peer coaches may only be  
427.24 disclosed to other school officials with the consent of the teacher being coached.

427.25 (c) The department, in consultation with parents who may represent parent  
427.26 organizations and teacher and administrator representatives appointed by their respective  
427.27 organizations, representing the Board of Teaching, the Minnesota Association of School  
427.28 Administrators, the Minnesota School Boards Association, the Minnesota Elementary  
427.29 and Secondary Principals Associations, Education Minnesota, and representatives of  
427.30 the Minnesota Assessment Group, the Minnesota Business Partnership, the Minnesota  
427.31 Chamber of Commerce, and Minnesota postsecondary institutions with research expertise  
427.32 in teacher evaluation, must create and publish a teacher evaluation process that complies  
427.33 with the requirements in paragraph (b) and applies to all teachers under this section and  
427.34 section 122A.41 for whom no agreement exists under paragraph (a) for an annual teacher  
427.35 evaluation and peer review process. The teacher evaluation process created under this

428.1 subdivision does not create additional due process rights for probationary teachers under  
428.2 subdivision 5.

428.3 (d) Consistent with the measures of teacher effectiveness under this subdivision:

428.4 (1) for students in kindergarten through grade 4, a school administrator must not  
428.5 place or approve the placement of a student in the classroom of a teacher who is in the  
428.6 improvement process referenced in paragraph (b), clause (12), or has not had a summative  
428.7 evaluation if, in the prior year, that student was in the classroom of a teacher who received  
428.8 discipline pursuant to paragraph (b), clause (13), unless no other teacher at the school  
428.9 teaches that grade; and

428.10 (2) for students in grades 5 through 12, a school administrator must not place  
428.11 or approve the placement of a student in the classroom of a teacher who is in the  
428.12 improvement process referenced in paragraph (b), clause (12), or has not had a summative  
428.13 evaluation if, in the prior year, that student was in the classroom of a teacher who received  
428.14 discipline pursuant to paragraph (b), clause (13), unless no other teacher at the school  
428.15 teaches that subject area and grade.

428.16 All data created and used under this paragraph retains its classification under chapter 13.

428.17 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and  
428.18 later.

428.19 Sec. 7. Minnesota Statutes 2015 Supplement, section 122A.41, subdivision 5, is  
428.20 amended to read:

428.21 Subd. 5. **Development, evaluation, and peer coaching for continuing contract**  
428.22 **teachers.** (a) To improve student learning and success, a school board and an exclusive  
428.23 representative of the teachers in the district, consistent with paragraph (b), may develop an  
428.24 annual teacher evaluation and peer review process for probationary and nonprobationary  
428.25 teachers through joint agreement. If a school board and the exclusive representative of  
428.26 the teachers in the district do not agree to an annual teacher evaluation and peer review  
428.27 process, then the school board and the exclusive representative of the teachers must  
428.28 implement the state teacher evaluation plan developed under paragraph (c). The process  
428.29 must include having trained observers serve as peer coaches or having teachers participate  
428.30 in professional learning communities, consistent with paragraph (b).

428.31 (b) To develop, improve, and support qualified teachers and effective teaching  
428.32 practices and improve student learning and success, and provide all enrolled students in  
428.33 a district or school with improved and equitable access to more effective and diverse  
428.34 teachers, the annual evaluation process for teachers:

429.1 (1) must, for probationary teachers, provide for all evaluations required under  
429.2 subdivision 2;

429.3 (2) must establish a three-year professional review cycle for each teacher that  
429.4 includes an individual growth and development plan, a peer review process, and at least  
429.5 one summative evaluation performed by a qualified and trained evaluator such as a school  
429.6 administrator;

429.7 (3) must be based on professional teaching standards established in rule;

429.8 (4) must coordinate staff development activities under sections 122A.60 and  
429.9 122A.61 with this evaluation process and teachers' evaluation outcomes;

429.10 (5) may provide time during the school day and school year for peer coaching and  
429.11 teacher collaboration;

429.12 (6) may include job-embedded learning opportunities such as professional learning  
429.13 communities;

429.14 (7) may include mentoring and induction programs for teachers, including teachers  
429.15 who are members of populations underrepresented among the licensed teachers in  
429.16 the district or school and who reflect the diversity of students under section 120B.35,  
429.17 subdivision 3, paragraph (b), clause (2), who are enrolled in the district or school;

429.18 (8) must include an option for teachers to develop and present a portfolio  
429.19 demonstrating evidence of reflection and professional growth, consistent with section  
429.20 122A.18, subdivision 4, paragraph (b), and include teachers' own performance assessment  
429.21 based on student work samples and examples of teachers' work, which may include video  
429.22 among other activities for the summative evaluation;

429.23 (9) must use data from valid and reliable assessments aligned to state and local  
429.24 academic standards and must use state and local measures of student growth and literacy  
429.25 that may include value-added models or student learning goals to determine 35 percent of  
429.26 teacher evaluation results;

429.27 (10) must use longitudinal data on student engagement and connection and other  
429.28 student outcome measures explicitly aligned with the elements of curriculum for which  
429.29 teachers are responsible, including academic literacy, oral academic language, and  
429.30 achievement of English learners;

429.31 (11) must require qualified and trained evaluators such as school administrators to  
429.32 perform summative evaluations and ensure school districts and charter schools provide for  
429.33 effective evaluator training specific to teacher development and evaluation;

429.34 (12) must give teachers not meeting professional teaching standards under clauses  
429.35 (3) through (11) support to improve through a teacher improvement process that includes  
429.36 established goals and timelines; and

430.1 (13) must discipline a teacher for not making adequate progress in the teacher  
430.2 improvement process under clause (12) that may include a last chance warning,  
430.3 termination, discharge, nonrenewal, transfer to a different position, a leave of absence, or  
430.4 other discipline a school administrator determines is appropriate.

430.5 Data on individual teachers generated under this subdivision are personnel data  
430.6 under section 13.43. The observation and interview notes of peer coaches may only be  
430.7 disclosed to other school officials with the consent of the teacher being coached.

430.8 (c) The department, in consultation with parents who may represent parent  
430.9 organizations and teacher and administrator representatives appointed by their respective  
430.10 organizations, representing the Board of Teaching, the Minnesota Association of School  
430.11 Administrators, the Minnesota School Boards Association, the Minnesota Elementary  
430.12 and Secondary Principals Associations, Education Minnesota, and representatives of  
430.13 the Minnesota Assessment Group, the Minnesota Business Partnership, the Minnesota  
430.14 Chamber of Commerce, and Minnesota postsecondary institutions with research expertise  
430.15 in teacher evaluation, must create and publish a teacher evaluation process that complies  
430.16 with the requirements in paragraph (b) and applies to all teachers under this section and  
430.17 section 122A.40 for whom no agreement exists under paragraph (a) for an annual teacher  
430.18 evaluation and peer review process. The teacher evaluation process created under this  
430.19 subdivision does not create additional due process rights for probationary teachers under  
430.20 subdivision 2.

430.21 (d) Consistent with the measures of teacher effectiveness under this subdivision:

430.22 (1) for students in kindergarten through grade 4, a school administrator must not  
430.23 place or approve the placement of a student in the classroom of a teacher who is in the  
430.24 improvement process referenced in paragraph (b), clause (12), or has not had a summative  
430.25 evaluation if, in the prior year, that student was in the classroom of a teacher who received  
430.26 discipline pursuant to paragraph (b), clause (13), unless no other teacher at the school  
430.27 teaches that grade; and

430.28 (2) for students in grades 5 through 12, a school administrator must not place  
430.29 or approve the placement of a student in the classroom of a teacher who is in the  
430.30 improvement process referenced in paragraph (b), clause (12), or has not had a summative  
430.31 evaluation if, in the prior year, that student was in the classroom of a teacher who received  
430.32 discipline pursuant to paragraph (b), clause (13), unless no other teacher at the school  
430.33 teaches that subject area and grade.

430.34 All data created and used under this paragraph retains its classification under chapter 13.

431.1 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and  
431.2 later.

431.3 Sec. 8. Minnesota Statutes 2015 Supplement, section 122A.414, subdivision 1, is  
431.4 amended to read:

431.5 Subdivision 1. **Restructured pay system.** A restructured alternative teacher  
431.6 professional pay system is established under subdivision 2 to provide incentives to  
431.7 encourage teachers to improve their knowledge and instructional skills in order to improve  
431.8 student learning and for school districts, intermediate school districts, cooperative units,  
431.9 as defined in section 123A.24, subdivision 2, and charter schools to recruit and retain  
431.10 highly qualified teachers, encourage highly qualified teachers to undertake challenging  
431.11 assignments, and support teachers' roles in improving students' educational achievement.

431.12 Sec. 9. Minnesota Statutes 2015 Supplement, section 122A.414, subdivision 2, is  
431.13 amended to read:

431.14 Subd. 2. **Alternative teacher professional pay system.** (a) To participate in this  
431.15 program, a school district, an intermediate school district consistent with paragraph (d), a  
431.16 school site, or a charter school must have ~~an educational improvement plan under section~~  
431.17 ~~122A.413~~ a world's best workforce plan under section 120B.11 and an alternative teacher  
431.18 professional pay system agreement under paragraph (b). A charter school participant also  
431.19 must comply with subdivision 2a.

431.20 (b) The alternative teacher professional pay system agreement must:

431.21 (1) describe how teachers can achieve career advancement and additional  
431.22 compensation;

431.23 (2) describe how the school district, intermediate school district, school site, or  
431.24 charter school will provide teachers with career advancement options that allow teachers  
431.25 to retain primary roles in student instruction and facilitate site-focused professional  
431.26 development that helps other teachers improve their skills;

431.27 (3) reform the "steps and lanes" salary schedule, prevent any teacher's compensation  
431.28 paid before implementing the pay system from being reduced as a result of participating in  
431.29 this system, base at least 60 percent of any compensation increase on teacher performance  
431.30 using:

431.31 (i) schoolwide student achievement gains under section 120B.35 or locally selected  
431.32 standardized assessment outcomes, or both;

431.33 (ii) measures of student growth and literacy that may include value-added models  
431.34 or student learning goals, consistent with section 122A.40, subdivision 8, paragraph

432.1 (b), clause (9), or 122A.41, subdivision 5, paragraph (b), clause (9), and other measures  
432.2 that include the academic literacy, oral academic language, and achievement of English  
432.3 learners under section 122A.40, subdivision 8, paragraph (b), clause (10), or 122A.41,  
432.4 subdivision 5, paragraph (b), clause (10); and

432.5 (iii) an objective evaluation program under section 122A.40, subdivision 8,  
432.6 paragraph (b), clause (2), or 122A.41, subdivision 5, paragraph (b), clause (2);

432.7 (4) provide for participation in job-embedded learning opportunities such as  
432.8 professional learning communities to improve instructional skills and learning that are  
432.9 aligned with student needs under section ~~122A.413~~ 120B.11, consistent with the staff  
432.10 development plan under section 122A.60 and led during the school day by trained teacher  
432.11 leaders such as master or mentor teachers;

432.12 (5) allow any teacher in a participating school district, intermediate school district,  
432.13 school site, or charter school that implements an alternative pay system to participate in  
432.14 that system without any quota or other limit; and

432.15 (6) encourage collaboration rather than competition among teachers.

432.16 (c) The alternative teacher professional pay system may:

432.17 (1) include a hiring bonus or other added compensation for teachers who are  
432.18 identified as effective or highly effective under the local teacher professional review  
432.19 cycle and work in a hard-to-fill position or in a hard-to-staff school such as a school with  
432.20 a majority of students whose families meet federal poverty guidelines, a geographically  
432.21 isolated school, or a school identified by the state as eligible for targeted programs or  
432.22 services for its students; and

432.23 (2) include incentives for teachers to obtain a master's degree or other advanced  
432.24 certification in their content field of licensure, pursue the training or education necessary  
432.25 to obtain an additional licensure in shortage areas identified by the district or charter  
432.26 school, or help fund a "grow your own" new teacher initiative.

432.27 (d) An intermediate school district under this subdivision must demonstrate in a  
432.28 form and manner determined by the commissioner that it uses the aid it receives under this  
432.29 section for activities identified in the alternative teacher professional pay system agreement.

432.30 Sec. 10. Minnesota Statutes 2015 Supplement, section 122A.414, subdivision 2b,  
432.31 is amended to read:

432.32 Subd. 2b. **Approval process.** (a) Consistent with the requirements of this section  
432.33 and ~~sections 122A.413 and section~~ section 122A.415, the department must prepare and transmit  
432.34 to interested school districts, intermediate school districts, cooperatives, school sites,  
432.35 and charter schools a standard form for applying to participate in the alternative teacher

433.1 professional pay system. The commissioner annually must establish three dates as  
433.2 deadlines by which interested applicants must submit an application to the commissioner  
433.3 under this section. An interested school district, intermediate school district, cooperative,  
433.4 school site, or charter school must submit to the commissioner a completed application  
433.5 executed by the district superintendent and the exclusive bargaining representative of the  
433.6 teachers if the applicant is a school district, intermediate school district, or school site, or  
433.7 executed by the charter school board of directors if the applicant is a charter school or  
433.8 executed by the governing board if the applicant is a cooperative unit. The application  
433.9 must include the proposed alternative teacher professional pay system agreement under  
433.10 subdivision 2. The department must review a completed application within 30 days of  
433.11 the most recent application deadline and recommend to the commissioner whether to  
433.12 approve or disapprove the application. The commissioner must approve applications  
433.13 on a first-come, first-served basis. The applicant's alternative teacher professional pay  
433.14 system agreement must be legally binding on the applicant and the collective bargaining  
433.15 representative before the applicant receives alternative compensation revenue. The  
433.16 commissioner must approve or disapprove an application based on the requirements  
433.17 under subdivisions 2 and 2a.

433.18 (b) If the commissioner disapproves an application, the commissioner must give the  
433.19 applicant timely notice of the specific reasons in detail for disapproving the application.  
433.20 The applicant may revise and resubmit its application and related documents to the  
433.21 commissioner within 30 days of receiving notice of the commissioner's disapproval and  
433.22 the commissioner must approve or disapprove the revised application, consistent with this  
433.23 subdivision. Applications that are revised and then approved are considered submitted on  
433.24 the date the applicant initially submitted the application.

433.25 Sec. 11. Minnesota Statutes 2015 Supplement, section 122A.414, subdivision 3,  
433.26 is amended to read:

433.27 Subd. 3. **Report; continued funding.** (a) Participating districts, intermediate school  
433.28 districts, cooperatives, school sites, and charter schools must report on the implementation  
433.29 and effectiveness of the alternative teacher professional pay system, particularly  
433.30 addressing each requirement under subdivision 2 and make annual recommendations by  
433.31 June 15 to their school boards. ~~The school board, board of directors, or governing board~~  
433.32 ~~shall transmit a copy of the report with a summary of the findings and recommendations~~  
433.33 ~~of the district, intermediate school district, cooperative, school site, or charter school to~~  
433.34 ~~the commissioner in the form and manner determined by the commissioner.~~

434.1 ~~(b) If the commissioner determines that a school district, intermediate school district,~~  
434.2 ~~cooperative, school site, or charter school that receives alternative teacher compensation~~  
434.3 ~~revenue is not complying with the requirements of this section, the commissioner~~  
434.4 ~~may withhold funding from that participant. Before making the determination, the~~  
434.5 ~~commissioner must notify the participant of any deficiencies and provide the participant~~  
434.6 ~~an opportunity to comply. A district must include the report required under paragraph (a)~~  
434.7 ~~as part of the world's best workforce report under section 120B.11, subdivision 5.~~

434.8 Sec. 12. Minnesota Statutes 2014, section 122A.4144, is amended to read:

434.9 **122A.4144 SUPPLEMENTAL AGREEMENTS; ALTERNATIVE TEACHER**  
434.10 **PAY.**

434.11 Notwithstanding section 179A.20 or other law to the contrary, a school board and  
434.12 the exclusive representative of the teachers may agree to reopen a collective bargaining  
434.13 agreement for the purpose of entering into an alternative teacher professional pay system  
434.14 agreement under sections ~~122A.413~~, 122A.414, and 122A.415. Negotiations for a contract  
434.15 reopened under this section must be limited to issues related to the alternative teacher  
434.16 professional pay system.

434.17 Sec. 13. Minnesota Statutes 2015 Supplement, section 122A.415, subdivision 4,  
434.18 is amended to read:

434.19 Subd. 4. **Basic alternative teacher compensation aid.** (a) The basic alternative  
434.20 teacher compensation aid for a school with a plan approved under section 122A.414,  
434.21 subdivision 2b, equals 65 percent of the alternative teacher compensation revenue under  
434.22 subdivision 1. The basic alternative teacher compensation aid for a charter school with a  
434.23 plan approved under section 122A.414, subdivisions 2a and 2b, equals \$260 times the  
434.24 number of pupils enrolled in the school on October 1 of the previous year, or on October  
434.25 1 of the current year for a charter school in the first year of operation, times the ratio of  
434.26 the sum of the alternative teacher compensation aid and alternative teacher compensation  
434.27 levy for all participating school districts to the maximum alternative teacher compensation  
434.28 revenue for those districts under subdivision 1.

434.29 (b) Notwithstanding paragraph (a) and subdivision 1, the state total basic alternative  
434.30 teacher compensation aid entitlement must not exceed \$75,840,000 for fiscal year 2016  
434.31 and \$88,118,000 for fiscal year 2017 and later. The commissioner must limit the amount  
434.32 of alternative teacher compensation aid approved under this section so as not to exceed  
434.33 these limits by not approving new participants or by prorating the aid among participating  
434.34 districts, intermediate school districts, school sites, and charter schools. The commissioner

435.1 may also reallocate a portion of the allowable aid for the biennium from the second year  
435.2 to the first year to meet the needs of approved participants. Basic alternative teacher  
435.3 compensation aid for an intermediate district or other cooperative unit equals \$3,000 times  
435.4 the number of licensed teachers employed by the intermediate district or cooperative unit  
435.5 on October 1 of the previous school year.

435.6 **EFFECTIVE DATE.** This section is effective the day following final enactment.

435.7 Sec. 14. Minnesota Statutes 2014, section 122A.416, is amended to read:

435.8 **122A.416 ALTERNATIVE TEACHER COMPENSATION REVENUE**  
435.9 **FOR PERPICH CENTER FOR ARTS EDUCATION AND MULTIDISTRICT**  
435.10 **INTEGRATION COLLABORATIVES.**

435.11 Notwithstanding sections ~~122A.413~~, 122A.414, 122A.415, and 126C.10,  
435.12 multidistrict integration collaboratives and the Perpich Center for Arts Education are  
435.13 eligible to receive alternative teacher compensation revenue as if they were intermediate  
435.14 school districts. To qualify for alternative teacher compensation revenue, a multidistrict  
435.15 integration collaborative or the Perpich Center for Arts Education must meet all of the  
435.16 requirements of sections ~~122A.413~~, 122A.414, and 122A.415 that apply to intermediate  
435.17 school districts, must report its enrollment as of October 1 of each year to the department,  
435.18 and must annually report its expenditures for the alternative teacher professional pay  
435.19 system consistent with the uniform financial accounting and reporting standards to the  
435.20 department by November 30 of each year.

435.21 Sec. 15. Minnesota Statutes 2014, section 122A.42, is amended to read:

435.22 **122A.42 GENERAL CONTROL OF SCHOOLS.**

435.23 (a) The teacher of record shall have the general control and government of the  
435.24 school and classroom. When more than one teacher is employed in any district, one of the  
435.25 teachers may be designated by the board as principal and shall have the general control  
435.26 and supervision of the schools of the district, subject to the general supervisory control  
435.27 of the board and other officers.

435.28 (b) Consistent with paragraph (a), the teacher may remove students from class under  
435.29 section 121A.61, subdivision 2, for violent or disruptive conduct.

435.30 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and  
435.31 later.

436.1 Sec. 16. Minnesota Statutes 2015 Supplement, section 122A.60, subdivision 4, is  
436.2 amended to read:

436.3 Subd. 4. **Staff development report.** ~~(a) By October 15 of each year,~~ The district  
436.4 and site staff development committees shall write ~~and submit~~ a report of staff development  
436.5 activities and expenditures for the previous year, ~~in the form and manner determined by~~  
436.6 ~~the commissioner.~~ The report, signed by the district superintendent and staff development  
436.7 chair, must include assessment and evaluation data indicating progress toward district and  
436.8 site staff development goals based on teaching and learning outcomes, including the  
436.9 percentage of teachers and other staff involved in instruction who participate in effective  
436.10 staff development activities under subdivision 3 as part of the district's world's best  
436.11 workforce report under section 120B.11, subdivision 5.

436.12 (b) The report must break down expenditures for:

436.13 (1) curriculum development and curriculum training programs; and

436.14 (2) staff development training models, workshops, and conferences, and the cost of  
436.15 releasing teachers or providing substitute teachers for staff development purposes.

436.16 The report also must indicate whether the expenditures were incurred at the district  
436.17 level or the school site level, and whether the school site expenditures were made possible  
436.18 by grants to school sites that demonstrate exemplary use of allocated staff development  
436.19 revenue. These expenditures must be reported using the uniform financial and accounting  
436.20 and reporting standards.

436.21 ~~(c) The commissioner shall report the staff development progress and expenditure~~  
436.22 ~~data to the house of representatives and senate committees having jurisdiction over~~  
436.23 ~~education by February 15 each year.~~

436.24 Sec. 17. Minnesota Statutes 2014, section 122A.63, subdivision 1, is amended to read:

436.25 Subdivision 1. **Establishment.** (a) A grant program is established to assist American  
436.26 Indian people to become teachers and to provide additional education for American Indian  
436.27 teachers. The commissioner may award a joint grant to each of the following:

436.28 (1) the Duluth campus of the University of Minnesota and Independent School  
436.29 District No. 709, Duluth;

436.30 (2) Bemidji State University and Independent School District No. 38, Red Lake;

436.31 (3) Moorhead State University and one of the school districts located within the  
436.32 White Earth Reservation; and

436.33 (4) Augsburg College, Independent School District No. 625, St. Paul, and Special  
436.34 School District No. 1, Minneapolis.

437.1 (b) If additional funds are available, the commissioner may award additional joint  
437.2 grants to other postsecondary institutions and school districts.

437.3 Sec. 18. Minnesota Statutes 2014, section 122A.72, subdivision 5, is amended to read:

437.4 Subd. 5. **Center functions.** (a) A teacher center shall perform functions according  
437.5 to this subdivision. The center shall assist teachers, diagnose learning needs, experiment  
437.6 with the use of multiple instructional approaches, assess pupil outcomes, assess staff  
437.7 development needs and plans, and teach school personnel about effective pedagogical  
437.8 approaches. The center shall develop and produce curricula and curricular materials  
437.9 designed to meet the educational needs of pupils being served, by applying educational  
437.10 research and new and improved methods, practices, and techniques. The center shall  
437.11 provide programs to improve the skills of teachers to meet the special educational needs of  
437.12 pupils. The center shall provide programs to familiarize teachers with developments in  
437.13 curriculum formulation and educational research, including how research can be used to  
437.14 improve teaching skills. The center shall facilitate sharing of resources, ideas, methods,  
437.15 and approaches directly related to classroom instruction and improve teachers' familiarity  
437.16 with current teaching materials and products for use in their classrooms. The center shall  
437.17 provide in-service programs.

437.18 (b) Each teacher center must provide a professional development program to train  
437.19 interested and highly qualified elementary, middle, and secondary teachers, selected by the  
437.20 employing school district, to assist other teachers in that district with mathematics and  
437.21 science curriculum, standards, and instruction so that all teachers have access to:

437.22 (1) high quality professional development programs in mathematics and science that  
437.23 address curriculum, instructional methods, alignment of standards, and performance  
437.24 measurements, enhance teacher and student learning, and support state mathematics and  
437.25 science standards; and

437.26 (2) research-based mathematics and science programs and instructional models  
437.27 premised on best practices that inspire teachers and students and have practical classroom  
437.28 application.

437.29 Sec. 19. Minnesota Statutes 2014, section 124D.861, as amended by Laws 2015,  
437.30 chapter 21, article 1, section 20, is amended to read:

437.31 **124D.861 ACHIEVEMENT AND INTEGRATION FOR MINNESOTA.**

437.32 Subdivision 1. **Program to close the academic achievement and opportunity gap;**  
437.33 **revenue uses.** (a) The "Achievement and Integration for Minnesota" program is established  
437.34 to pursue racial and economic integration and increase student academic achievement,

438.1 create equitable educational opportunities, and reduce academic disparities based on  
438.2 students' diverse racial, ethnic, and economic backgrounds in Minnesota public schools.

438.3 (b) For purposes of this section and section 124D.862, "eligible district" means a  
438.4 district required to submit a plan to the commissioner under Minnesota Rules governing  
438.5 school desegregation and integration, or be a member of a multidistrict integration  
438.6 collaborative that files a plan with the commissioner.

438.7 (c) Eligible districts must use the revenue under section 124D.862 to pursue  
438.8 academic achievement and racial and economic integration through:

438.9 (1) integrated learning environments that give students improved and equitable  
438.10 access to effective and more diverse teachers, prepare all students to be effective citizens,  
438.11 and enhance social cohesion;

438.12 (2) policies and curricula and trained instructors, administrators, school counselors,  
438.13 and other advocates to support and enhance integrated learning environments under  
438.14 this section, including through magnet schools, innovative, research-based instruction,  
438.15 differentiated instruction, improved and equitable access to effective and diverse teachers,  
438.16 and targeted interventions to improve achievement; and

438.17 (3) rigorous career and college readiness programs and effective and more diverse  
438.18 instructors for underserved student populations, consistent with section 120B.30,  
438.19 subdivision 1; integrated learning environments to increase student academic achievement;  
438.20 cultural fluency, competency, and interaction; graduation and educational attainment rates;  
438.21 and parent involvement.

438.22 (d) Consistent with paragraph (c), eligible districts may adopt policies to increase the  
438.23 diversity of district teachers and administrators using the revenue under section 124D.862  
438.24 for recruitment, retention, and hiring incentives or additional compensation.

438.25 Subd. 2. **Plan implementation; components.** (a) The school board of each eligible  
438.26 district must formally develop and implement a long-term plan under this section. The plan  
438.27 must be incorporated into the district's comprehensive strategic plan under section 120B.11.  
438.28 Plan components may include: innovative and integrated prekindergarten through grade 12  
438.29 learning environments that offer students school enrollment choices; family engagement  
438.30 initiatives that involve families in their students' academic life and success; professional  
438.31 development opportunities for teachers and administrators focused on improving the  
438.32 academic achievement of all students, including teachers and administrators who are  
438.33 members of populations underrepresented among the licensed teachers or administrators  
438.34 in the district or school and who reflect the diversity of students under section 120B.35,  
438.35 subdivision 3, paragraph (b), clause (2), who are enrolled in the district or school;  
438.36 increased programmatic opportunities and effective and more diverse instructors focused

439.1 on rigor and college and career readiness for underserved students, including students  
439.2 enrolled in alternative learning centers under section 123A.05, public alternative programs  
439.3 under section 126C.05, subdivision 15, and contract alternative programs under section  
439.4 124D.69, among other underserved students; or recruitment and retention of teachers and  
439.5 administrators with diverse racial and ethnic backgrounds. The plan must contain goals for:

439.6 (1) reducing the disparities in academic achievement and in equitable access to  
439.7 effective and more diverse teachers among all students and specific categories of students  
439.8 under section 120B.35, subdivision 3, paragraph (b), excluding the student categories of  
439.9 gender, disability, and English learners; and

439.10 (2) increasing racial and economic diversity and integration in schools and districts.

439.11 (b) Among other requirements, an eligible district must implement effective,  
439.12 research-based interventions that include formative assessment practices to reduce the  
439.13 disparities in student academic performance among the specific categories of students as  
439.14 measured by student progress and growth on state reading and math assessments and  
439.15 as aligned with section 120B.11.

439.16 (c) Eligible districts must create efficiencies and eliminate duplicative programs  
439.17 and services under this section, which may include forming collaborations or a single,  
439.18 seven-county metropolitan areawide partnership of eligible districts for this purpose.

439.19 **Subd. 3. Public engagement; progress report and budget process.** (a) To  
439.20 receive revenue under section 124D.862, the school board of an eligible district must  
439.21 incorporate school and district plan components under section 120B.11 into the district's  
439.22 comprehensive integration plan.

439.23 (b) A school board must hold at least one formal annual hearing to publicly report  
439.24 its progress in realizing the goals identified in its plan. At the hearing, the board must  
439.25 provide the public with longitudinal data demonstrating district and school progress in  
439.26 reducing the disparities in student academic performance among the specified categories  
439.27 of students, in improving students' equitable access to effective and more diverse teachers,  
439.28 and in realizing racial and economic diversity and integration, consistent with the district  
439.29 plan and the measures in paragraph (a). At least 30 days before the formal hearing under  
439.30 this paragraph, the board must post its plan, its preliminary analysis, relevant student  
439.31 performance data, and other longitudinal data on the district's Web site. A district must  
439.32 hold one hearing to meet the hearing requirements of both this section and section 120B.11.

439.33 (c) The district must submit a detailed budget to the commissioner by March 15 in  
439.34 the year before it implements its plan. The commissioner must review, and approve or  
439.35 disapprove the district's budget by June 1 of that year.

440.1 (d) The longitudinal data required under paragraph (b) must be based on student  
440.2 growth and progress in reading and mathematics, as defined under section 120B.30,  
440.3 subdivision 1, and student performance data and achievement reports from fully adaptive  
440.4 reading and mathematics assessments for grades 3 through 7 beginning in the 2015-2016  
440.5 school year under section 120B.30, subdivision 1a, and either (i) school enrollment  
440.6 choices, (ii) the number of world language proficiency or high achievement certificates  
440.7 awarded under section 120B.022, subdivision 1a, or the number of state bilingual and  
440.8 multilingual seals issued under section 120B.022, subdivision 1b, or (iii) school safety  
440.9 and students' engagement and connection at school under section 120B.35, subdivision 3,  
440.10 paragraph (d). Additional longitudinal data may be based on: students' progress toward  
440.11 career and college readiness under section 120B.30, subdivision 1; or rigorous coursework  
440.12 completed under section 120B.35, subdivision 3, paragraph (c), clause (2).

440.13 Subd. 4. **Timeline and implementation.** A board must approve its plan and submit  
440.14 it to the department by March 15. If a district that is part of a multidistrict council applies  
440.15 for revenue for a plan, the individual district shall not receive revenue unless it ratifies  
440.16 the plan adopted by the multidistrict council. Each plan has a term of three years. For  
440.17 the 2014-2015 school year, an eligible district under this section must submit its plan to  
440.18 the commissioner for review by March 15, 2014. For the 2013-2014 school year only,  
440.19 an eligible district may continue to implement its current plan until the commissioner  
440.20 approves a new plan under this section.

440.21 Subd. 5. **Evaluation.** The commissioner must evaluate the efficacy of district  
440.22 plans in reducing the disparities in student academic performance among the specified  
440.23 categories of students within the district, improving students' equitable access to effective  
440.24 and diverse teachers, and in realizing racial and economic diversity and integration.  
440.25 The commissioner shall report evaluation results to the kindergarten through grade 12  
440.26 education committees of the legislature by February 1 of every odd-numbered year.

440.27 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and  
440.28 later.

440.29 Sec. 20. Minnesota Statutes 2015 Supplement, section 127A.05, subdivision 6, is  
440.30 amended to read:

440.31 Subd. 6. **Survey of districts.** The commissioner of education shall survey the state's  
440.32 school districts and teacher preparation programs and report to the education committees  
440.33 of the legislature by February 1 of each odd-numbered year on the status of teacher early  
440.34 retirement patterns, the access to effective and more diverse teachers who reflect the  
440.35 students under section 120B.35, subdivision 3, paragraph (b), clause (2), enrolled in

441.1 a district or school, the teacher shortage, and the substitute teacher shortage, including  
441.2 patterns and shortages in subject areas and the economic development regions of the state.  
441.3 The report must also include: aggregate data on teachers' self-reported race and ethnicity;  
441.4 data on how districts are making progress in hiring teachers and substitutes in the areas  
441.5 of shortage; and a five-year projection of teacher demand for each district, taking into  
441.6 account the students under section 120B.35, subdivision 3, paragraph (b), clause (2),  
441.7 expected to enroll in the district during that five-year period.

441.8 **Sec. 21. [136F.361] CAREER AND TECHNICAL EDUCATION**  
441.9 **CERTIFICATION AND LICENSURE.**

441.10 (a) The Board of Trustees of the Minnesota State Colleges and Universities  
441.11 System, consistent with section 122A.09, subdivision 10, paragraph (e), must provide  
441.12 an alternative preparation program allowing individuals to be certified as a career and  
441.13 technical education instructor able to teach career and technical education courses offered  
441.14 by a school district or charter school. The Board of Trustees may locate the first program  
441.15 in the seven county metropolitan area.

441.16 (b) Consistent with paragraph (a), the Board of Trustees of the Minnesota State  
441.17 Colleges and Universities system, in consultation with the Board of Teaching, must  
441.18 develop the standards, pedagogy, and curriculum for an alternative preparation program to  
441.19 prepare qualified individuals: to attain certification as a career and technical education  
441.20 instructor under section 122A.09, subdivision 10, paragraph (e), during the 2016-2017  
441.21 through 2018-2019 school years; and to attain either certification or licensure as a career  
441.22 and technical education instructor or teacher to teach career and technical education  
441.23 courses offered by a school district or charter school in the 2019-2020 school year and later.

441.24 **EFFECTIVE DATE.** This section is effective for the 2016-2017 academic year  
441.25 and later.

441.26 **Sec. 22. STAFF DEVELOPMENT GRANTS FOR INTERMEDIATE SCHOOL**  
441.27 **DISTRICTS AND OTHER COOPERATIVE UNITS.**

441.28 (a) For fiscal years 2017, 2018, and 2019 only, an intermediate school district or  
441.29 other cooperative unit providing instruction to students in federal instructional settings  
441.30 of level 4 or higher qualifies for staff development grants equal to \$1,000 times the  
441.31 full-time equivalent number of licensed instructional staff and nonlicensed classroom  
441.32 aides employed by or assigned to the intermediate school district or other cooperative unit  
441.33 during the previous fiscal year.

442.1 (b) Staff development grants received under this section must be used for activities  
442.2 related to enhancing services to students who may have challenging behaviors or mental  
442.3 health issues or be suffering from trauma. Specific qualifying staff development activities  
442.4 include but are not limited to:

442.5 (1) proactive behavior management;

442.6 (2) personal safety training;

442.7 (3) de-escalation techniques; and

442.8 (4) adaptation of published curriculum and pedagogy for students with complex  
442.9 learning and behavioral needs.

442.10 (c) The grants received under this section must be reserved and spent only on the  
442.11 activities specified in this section. If funding for purposes of this section is insufficient,  
442.12 the commissioner must prorate the grants.

442.13 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2017  
442.14 and later.

442.15 Sec. 23. **CAREER AND TECHNICAL EDUCATOR LICENSING ADVISORY**  
442.16 **TASK FORCE.**

442.17 Subdivision 1. **Creation.** The Career and Technical Educator Licensing Advisory  
442.18 Task Force consists of the following members, appointed by the commissioner of  
442.19 education, unless otherwise specified:

442.20 (1) one person who is a member of the Board of Teaching;

442.21 (2) one person representing colleges and universities offering a board-approved  
442.22 teacher preparation program;

442.23 (3) one person representing science, technology, engineering, and math programs,  
442.24 such as Project Lead the Way;

442.25 (4) one person designated by the Board of the Minnesota Association for Career and  
442.26 Technical Administrators;

442.27 (5) one person designated by the Board of the Minnesota Association for Career  
442.28 and Technical Education;

442.29 (6) three people who are secondary school administrators, including superintendents,  
442.30 principals, and assistant principals; and

442.31 (7) two people who are members of other interested groups, as determined by the  
442.32 commissioner of education.

442.33 The commissioner and designating authorities must make their initial appointments  
442.34 and designations by July 1, 2016. The commissioner and designating authorities, to the

443.1 extent practicable, should make appointments balanced as to gender and reflecting the  
443.2 ethnic diversity of the state population.

443.3 Subd. 2. **Duties; report.** The task force must review the current status of career and  
443.4 technical educator licenses and provide recommendations on changes, if any are deemed  
443.5 necessary, to the licensure requirements and methods to increase access for school districts  
443.6 to licensed career and technical educators. The task force must report its findings and  
443.7 recommendations, with draft legislation if needed to implement the recommendations, to  
443.8 the chairs and ranking minority members of the legislative committees with jurisdiction  
443.9 over kindergarten through grade 12 education and higher education by January 15, 2017.

443.10 Subd. 3. **First meeting.** The commissioner of education or the commissioner's  
443.11 designee must convene the first meeting of the task force by September 1, 2016.

443.12 Subd. 4. **Administrative support.** The commissioner of education must provide  
443.13 meeting space and administrative services for the task force.

443.14 Subd. 5. **Chair.** The commissioner of education or the commissioner's designee  
443.15 shall serve as chair of the task force.

443.16 Subd. 6. **Compensation.** The public members of the task force serve without  
443.17 compensation or payment of expenses.

443.18 Subd. 7. **Expiration.** The task force expires January 16, 2017, or upon submission  
443.19 of the report required in subdivision 2, whichever is earlier.

443.20 **EFFECTIVE DATE.** This section is effective the day following final enactment.

443.21 Sec. 24. **LEGISLATIVE STUDY GROUP ON EDUCATOR LICENSURE.**

443.22 (a) A 12-member legislative study group on teacher licensure is created to review  
443.23 the 2016 report prepared by the Office of the Legislative Auditor on the Minnesota teacher  
443.24 licensure program and submit a written report by February 1, 2017, to the legislature  
443.25 recommending how to restructure Minnesota's teacher licensure system by consolidating  
443.26 all teacher licensure activities into a single state entity to ensure transparency and  
443.27 consistency or, at a minimum, clarify existing teacher licensure responsibilities to provide  
443.28 transparency and consistency. In developing its recommendations, the study group must  
443.29 consider the tiered licensure system recommended in the legislative auditor's report,  
443.30 among other recommendations. The study group must identify and include in its report  
443.31 any statutory changes needed to implement the study group recommendations.

443.32 (b) The legislative study group on educator licensure includes:

443.33 (1) six duly elected and currently serving members of the house of representatives,  
443.34 three appointed by the speaker of the house and three appointed by the house minority

444.1 leader, and one of whom must be the current chair of the house of representatives

444.2 Education Innovation Policy Committee; and

444.3 (2) six duly elected and currently serving senators, three appointed by the senate

444.4 majority leader and three appointed by the senate minority leader, one of whom must be

444.5 the current chair of the senate Education Committee.

444.6 Only duly elected and currently serving members of the house of representatives or senate

444.7 may be study group members.

444.8 (c) The appointments must be made by June 1, 2016, and expire February 2, 2017.

444.9 If a vacancy occurs, the leader of the caucus in the house of representatives or senate to

444.10 which the vacating study group member belonged must fill the vacancy. The chair of the

444.11 house Education Innovation Policy Committee shall convene the first meeting of the study

444.12 group. The study group shall elect a chair or cochairs from among the members at the

444.13 first meeting. The study group must meet periodically. The Legislative Coordinating

444.14 Commission shall provide technical and administrative assistance upon request.

444.15 (d) In reviewing the legislative auditor's report and developing its recommendations,

444.16 the study group must consult with interested and affected stakeholders, including

444.17 representatives of the Board of Teaching, Minnesota Department of Education, Education

444.18 Minnesota, MinnCAN, Minnesota Business Partnership, Minnesota Rural Education

444.19 Association, Association of Metropolitan School Districts, Minnesota Association of

444.20 Colleges for Teacher Education, College of Education and Human Development at

444.21 the University of Minnesota, Minnesota State Colleges and Universities, Minnesota

444.22 Private College Council, Minnesota School Boards Association, Minnesota Elementary

444.23 School Principals' Association, Minnesota Association of Secondary School Principals,

444.24 Minnesota Association of School Administrators, the Board of School Administrators,

444.25 Minnesota Indian Affairs Council, the Council on Asian Pacific Minnesotans, Council

444.26 for Minnesotans of African Heritage, Minnesota Council on Latino Affairs, Minnesota

444.27 Association of Educators, and Minnesota Teach For America, among other stakeholders.

444.28 (e) The study group expires February 2, 2017, unless extended by law.

444.29 **EFFECTIVE DATE.** This section is effective the day following final enactment.

444.30

## ARTICLE 25

444.31

### EDUCATION EXCELLENCE

444.32 Section 1. [119A.035] SCHOOL CRISIS RESPONSE TEAMS.

444.33 Subdivision 1. **Commissioner's duties.** To ensure timely responses to school crises,

444.34 the commissioner must work in cooperation with the Minnesota School Safety Center to

445.1 collect, maintain, and make available to schools contact information for crisis response  
445.2 teams throughout the state.

445.3 Subd. 2. **Crisis response teams.** In regions of Minnesota where an existing crisis  
445.4 response team has not been formed by a school district, county, or city, the commissioner,  
445.5 in cooperation with the Minnesota School Safety Center, must convene a working group  
445.6 in each region to develop a plan to form a crisis response team for that region. Team  
445.7 members from the public and private sectors may represent various disciplines, including  
445.8 school administrators, guidance counselors, psychologists, social workers, teachers,  
445.9 nurses, security experts, media relations professionals, and other related areas.

445.10 Sec. 2. Minnesota Statutes 2014, section 120A.42, is amended to read:

445.11 **120A.42 CONDUCT OF SCHOOL ON CERTAIN HOLIDAYS.**

445.12 (a) The governing body of any district may contract with any of the teachers of the  
445.13 district for the conduct of schools, and may conduct schools, on either, or any, of the  
445.14 following holidays, provided that a clause to this effect is inserted in the teacher's contract:  
445.15 Martin Luther King's birthday, Lincoln's and Washington's birthdays, Columbus Day  
445.16 and Veterans' Day. On Martin Luther King's birthday, Washington's birthday, Lincoln's  
445.17 birthday, and Veterans' Day at least one hour of the school program must be devoted to a  
445.18 patriotic observance of the day.

445.19 (b) A district may conduct a school program to honor Constitution Day and  
445.20 Citizenship Day by providing opportunities for students to learn about the principles of  
445.21 American democracy, the American system of government, American citizens' rights and  
445.22 responsibilities, American history, and American geography, symbols, and holidays.  
445.23 Among other activities under this paragraph, districts may administer to students the test  
445.24 questions United States Citizenship and Immigration Services officers pose to applicants  
445.25 for naturalization.

445.26 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and  
445.27 later.

445.28 Sec. 3. Minnesota Statutes 2014, section 120B.02, is amended by adding a subdivision  
445.29 to read:

445.30 Subd. 3. **Required knowledge and understanding of civics.** (a) For purposes of  
445.31 this subdivision, "civics test questions" means 50 of the 100 questions that, as of January 1,  
445.32 2015, United States citizenship and immigration services officers use to select the questions  
445.33 they pose to applicants for naturalization so the applicants can demonstrate their knowledge

446.1 and understanding of the fundamentals of United States history and government, as  
446.2 required by United States Code, title 8, section 1423. The Learning Law and Democracy  
446.3 Foundation, in consultation with Minnesota civics teachers, must select by July 1 each year  
446.4 50 of the 100 questions under this paragraph to serve as the state's civics test questions for  
446.5 the proximate school year and immediately transmit the 50 selected civics test questions to  
446.6 the department and to the Legislative Coordinating Commission, which must post the 50  
446.7 questions it receives on the Minnesota's Legacy Web site by August 1 of that year.

446.8 (b) A student enrolled in a public school must correctly answer at least 30 of the  
446.9 50 civics test questions. A school or district may record on a student's transcript that the  
446.10 student answered at least 30 of 50 civics test questions correctly. A school or district may  
446.11 exempt a student with disabilities from this requirement if the student's individualized  
446.12 education program team determines the requirement is inappropriate and establishes an  
446.13 alternative requirement. A school or district may administer the civics test questions in a  
446.14 language other than English to students who qualify for English learner services.

446.15 (c) Schools and districts may administer civics test questions as part of the social  
446.16 studies curriculum. A district must not prevent a student from graduating or deny a student  
446.17 a high school diploma for failing to correctly answer at least 30 of 50 civics test questions.

446.18 (d) The commissioner and public schools and school districts must not charge  
446.19 students any fees related to this subdivision.

446.20 **EFFECTIVE DATE.** This section is effective for students enrolling in grade 9 in  
446.21 the 2017-2018 school year or later.

446.22 Sec. 4. Minnesota Statutes 2014, section 120B.021, subdivision 1, is amended to read:

446.23 Subdivision 1. **Required academic standards.** (a) The following subject areas  
446.24 are required for statewide accountability:

446.25 (1) language arts;

446.26 (2) mathematics;

446.27 (3) science;

446.28 (4) social studies, including history, geography, economics, and government and  
446.29 citizenship that includes civics consistent with section 120B.02, subdivision 3;

446.30 (5) physical education;

446.31 (6) health, for which locally developed academic standards apply; and

446.32 (7) the arts, for which statewide or locally developed academic standards apply, as

446.33 determined by the school district. Public elementary and middle schools must offer at least

446.34 three and require at least two of the following four arts areas: dance; music; theater; and

447.1 visual arts. Public high schools must offer at least three and require at least one of the  
447.2 following five arts areas: media arts; dance; music; theater; and visual arts.

447.3 (b) For purposes of applicable federal law, the academic standards for language arts,  
447.4 mathematics, and science apply to all public school students, except the very few students  
447.5 with extreme cognitive or physical impairments for whom an individualized education  
447.6 program team has determined that the required academic standards are inappropriate. An  
447.7 individualized education program team that makes this determination must establish  
447.8 alternative standards.

447.9 (c) Beginning in the 2016-2017 school year, the department must adopt the most  
447.10 recent National Association of Sport and Physical Education kindergarten through grade  
447.11 12 standards and benchmarks for physical education as the required physical education  
447.12 academic standards. The department may modify and adapt the national standards to  
447.13 accommodate state interest. The modification and adaptations must maintain the purpose  
447.14 and integrity of the national standards. The department must make available sample  
447.15 assessments, which school districts may use as an alternative to local assessments, to  
447.16 assess students' mastery of the physical education standards beginning in the 2018-2019  
447.17 school year.

447.18 (e) (d) District efforts to develop, implement, or improve instruction or curriculum  
447.19 as a result of the provisions of this section must be consistent with sections 120B.10,  
447.20 120B.11, and 120B.20.

447.21 **EFFECTIVE DATE.** This section is effective July 1, 2016, except that the change  
447.22 in paragraph (a) is effective for students enrolling in grade 9 in the 2017-2018 school  
447.23 year and later.

447.24 Sec. 5. Minnesota Statutes 2014, section 120B.021, subdivision 3, is amended to read:

447.25 Subd. 3. **Rulemaking.** The commissioner, consistent with the requirements of  
447.26 this section and section 120B.022, must adopt statewide rules under section 14.389 for  
447.27 implementing statewide rigorous core academic standards in language arts, mathematics,  
447.28 science, social studies, physical education, and the arts. After the rules authorized under  
447.29 this subdivision are initially adopted, the commissioner may not amend or repeal these  
447.30 rules nor adopt new rules on the same topic without specific legislative authorization. The  
447.31 academic standards for language arts, mathematics, and the arts must be implemented for  
447.32 all students beginning in the 2003-2004 school year. The academic standards for science  
447.33 and social studies must be implemented for all students beginning in the 2005-2006 school  
447.34 year.

448.1 Sec. 6. Minnesota Statutes 2015 Supplement, section 120B.021, subdivision 4, is  
448.2 amended to read:

448.3 Subd. 4. **Revisions and reviews required.** (a) The commissioner of education must  
448.4 revise and appropriately embed technology and information literacy standards consistent  
448.5 with recommendations from school media specialists into the state's academic standards  
448.6 and graduation requirements and implement a ten-year cycle to review and, consistent  
448.7 with the review, revise state academic standards and related benchmarks, consistent with  
448.8 this subdivision. During each ten-year review and revision cycle, the commissioner also  
448.9 must examine the alignment of each required academic standard and related benchmark  
448.10 with the knowledge and skills students need for career and college readiness and advanced  
448.11 work in the particular subject area. The commissioner must include the contributions of  
448.12 Minnesota American Indian tribes and communities as related to the academic standards  
448.13 during the review and revision of the required academic standards.

448.14 (b) The commissioner must ensure that the statewide mathematics assessments  
448.15 administered to students in grades 3 through 8 and 11 are aligned with the state academic  
448.16 standards in mathematics, consistent with section 120B.30, subdivision 1, paragraph  
448.17 (b). The commissioner must implement a review of the academic standards and related  
448.18 benchmarks in mathematics beginning in the ~~2020-2021~~ 2021-2022 school year and  
448.19 every ten years thereafter.

448.20 (c) The commissioner must implement a review of the academic standards and  
448.21 related benchmarks in arts beginning in the ~~2016-2017~~ 2017-2018 school year and every  
448.22 ten years thereafter.

448.23 (d) The commissioner must implement a review of the academic standards and  
448.24 related benchmarks in science beginning in the ~~2017-2018~~ 2018-2019 school year and  
448.25 every ten years thereafter.

448.26 (e) The commissioner must implement a review of the academic standards and  
448.27 related benchmarks in language arts beginning in the ~~2018-2019~~ 2019-2020 school year  
448.28 and every ten years thereafter.

448.29 (f) The commissioner must implement a review of the academic standards and  
448.30 related benchmarks in social studies beginning in the ~~2019-2020~~ 2020-2021 school year  
448.31 and every ten years thereafter.

448.32 (g) The commissioner must implement a review of the academic standards and  
448.33 related benchmarks in physical education beginning in the 2022-2023 school year and  
448.34 every ten years thereafter.

448.35 (h) School districts and charter schools must revise and align local academic  
448.36 standards and high school graduation requirements in health, world languages, and career

449.1 and technical education to require students to complete the revised standards beginning  
449.2 in a school year determined by the school district or charter school. School districts and  
449.3 charter schools must formally establish a periodic review cycle for the academic standards  
449.4 and related benchmarks in health, world languages, and career and technical education.

449.5 Sec. 7. **[120B.026] PHYSICAL EDUCATION; EXCLUSION FROM CLASS;**  
449.6 **RECESS.**

449.7 A student may be excused from a physical education class if the student submits  
449.8 written information signed by a physician stating that physical activity will jeopardize  
449.9 the student's health. A student may be excused from a physical education class if being  
449.10 excused meets the child's unique and individualized needs according to the child's  
449.11 individualized education program, federal 504 plan, or individualized health plan. A  
449.12 student may be excused if a parent or guardian requests an exemption on religious  
449.13 grounds. A student with a disability must be provided with modifications or adaptations  
449.14 that allow physical education class to meet their needs. Schools are strongly encouraged  
449.15 not to exclude students in kindergarten through grade 5 from recess due to punishment or  
449.16 disciplinary action.

449.17 Sec. 8. Minnesota Statutes 2014, section 120B.11, subdivision 1a, is amended to read:

449.18 Subd. 1a. **Performance measures.** Measures to determine school district and  
449.19 school site progress in striving to create the world's best workforce must include at least:

449.20 ~~(1) student performance on the National Assessment of Education Progress where~~  
449.21 ~~applicable;~~

449.22 ~~(2) (1) the size of the academic achievement gap, rigorous course taking under~~  
449.23 ~~section 120B.35, subdivision 3, paragraph (c), clause (2), and enrichment experiences by~~  
449.24 ~~student subgroup;~~

449.25 ~~(3) (2) student performance on the Minnesota Comprehensive Assessments;~~

449.26 ~~(4) (3) high school graduation rates; and~~

449.27 ~~(5) (4) career and college readiness under section 120B.30, subdivision 1.~~

449.28 Sec. 9. Minnesota Statutes 2014, section 120B.11, subdivision 2, is amended to read:

449.29 Subd. 2. **Adopting plans and budgets.** A school board, at a public meeting, shall  
449.30 adopt a comprehensive, long-term strategic plan to support and improve teaching and  
449.31 learning that is aligned with creating the world's best workforce and includes:

450.1 (1) clearly defined district and school site goals and benchmarks for instruction and  
450.2 student achievement for all student subgroups identified in section 120B.35, subdivision 3,  
450.3 paragraph (b), clause (2);

450.4 (2) a process ~~for assessing and evaluating~~ to assess and evaluate each student's  
450.5 progress toward meeting state and local academic standards, assess and identify students  
450.6 to participate in gifted and talented programs and accelerate their instruction, and adopt  
450.7 early-admission procedures consistent with section 120B.15, and identifying the strengths  
450.8 and weaknesses of instruction in pursuit of student and school success and curriculum  
450.9 affecting students' progress and growth toward career and college readiness and leading to  
450.10 the world's best workforce;

450.11 (3) a system to periodically review and evaluate the effectiveness of all instruction  
450.12 and curriculum, taking into account strategies and best practices, student outcomes, school  
450.13 principal evaluations under section 123B.147, subdivision 3, students' access to effective  
450.14 teachers who are members of populations underrepresented among the licensed teachers  
450.15 in the district or school and who reflect the diversity of enrolled students under section  
450.16 120B.35, subdivision 3, paragraph (b), clause (2), and teacher evaluations under section  
450.17 122A.40, subdivision 8, or 122A.41, subdivision 5;

450.18 (4) strategies for improving instruction, curriculum, and student achievement,  
450.19 including the English and, where practicable, the native language development and the  
450.20 academic achievement of English learners;

450.21 (5) a process to examine the equitable distribution of teachers and strategies to  
450.22 ensure low-income and minority children are not taught at higher rates than other children  
450.23 by inexperienced, ineffective, or out-of-field teachers;

450.24 ~~(5)~~ (6) education effectiveness practices that integrate high-quality instruction,  
450.25 rigorous curriculum, technology, and a collaborative professional culture that develops  
450.26 and supports teacher quality, performance, and effectiveness; and

450.27 ~~(6)~~ (7) an annual budget for continuing to implement the district plan.

450.28 Sec. 10. Minnesota Statutes 2014, section 120B.11, subdivision 3, is amended to read:

450.29 Subd. 3. **District advisory committee.** Each school board shall establish an  
450.30 advisory committee to ensure active community participation in all phases of planning  
450.31 and improving the instruction and curriculum affecting state and district academic  
450.32 standards, consistent with subdivision 2. A district advisory committee, to the extent  
450.33 possible, shall reflect the diversity of the district and its school sites, include teachers,  
450.34 parents, support staff, students, and other community residents, and provide translation  
450.35 to the extent appropriate and practicable. The district advisory committee shall pursue

451.1 community support to accelerate the academic and native literacy and achievement of  
451.2 English learners with varied needs, from young children to adults, consistent with section  
451.3 124D.59, subdivisions 2 and 2a. The district may establish site teams as subcommittees  
451.4 of the district advisory committee under subdivision 4. The district advisory committee  
451.5 shall recommend to the school board rigorous academic standards, student achievement  
451.6 goals and measures consistent with subdivision 1a and sections 120B.022, subdivisions 1a  
451.7 and 1b, and 120B.35, district assessments, means to improve students' equitable access to  
451.8 effective and more diverse teachers, and program evaluations. School sites may expand  
451.9 upon district evaluations of instruction, curriculum, assessments, or programs. Whenever  
451.10 possible, parents and other community residents shall comprise at least two-thirds of  
451.11 advisory committee members.

451.12 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and  
451.13 later.

451.14 Sec. 11. Minnesota Statutes 2014, section 120B.11, subdivision 4, is amended to read:

451.15 Subd. 4. **Site team.** A school ~~may~~ must establish a site team to develop and  
451.16 implement strategies and education effectiveness practices to improve instruction,  
451.17 curriculum, cultural competencies, including cultural awareness and cross-cultural  
451.18 communication, and student achievement at the school site, consistent with subdivision 2.  
451.19 The site team must include an equal number of teachers and administrators and at least  
451.20 one parent. The site team advises the board and the advisory committee about developing  
451.21 the annual budget and ~~revising~~ creates an instruction and curriculum improvement plan  
451.22 ~~that aligns~~ to align curriculum, assessment of student progress, and growth in meeting  
451.23 state and district academic standards and instruction.

451.24 Sec. 12. Minnesota Statutes 2014, section 120B.11, subdivision 5, is amended to read:

451.25 Subd. 5. **Report.** Consistent with requirements for school performance reports  
451.26 under section 120B.36, subdivision 1, the school board shall publish a report in the  
451.27 local newspaper with the largest circulation in the district, by mail, or by electronic  
451.28 means on the district Web site. The school board shall hold an annual public meeting  
451.29 to review, and revise where appropriate, student achievement goals, local assessment  
451.30 outcomes, plans, strategies, and practices for improving curriculum and instruction and  
451.31 cultural competency, and efforts to equitably distribute diverse, effective, experienced,  
451.32 and in-field teachers, and to review district success in realizing the previously adopted  
451.33 student achievement goals and related benchmarks and the improvement plans leading to

452.1 the world's best workforce. The school board must transmit an electronic summary of its  
452.2 report to the commissioner in the form and manner the commissioner determines.

452.3 Sec. 13. Minnesota Statutes 2014, section 120B.12, subdivision 2, is amended to read:

452.4 Subd. 2. **Identification; report.** ~~For the 2011-2012 school year and later, (a)~~  
452.5 Each school district shall identify before the end of kindergarten, grade 1, and grade 2  
452.6 students who are not reading at grade level before the end of the current school year.  
452.7 Reading assessments in English, and in the predominant languages of district students  
452.8 where practicable, must identify and evaluate students' areas of academic need related  
452.9 to literacy. The district also must monitor the progress and provide reading instruction  
452.10 appropriate to the specific needs of English learners. The district must use a locally  
452.11 adopted, developmentally appropriate, and culturally responsive assessment and annually  
452.12 report summary assessment results to the commissioner by July 1. The district also must  
452.13 annually report a summary of the district's efforts to screen and identify students with  
452.14 dyslexia or convergence insufficiency disorder to the commissioner by July 1.

452.15 (b) A student identified under this subdivision must be provided with alternate  
452.16 instruction under section 125A.56, subdivision 1.

452.17 Sec. 14. Minnesota Statutes 2014, section 120B.15, is amended to read:

452.18 **120B.15 GIFTED AND TALENTED STUDENTS PROGRAMS.**

452.19 (a) School districts may identify students, locally develop programs addressing  
452.20 instructional and affective needs, provide staff development, and evaluate programs to  
452.21 provide gifted and talented students with challenging and appropriate educational programs.

452.22 (b) School districts must adopt guidelines for assessing and identifying students for  
452.23 participation in gifted and talented programs consistent with section 120B.11, subdivision  
452.24 2, clause (2). The guidelines should include the use of:

452.25 (1) multiple and objective criteria; and

452.26 (2) assessments and procedures that are valid and reliable, fair, and based on current  
452.27 theory and research. Assessments and procedures should be sensitive to underrepresented  
452.28 groups, including, but not limited to, low-income, minority, twice-exceptional, and  
452.29 English learners.

452.30 (c) School districts must adopt procedures for the academic acceleration of gifted  
452.31 and talented students consistent with section 120B.11, subdivision 2, clause (2). These  
452.32 procedures must include how the district will:

452.33 (1) assess a student's readiness and motivation for acceleration; and

453.1 (2) match the level, complexity, and pace of the curriculum to a student to achieve  
453.2 the best type of academic acceleration for that student.

453.3 (d) School districts must adopt procedures consistent with section 124D.02,  
453.4 subdivision 1, for early admission to kindergarten or first grade of gifted and talented  
453.5 learners consistent with section 120B.11, subdivision 2, clause (2). The procedures must  
453.6 be sensitive to underrepresented groups.

453.7 Sec. 15. Minnesota Statutes 2014, section 120B.232, is amended to read:

453.8 **120B.232 CHARACTER DEVELOPMENT EDUCATION.**

453.9 Subdivision 1. **Character development education.** (a) The legislature encourages  
453.10 districts to integrate or offer instruction on character education including, but not limited  
453.11 to, character qualities such as attentiveness, truthfulness, respect for authority, diligence,  
453.12 gratefulness, self-discipline, patience, forgiveness, respect for others, peacemaking, and  
453.13 resourcefulness. Instruction should be integrated into a district's existing programs,  
453.14 curriculum, or the general school environment. The commissioner shall provide assistance  
453.15 at the request of a district to develop character education curriculum and programs.

453.16 (b) Character development education under paragraph (a) may include a voluntary  
453.17 elementary, middle, and high school program that incorporates the history and values of  
453.18 Congressional Medal of Honor recipients and may be offered as part of the social studies,  
453.19 English language arts, or other curriculum, as a schoolwide character building and veteran  
453.20 awareness initiative, or as an after-school program, among other possibilities.

453.21 Subd. 1a. **Staff development; continuing education.** (a) Staff development  
453.22 opportunities under section 122A.60 may include training in character development  
453.23 education that incorporates the history and values of Congressional Medal of Honor  
453.24 recipients under subdivision 1, paragraph (b), and is provided without cost to the interested  
453.25 school or district.

453.26 (b) Local continuing education and relicensure committees or other local relicensure  
453.27 committees under section 122A.18, subdivision 4, are encouraged to approve up to six  
453.28 clock hours of continuing education for licensed teachers who complete the training in  
453.29 character development education under paragraph (a).

453.30 Subd. 2. **Funding sources.** The commissioner must first use federal funds for  
453.31 character development education programs to the extent available under United States  
453.32 Code, title 20, section 7247. Districts may accept funds from private and other public  
453.33 sources for character development education programs developed and implemented under  
453.34 this section, including programs funded through the Congressional Medal of Honor  
453.35 Foundation, among other sources.

454.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

454.2 Sec. 16. Minnesota Statutes 2015 Supplement, section 120B.30, subdivision 1, is  
454.3 amended to read:

454.4 Subdivision 1. **Statewide testing.** (a) The commissioner, with advice from experts  
454.5 with appropriate technical qualifications and experience and stakeholders, consistent with  
454.6 subdivision 1a, shall include in the comprehensive assessment system, for each grade  
454.7 level to be tested, state-constructed tests developed as computer-adaptive reading and  
454.8 mathematics assessments for students that are aligned with the state's required academic  
454.9 standards under section 120B.021, include multiple choice questions, and are administered  
454.10 annually to all students in grades 3 through 8. State-developed high school tests aligned  
454.11 with the state's required academic standards under section 120B.021 and administered  
454.12 to all high school students in a subject other than writing must include multiple choice  
454.13 questions. The commissioner shall establish one or more months during which schools  
454.14 shall administer the tests to students each school year.

454.15 (1) Students enrolled in grade 8 through the 2009-2010 school year are eligible  
454.16 to be assessed under (i) the graduation-required assessment for diploma in reading,  
454.17 mathematics, or writing under Minnesota Statutes 2012, section 120B.30, subdivision 1,  
454.18 paragraphs (c), clauses (1) and (2), and (d), (ii) the WorkKeys job skills assessment, (iii)  
454.19 the Compass college placement test, (iv) the ACT assessment for college admission, (v) a  
454.20 nationally recognized armed services vocational aptitude test.

454.21 (2) Students enrolled in grade 8 in the 2010-2011 or 2011-2012 school year are  
454.22 eligible to be assessed under (i) the graduation-required assessment for diploma in reading,  
454.23 mathematics, or writing under Minnesota Statutes 2012, section 120B.30, subdivision  
454.24 1, paragraph (c), clauses (1) and (2), (ii) the WorkKeys job skills assessment, (iii) the  
454.25 Compass college placement test, (iv) the ACT assessment for college admission, (v) a  
454.26 nationally recognized armed services vocational aptitude test.

454.27 (3) For students under clause (1) or (2), a school district may substitute a score from  
454.28 an alternative, equivalent assessment to satisfy the requirements of this paragraph.

454.29 (b) The state assessment system must be aligned to the most recent revision of  
454.30 academic standards as described in section 120B.023 in the following manner:

454.31 (1) mathematics;

454.32 (i) grades 3 through 8 beginning in the 2010-2011 school year; and

454.33 (ii) high school level beginning in the 2013-2014 school year;

454.34 (2) science; grades 5 and 8 and at the high school level beginning in the 2011-2012  
454.35 school year; and

455.1 (3) language arts and reading; grades 3 through 8 and high school level beginning in  
455.2 the 2012-2013 school year.

455.3 (c) For students enrolled in grade 8 in the 2012-2013 school year and later, students'  
455.4 state graduation requirements, based on a longitudinal, systematic approach to student  
455.5 education and career planning, assessment, instructional support, and evaluation, include  
455.6 the following:

455.7 (1) an opportunity to participate on a nationally normed college entrance exam,  
455.8 in grade 11 or grade 12;

455.9 (2) achievement and career and college readiness in mathematics, reading, and  
455.10 writing, consistent with paragraph (j) (k) and to the extent available, to monitor students'  
455.11 continuous development of and growth in requisite knowledge and skills; analyze  
455.12 students' progress and performance levels, identifying students' academic strengths and  
455.13 diagnosing areas where students require curriculum or instructional adjustments, targeted  
455.14 interventions, or remediation; and, based on analysis of students' progress and performance  
455.15 data, determine students' learning and instructional needs and the instructional tools and  
455.16 best practices that support academic rigor for the student; and

455.17 (3) consistent with this paragraph and section 120B.125, age-appropriate exploration  
455.18 and planning activities and career assessments to encourage students to identify personally  
455.19 relevant career interests and aptitudes and help students and their families develop a  
455.20 regularly reexamined transition plan for postsecondary education or employment without  
455.21 need for postsecondary remediation.

455.22 Based on appropriate state guidelines, students with an individualized education program  
455.23 may satisfy state graduation requirements by achieving an individual score on the  
455.24 state-identified alternative assessments.

455.25 (d) Expectations of schools, districts, and the state for career or college readiness  
455.26 under this subdivision must be comparable in rigor, clarity of purpose, and rates of  
455.27 student completion.

455.28 A student under paragraph (c), clause (2), must receive targeted, relevant,  
455.29 academically rigorous, and resourced instruction, which may include a targeted instruction  
455.30 and intervention plan focused on improving the student's knowledge and skills in core  
455.31 subjects so that the student has a reasonable chance to succeed in a career or college  
455.32 without need for postsecondary remediation. Consistent with sections 120B.13, 124D.09,  
455.33 124D.091, 124D.49, and related sections, an enrolling school or district must actively  
455.34 encourage a student in grade 11 or 12 who is identified as academically ready for a career  
455.35 or college to participate in courses and programs awarding college credit to high school

456.1 students. Students are not required to achieve a specified score or level of proficiency on  
456.2 an assessment under this subdivision to graduate from high school.

456.3 (e) Though not a high school graduation requirement, students are encouraged to  
456.4 participate in a nationally recognized college entrance exam. ~~With funding provided by~~  
456.5 ~~the~~ To the extent state funding for college entrance exam fees is available, a district must  
456.6 pay the cost, one time, for an interested student in grade 11 or 12 to take a nationally  
456.7 recognized college entrance exam before graduating. A student must be able to take the  
456.8 exam under this paragraph at the student's high school during the school day and at any  
456.9 one of the multiple exam administrations available to students in the district. A district  
456.10 may administer the ACT or SAT or both the ACT and SAT to comply with this paragraph.  
456.11 If the district administers only one of these two tests and a student opts not to take that test  
456.12 and chooses instead to take the other of the two tests, the student may take the other test at  
456.13 a different time or location and remains eligible for the examination fee reimbursement.

456.14 (f) The commissioner and the chancellor of the Minnesota State Colleges and  
456.15 Universities must collaborate in aligning instruction and assessments for adult basic  
456.16 education students and English learners to provide the students with diagnostic information  
456.17 about any targeted interventions, accommodations, modifications, and supports they  
456.18 need so that assessments and other performance measures are accessible to them and  
456.19 they may seek postsecondary education or employment without need for postsecondary  
456.20 remediation. When administering formative or summative assessments used to measure  
456.21 the academic progress, including the oral academic development, of English learners  
456.22 and inform their instruction, schools must ensure that the assessments are accessible to  
456.23 the students and students have the modifications and supports they need to sufficiently  
456.24 understand the assessments.

456.25 (g) Districts and schools, on an annual basis, must use career exploration elements  
456.26 to help students, beginning no later than grade 9, and their families explore and plan  
456.27 for postsecondary education or careers based on the students' interests, aptitudes, and  
456.28 aspirations. Districts and schools must use timely regional labor market information and  
456.29 partnerships, among other resources, to help students and their families successfully  
456.30 develop, pursue, review, and revise an individualized plan for postsecondary education or a  
456.31 career. This process must help increase students' engagement in and connection to school,  
456.32 improve students' knowledge and skills, and deepen students' understanding of career  
456.33 pathways as a sequence of academic and career courses that lead to an industry-recognized  
456.34 credential, an associate's degree, or a bachelor's degree and are available to all students,  
456.35 whatever their interests and career goals.

457.1 (h) A student who demonstrates attainment of required state academic standards,  
457.2 which include career and college readiness benchmarks, on high school assessments  
457.3 under subdivision 1a is academically ready for a career or college and is encouraged to  
457.4 participate in courses awarding college credit to high school students. Such courses and  
457.5 programs may include sequential courses of study within broad career areas and technical  
457.6 skill assessments that extend beyond course grades.

457.7 (i) As appropriate, students through grade 12 must continue to participate in targeted  
457.8 instruction, intervention, or remediation and be encouraged to participate in courses  
457.9 awarding college credit to high school students.

457.10 (j) In developing, supporting, and improving students' academic readiness for a  
457.11 career or college, schools, districts, and the state must have a continuum of empirically  
457.12 derived, clearly defined benchmarks focused on students' attainment of knowledge and  
457.13 skills so that students, their parents, and teachers know how well students must perform to  
457.14 have a reasonable chance to succeed in a career or college without need for postsecondary  
457.15 remediation. The commissioner, in consultation with local school officials and educators,  
457.16 and Minnesota's public postsecondary institutions must ensure that the foundational  
457.17 knowledge and skills for students' successful performance in postsecondary employment  
457.18 or education and an articulated series of possible targeted interventions are clearly  
457.19 identified and satisfy Minnesota's postsecondary admissions requirements.

457.20 (k) For students in grade 8 in the 2012-2013 school year and later, a school, district,  
457.21 or charter school must record on the high school transcript a student's progress toward  
457.22 career and college readiness, and for other students as soon as practicable.

457.23 (l) The school board granting students their diplomas may formally decide to include  
457.24 a notation of high achievement on the high school diplomas of those graduating seniors  
457.25 who, according to established school board criteria, demonstrate exemplary academic  
457.26 achievement during high school.

457.27 (m) The 3rd through 8th grade computer-adaptive assessment results and high school  
457.28 test results shall be available to districts for diagnostic purposes affecting student learning  
457.29 and district instruction and curriculum, and for establishing educational accountability.  
457.30 The commissioner must establish empirically derived benchmarks on adaptive assessments  
457.31 in grades 3 through 8. The commissioner, in consultation with the chancellor of the  
457.32 Minnesota State Colleges and Universities, must establish empirically derived benchmarks  
457.33 on the high school tests that reveal a trajectory toward career and college readiness  
457.34 consistent with section 136F.3025. The commissioner must disseminate to the public the  
457.35 computer-adaptive assessments and high school test results upon receiving those results.

458.1 (n) The grades 3 through 8 computer-adaptive assessments and high school tests  
458.2 must be aligned with state academic standards. The commissioner shall determine the  
458.3 testing process and the order of administration. The statewide results shall be aggregated  
458.4 at the site and district level, consistent with subdivision 1a.

458.5 (o) The commissioner shall include the following components in the statewide  
458.6 public reporting system:

458.7 (1) uniform statewide computer-adaptive assessments of all students in grades 3  
458.8 through 8 and testing at the high school levels that provides appropriate, technically sound  
458.9 accommodations or alternate assessments;

458.10 (2) educational indicators that can be aggregated and compared across school  
458.11 districts and across time on a statewide basis, including average daily attendance, high  
458.12 school graduation rates, and high school drop-out rates by age and grade level;

458.13 (3) state results on the American College Test; and

458.14 (4) state results from participation in the National Assessment of Educational  
458.15 Progress so that the state can benchmark its performance against the nation and other  
458.16 states, and, where possible, against other countries, and contribute to the national effort  
458.17 to monitor achievement.

458.18 (p) For purposes of statewide accountability, "career and college ready" means a  
458.19 high school graduate has the knowledge, skills, and competencies to successfully pursue a  
458.20 career pathway, including postsecondary credit leading to a degree, diploma, certificate, or  
458.21 industry-recognized credential and employment. Students who are career and college ready  
458.22 are able to successfully complete credit-bearing coursework at a two- or four-year college  
458.23 or university or other credit-bearing postsecondary program without need for remediation.

458.24 (q) For purposes of statewide accountability, "cultural competence," "cultural  
458.25 competency," or "culturally competent" means the ability and will to interact effectively  
458.26 with people of different cultures, native languages, and socioeconomic backgrounds.

458.27 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and  
458.28 later.

458.29 Sec. 17. Minnesota Statutes 2014, section 120B.30, subdivision 2, is amended to read:

458.30 Subd. 2. **Department of Education assistance.** (a) The Department of Education  
458.31 shall contract for professional and technical services according to competitive solicitation  
458.32 procedures under chapter 16C for purposes of this section.

458.33 (b) A proposal submitted under this section must include disclosures containing:

458.34 (1) comprehensive information regarding test administration monitoring practices;

458.35 and

459.1 (2) data privacy safeguards for student information to be transmitted to or used  
459.2 by the proposing entity.

459.3 Information provided in the proposal is not security information or trade secret information  
459.4 for purposes of section 13.37.

459.5 Sec. 18. Minnesota Statutes 2014, section 120B.30, is amended by adding a  
459.6 subdivision to read:

459.7 Subd. 6. **Database.** The commissioner shall establish a reporting system for  
459.8 teachers, administrators, and students to report service disruptions and technical  
459.9 interruptions. The information reported through this system shall be maintained in a  
459.10 database accessible through the department's Web site.

459.11 Sec. 19. Minnesota Statutes 2015 Supplement, section 120B.301, is amended to read:

459.12 **120B.301 LIMITS ON LOCAL TESTING.**

459.13 (a) For students in grades 1 through 6, the cumulative total amount of time spent  
459.14 taking locally adopted districtwide or schoolwide assessments must not exceed ten hours  
459.15 per school year. For students in grades 7 through 12, the cumulative total amount of time  
459.16 spent taking locally adopted districtwide or schoolwide assessments must not exceed 11  
459.17 hours per school year. For purposes of this paragraph, International Baccalaureate and  
459.18 Advanced Placement exams are not considered locally adopted assessments.

459.19 (b) A district or charter school is exempt from the requirements of paragraph (a),  
459.20 if the district or charter school, in consultation with the exclusive representative of the  
459.21 teachers or other teachers if there is no exclusive representative of the teachers, decides  
459.22 to exceed a time limit in paragraph (a) and includes in the report required under section  
459.23 120B.11, subdivision 5.

459.24 (c) A district or charter school, before the first day of each school year, must publish  
459.25 on its Web site a comprehensive calendar of standardized tests to be administered in the  
459.26 district or charter school during that school year. The calendar must provide the rationale  
459.27 for administering each assessment and indicate whether the assessment is a local option or  
459.28 required by state or federal law.

459.29 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and  
459.30 later.

459.31 Sec. 20. **[120B.304] SCHOOL DISTRICT ASSESSMENT COMMITTEE.**

460.1 (a) A school district that does not have an agreement between the school board and  
460.2 the exclusive representative of the teachers about selecting assessments must establish a  
460.3 district assessment committee to advise the school board on administering standardized  
460.4 assessments to students in addition to the assessments required under section 120B.30 and  
460.5 applicable federal law unless paragraph (b) applies. The committee must include an equal  
460.6 number of teachers and administrators and at least one parent of a student in the district  
460.7 and may include at least one representative from each school site in the district.

460.8 (b) A school district may seek this assessment advice from the district advisory  
460.9 committee under section 120B.11, subdivision 3, instead of establishing a committee  
460.10 under this section.

460.11 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and  
460.12 later.

460.13 Sec. 21. Minnesota Statutes 2015 Supplement, section 120B.31, subdivision 4, is  
460.14 amended to read:

460.15 Subd. 4. **Student performance data.** In developing policies and assessment  
460.16 processes to hold schools and districts accountable for high levels of academic standards  
460.17 under section 120B.021, the commissioner shall aggregate and disaggregate student  
460.18 data over time to report summary student performance and growth levels and, under  
460.19 section 120B.11, subdivision 2, clause (2), student learning and outcome data measured  
460.20 at the school, school district, and statewide level. ~~When collecting and reporting the~~  
460.21 performance data, The commissioner shall use the student categories identified under the  
460.22 federal Elementary and Secondary Education Act, as most recently reauthorized, and  
460.23 student categories of homelessness, ethnicity, race, home language, immigrant, refugee  
460.24 status, English learners under section 124D.59, free or reduced-price lunch, and other  
460.25 categories designated by federal law to organize and report the data so that state and  
460.26 local policy makers can understand the educational implications of changes in districts'  
460.27 demographic profiles over time, ~~including student homelessness~~, as data are available;  
460.28 ~~among other demographic factors~~. Any report the commissioner disseminates containing  
460.29 summary data on student performance must integrate student performance and the  
460.30 demographic factors that strongly correlate with that performance.

460.31 **EFFECTIVE DATE.** This section is effective for the 2017-2018 school year and  
460.32 later.

461.1 Sec. 22. Minnesota Statutes 2014, section 120B.31, is amended by adding a  
461.2 subdivision to read:

461.3 Subd. 4a. **Student participation.** The commissioner shall create and publish a form  
461.4 for parents and guardians to complete if they refuse to have their student participate in  
461.5 state or locally required standardized testing. The form must state why there are state  
461.6 academic standards, indicate which tests are aligned with state standards, and what  
461.7 consequences, if any, the school or student may face if a student does not participate in  
461.8 state or locally required standardized testing. This form must ask parents to indicate a  
461.9 reason for their refusal.

461.10 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and  
461.11 later.

461.12 Sec. 23. Minnesota Statutes 2014, section 120B.31, subdivision 5, is amended to read:

461.13 Subd. 5. **Parent Access to information.** To ensure the effective involvement  
461.14 of parents and to support a partnership between the school and parents, each district  
461.15 shall ~~annually~~ provide parents and teachers a timely written summary, in an electronic  
461.16 or other format, of their student's current and longitudinal performance and progress  
461.17 on the state's academic content standards as measured by state assessments. Providing  
461.18 parents with a summary prepared by the Department of Education fulfills the requirements  
461.19 of this subdivision.

461.20 Sec. 24. Minnesota Statutes 2014, section 120B.31, is amended by adding a  
461.21 subdivision to read:

461.22 Subd. 6. **Retaliation prohibited.** An employee who discloses information to the  
461.23 commissioner or a parent or guardian about service disruptions or technical interruptions  
461.24 related to administering assessments under this section is protected under section 181.932,  
461.25 governing disclosure of information by employees.

461.26 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and  
461.27 later.

461.28 Sec. 25. Minnesota Statutes 2014, section 120B.35, is amended to read:

461.29 **120B.35 STUDENT ACADEMIC ACHIEVEMENT AND GROWTH.**

461.30 Subdivision 1. ~~School and~~ **Student indicators of growth and achievement.**

461.31 The commissioner must develop and implement a system for measuring and reporting  
461.32 academic achievement and individual student growth, consistent with the statewide

462.1 educational accountability and reporting system. The system components must measure  
462.2 and separately report the ~~adequate yearly progress~~ federal expectations of schools and  
462.3 the growth of individual students: students' current achievement in schools under  
462.4 subdivision 2; and individual students' educational growth over time under subdivision  
462.5 3. The system also must include statewide measures of student academic growth that  
462.6 identify schools with high levels of growth, and also schools with low levels of growth  
462.7 that need improvement. ~~When determining a school's effect,~~ The data must include  
462.8 both statewide measures of student achievement and, to the extent annual tests are  
462.9 administered, indicators of achievement growth that take into account a student's prior  
462.10 achievement. Indicators of achievement and prior achievement must be based on highly  
462.11 reliable statewide or districtwide assessments. Indicators that take into account a student's  
462.12 prior achievement must not be used to disregard a school's low achievement or to exclude  
462.13 a school from a program to improve low achievement levels.

462.14       Subd. 2. **Federal Expectations for student academic achievement.** (a) Each  
462.15 school year, a school district must determine if the student achievement levels at each  
462.16 school site meet federal expectations. If student achievement levels at a school site do  
462.17 not meet federal expectations ~~and the site has not made adequate yearly progress for two~~  
462.18 ~~consecutive school years, beginning with the 2001-2002 school year,~~ the district must  
462.19 work with the school site to adopt a plan to raise student achievement levels to meet  
462.20 federal expectations. The commissioner of education shall establish student academic  
462.21 achievement levels to comply with this paragraph.

462.22       (b) School sites identified as not meeting federal expectations must develop  
462.23 continuous improvement plans in order to meet federal expectations for student academic  
462.24 achievement. The department, at a district's request, must assist the district and the school  
462.25 ~~site~~ sites in developing a plan to improve student achievement. The plan must include  
462.26 parental involvement components.

462.27       (c) The commissioner must:

462.28       (1) assist school sites and districts identified as not meeting federal expectations; and

462.29       (2) provide technical assistance to schools that integrate student achievement  
462.30 measures into the school continuous improvement plan.

462.31       (d) The commissioner shall establish and maintain a continuous improvement Web  
462.32 site designed to make aggregated and disaggregated student growth and, under section  
462.33 120B.11, subdivision 2, clause (2), student learning and outcome data on every school  
462.34 and district available to parents, teachers, administrators, community members, and the  
462.35 general public, consistent with this section.

463.1 Subd. 3. **State growth target; other state measures.** (a)(1) The state's educational  
463.2 assessment system measuring individual students' educational growth is based on  
463.3 indicators of achievement growth that show an individual student's prior achievement.  
463.4 Indicators of achievement and prior achievement must be based on highly reliable  
463.5 statewide or districtwide assessments.

463.6 (2) For purposes of paragraphs (b), (c), and (d), the commissioner must analyze and  
463.7 report separate categories of information using the student categories identified under  
463.8 the federal Elementary and Secondary Education Act, as most recently reauthorized  
463.9 and, in addition to the Karen community, other student categories as determined by the  
463.10 total Minnesota population at or above the 1,000-person threshold based on the most  
463.11 recent decennial census, including ethnicity; race; refugee status; English learners under  
463.12 section 124D.59; home language; free or reduced-price lunch; immigrant; and all students  
463.13 enrolled in a Minnesota public school who are currently or were previously in foster care,  
463.14 except that such disaggregation and cross tabulation is not required if the number of  
463.15 students in a category is insufficient to yield statistically reliable information or the results  
463.16 would reveal personally identifiable information about an individual student.

463.17 (b) The commissioner, in consultation with a stakeholder group that includes  
463.18 assessment and evaluation directors, district staff, experts in culturally responsive teaching,  
463.19 and researchers, must implement a model that uses a value-added growth indicator and  
463.20 includes criteria for identifying schools and school districts that demonstrate medium and  
463.21 high growth under section 120B.299, subdivisions 8 and 9, and may recommend other  
463.22 value-added measures under section 120B.299, subdivision 3. The model may be used  
463.23 to advance educators' professional development and replicate programs that succeed in  
463.24 meeting students' diverse learning needs. Data on individual teachers generated under the  
463.25 model are personnel data under section 13.43. The model must allow users to:

463.26 (1) report student growth consistent with this paragraph; and

463.27 (2) for all student categories, report and compare aggregated and disaggregated state  
463.28 student growth and, under section 120B.11, subdivision 2, clause (2), student learning  
463.29 and outcome data using the ~~nine~~ student categories identified under the federal 2001 No  
463.30 Child Left Behind Act and two student gender categories of male and female, respectively,  
463.31 following appropriate reporting practices to protect nonpublic student data Elementary  
463.32 and Secondary Education Act, as most recently reauthorized, and other student categories  
463.33 under paragraph (a), clause (2).

463.34 The commissioner must report measures of student growth and, under section  
463.35 120B.11, subdivision 2, clause (2), student learning and outcome data, consistent with  
463.36 this paragraph, including the English language development, academic progress, and oral

464.1 academic development of English learners and their native language development if the  
464.2 native language is used as a language of instruction, and include data on all pupils enrolled  
464.3 in a Minnesota public school course or program who are currently or were previously  
464.4 counted as an English learner under section 124D.59.

464.5 (c) When reporting student performance under section 120B.36, subdivision 1, the  
464.6 commissioner annually, beginning July 1, 2011, must report two core measures indicating  
464.7 the extent to which current high school graduates are being prepared for postsecondary  
464.8 academic and career opportunities:

464.9 (1) a preparation measure indicating the number and percentage of high school  
464.10 graduates in the most recent school year who completed course work important to  
464.11 preparing them for postsecondary academic and career opportunities, consistent with  
464.12 the core academic subjects required for admission to Minnesota's public colleges and  
464.13 universities as determined by the Office of Higher Education under chapter 136A; and

464.14 (2) a rigorous coursework measure indicating the number and percentage of high  
464.15 school graduates in the most recent school year who successfully completed one or more  
464.16 college-level advanced placement, international baccalaureate, postsecondary enrollment  
464.17 options including concurrent enrollment, other rigorous courses of study under section  
464.18 120B.021, subdivision 1a, or industry certification courses or programs.

464.19 When reporting the core measures under clauses (1) and (2), the commissioner must also  
464.20 analyze and report separate categories of information using the ~~nine~~ student categories  
464.21 identified under the federal ~~2001 No Child Left Behind Act~~ and ~~two student gender~~  
464.22 ~~categories of male and female, respectively, following appropriate reporting practices to~~  
464.23 ~~protect nonpublic student data~~ Elementary and Secondary Education Act, as most recently  
464.24 reauthorized, and other student categories under paragraph (a), clause (2).

464.25 (d) When reporting student performance under section 120B.36, subdivision 1, the  
464.26 commissioner annually, beginning July 1, 2014, must report summary data on school  
464.27 safety and students' engagement and connection at school, consistent with the student  
464.28 categories identified under paragraph (a), clause (2). The summary data under this  
464.29 paragraph are separate from and must not be used for any purpose related to measuring  
464.30 or evaluating the performance of classroom teachers. The commissioner, in consultation  
464.31 with qualified experts on student engagement and connection and classroom teachers,  
464.32 must identify highly reliable variables that generate summary data under this paragraph.  
464.33 The summary data may be used at school, district, and state levels only. Any data on  
464.34 individuals received, collected, or created that are used to generate the summary data  
464.35 under this paragraph are nonpublic data under section 13.02, subdivision 9.

465.1 (e) For purposes of statewide educational accountability, the commissioner must  
465.2 identify and report measures that demonstrate the success of learning year program  
465.3 providers under sections 123A.05 and 124D.68, among other such providers, in improving  
465.4 students' graduation outcomes. The commissioner, beginning July 1, 2015, must annually  
465.5 report summary data on:

465.6 (1) the four- and six-year graduation rates of students under this paragraph;

465.7 (2) the percent of students under this paragraph whose progress and performance  
465.8 levels are meeting career and college readiness benchmarks under section 120B.30,  
465.9 subdivision 1; and

465.10 (3) the success that learning year program providers experience in:

465.11 (i) identifying at-risk and off-track student populations by grade;

465.12 (ii) providing successful prevention and intervention strategies for at-risk students;

465.13 (iii) providing successful recuperative and recovery or reenrollment strategies for  
465.14 off-track students; and

465.15 (iv) improving the graduation outcomes of at-risk and off-track students.

465.16 The commissioner may include in the annual report summary data on other education  
465.17 providers serving a majority of students eligible to participate in a learning year program.

465.18 (f) The commissioner, in consultation with recognized experts with knowledge and  
465.19 experience in assessing the language proficiency and academic performance of all English  
465.20 learners enrolled in a Minnesota public school course or program who are currently or were  
465.21 previously counted as an English learner under section 124D.59, must identify and report  
465.22 appropriate and effective measures to improve current categories of language difficulty and  
465.23 assessments, and monitor and report data on students' English proficiency levels, program  
465.24 placement, and academic language development, including oral academic language.

465.25 Subd. 4. **Improving schools.** Consistent with the requirements of this section,  
465.26 beginning June 20, 2012, the commissioner of education must annually report to the  
465.27 public and the legislature best practices implemented in those schools that ~~demonstrate~~  
465.28 ~~high growth compared to the state growth target~~ are identified as high performing under  
465.29 federal expectations.

465.30 Subd. 5. **Improving graduation rates for students with emotional or behavioral**  
465.31 **disorders.** (a) A district must develop strategies in conjunction with parents of students  
465.32 with emotional or behavioral disorders and the county board responsible for implementing  
465.33 sections 245.487 to 245.4889 to keep students with emotional or behavioral disorders in  
465.34 school, when the district has a drop-out rate for students with an emotional or behavioral  
465.35 disorder in grades 9 through 12 exceeding 25 percent.

466.1 (b) A district must develop a plan in conjunction with parents of students with  
 466.2 emotional or behavioral disorders and the local mental health authority to increase the  
 466.3 graduation rates of students with emotional or behavioral disorders. A district with a  
 466.4 drop-out rate for children with an emotional or behavioral disturbance in grades 9 through  
 466.5 12 that is in the top 25 percent of all districts shall submit a plan for review and oversight  
 466.6 to the commissioner.

466.7 **EFFECTIVE DATE.** This section is effective for the 2017-2018 school year and  
 466.8 later.

466.9 Sec. 26. Minnesota Statutes 2014, section 120B.36, as amended by Laws 2015, First  
 466.10 Special Session chapter 3, article 2, section 8, is amended to read:

466.11 **120B.36 SCHOOL ACCOUNTABILITY; ~~APPEALS PROCESS.~~**

466.12 Subdivision 1. **School performance reports.** (a) The commissioner shall report  
 466.13 student academic performance data under section 120B.35, ~~subdivision~~ subdivisions  
 466.14 2 and 3; the percentages of students showing low, medium, and high growth under  
 466.15 section 120B.35, subdivision 3, paragraph (b); school safety and student engagement and  
 466.16 connection under section 120B.35, subdivision 3, paragraph (d); rigorous coursework  
 466.17 under section 120B.35, subdivision 3, paragraph (c); the percentage of students under  
 466.18 section 120B.35, subdivision 3, paragraph (b), clause (2), whose progress and performance  
 466.19 levels are meeting career and college readiness benchmarks under sections 120B.30,  
 466.20 subdivision 1, and 120B.35, subdivision 3, paragraph (e); longitudinal data on the progress  
 466.21 of eligible districts in reducing disparities in students' academic achievement and realizing  
 466.22 racial and economic integration under section 124D.861; the acquisition of English,  
 466.23 and where practicable, native language academic literacy, including oral academic  
 466.24 language, and the academic progress of all English learners ~~under section 124D.59,~~  
 466.25 subdivisions 2 and 2a enrolled in a Minnesota public school course or program who are  
 466.26 currently or were previously counted as English learners under section 124D.59; two  
 466.27 separate student-to-teacher ratios that clearly indicate the definition of teacher consistent  
 466.28 with sections 122A.06 and 122A.15 for purposes of determining these ratios; staff  
 466.29 characteristics excluding salaries; student enrollment demographics; foster care status,  
 466.30 including all students enrolled in a Minnesota public school course or program who are  
 466.31 currently or were previously in foster care, student homelessness, and district mobility;  
 466.32 and extracurricular activities. The report also must indicate a school's ~~adequate yearly~~  
 466.33 ~~progress~~ status under applicable federal law, ~~and must not set any designations applicable~~  
 466.34 ~~to high- and low-performing schools due solely to adequate yearly progress status.~~

467.1 (b) The commissioner shall develop, annually update, and post on the department  
467.2 Web site school performance reports.

467.3 (c) The commissioner must make available performance reports by the beginning  
467.4 of each school year.

467.5 (d) A school or district may appeal its ~~adequate yearly progress status in writing~~  
467.6 ~~to the commissioner within 30 days of receiving the notice of its status~~ results in a form  
467.7 and manner determined by the commissioner and consistent with federal law. The  
467.8 commissioner's decision to uphold or deny an appeal is final.

467.9 (e) School performance data are nonpublic data under section 13.02, subdivision 9,  
467.10 until the commissioner publicly releases the data. The commissioner shall annually post  
467.11 school performance reports to the department's public Web site no later than September 1,  
467.12 except that in years when the reports reflect new performance standards, the commissioner  
467.13 shall post the school performance reports no later than October 1.

467.14 Subd. 2. ~~Adequate yearly Student progress and other data.~~ (a) All data the  
467.15 department receives, collects, or creates under section 120B.11, governing the world's  
467.16 best workforce or to determine adequate yearly progress status under Public Law 107-110,  
467.17 section 1116 federal expectations under the most recently reauthorized Elementary and  
467.18 Secondary Education Act, set state growth targets, and determine student growth, learning,  
467.19 and outcomes under section 120B.35 are nonpublic data under section 13.02, subdivision  
467.20 9, until the commissioner publicly releases the data.

467.21 (b) Districts must provide parents sufficiently detailed summary data to permit  
467.22 parents to appeal under ~~Public Law 107-110, section 1116(b)(2)~~ the most recently  
467.23 reauthorized federal Elementary and Secondary Education Act. The commissioner shall  
467.24 annually post federal ~~adequate yearly progress data~~ expectations and state student growth,  
467.25 learning, and outcome data to the department's public Web site no later than September 1,  
467.26 except that in years when ~~adequate yearly progress reflects~~ data or federal expectations  
467.27 reflect new performance standards, the commissioner shall post federal ~~adequate yearly~~  
467.28 progress data on federal expectations and state student growth data no later than October 1.

467.29 **EFFECTIVE DATE.** This section is effective for the 2017-2018 school year and  
467.30 later.

467.31 Sec. 27. **[121A.065] DISTRICT SURVEYS TO COLLECT STUDENT**  
467.32 **INFORMATION; PARENT NOTICE AND OPPORTUNITY FOR OPTING OUT.**

467.33 (a) School districts and charter schools, in consultation with parents, must develop  
467.34 and adopt policies on conducting student surveys and using and distributing personal

468.1 information on students collected from the surveys. School districts and charter schools  
 468.2 must:

468.3 (1) directly notify parents of these policies at the beginning of each school year and  
 468.4 after making any substantive policy changes;

468.5 (2) inform parents at the beginning of the school year if the district or school has  
 468.6 identified specific or approximate dates for administering surveys and give parents  
 468.7 reasonable notice of planned surveys scheduled after the start of the school year;

468.8 (3) give parents direct, timely notice, by United States mail, e-mail, or other direct  
 468.9 form of communication, when their students are scheduled to participate in a student  
 468.10 survey; and

468.11 (4) give parents the opportunity to review the survey and to opt their students out of  
 468.12 participating in the survey.

468.13 (b) School districts and charter schools must not impose an academic or other  
 468.14 penalty upon a student who opts out of participating in a survey under paragraph (a).

468.15 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and  
 468.16 later.

468.17 Sec. 28. Minnesota Statutes 2014, section 121A.53, is amended to read:

468.18 **121A.53 REPORT TO COMMISSIONER OF EDUCATION.**

468.19 Subdivision 1. **Exclusions and expulsions; physical assaults.** The school board  
 468.20 must report through the department electronic reporting system each exclusion or  
 468.21 expulsion and each physical assault of a district employee by a student within 30 days  
 468.22 of the effective date of the dismissal action or assault to the commissioner of education.  
 468.23 This report must include a statement of alternative educational services, or other sanction,  
 468.24 intervention, or resolution in response to the assault given the pupil and the reason for,  
 468.25 the effective date, and the duration of the exclusion or expulsion or other sanction,  
 468.26 intervention, or resolution. The report must also include the student's age, grade, gender,  
 468.27 race, and special education status.

468.28 Subd. 2. **Report.** (a) The school board must include state student identification  
 468.29 numbers of affected pupils on all dismissal and other disciplinary reports required by the  
 468.30 department. The department must report annually to the commissioner summary data on the  
 468.31 number of dismissals and physical assaults of district employees by a student by age, grade,  
 468.32 gender, race, and special education status of the affected pupils. All dismissal and other  
 468.33 disciplinary reports must be submitted through the department electronic reporting system.

469.1 (b) The commissioner must aggregate the district data reported under this section and  
469.2 include the aggregated data, including aggregated data on physical assaults of a district  
469.3 employee by a student, in the annual school performance reports under section 120B.36.

469.4 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and  
469.5 later.

469.6 Sec. 29. Minnesota Statutes 2014, section 121A.61, subdivision 3, is amended to read:

469.7 Subd. 3. **Policy components.** The policy must include at least the following  
469.8 components:

469.9 (a) rules governing student conduct and procedures for informing students of the  
469.10 rules;

469.11 (b) the grounds for removal of a student from a class;

469.12 (c) the authority of the classroom teacher to remove students from the classroom  
469.13 pursuant to procedures and rules established in the district's policy;

469.14 (d) the procedures for removal of a student from a class by a teacher, school  
469.15 administrator, or other school district employee;

469.16 (e) the period of time for which a student may be removed from a class, which may  
469.17 not exceed five class periods for a violation of a rule of conduct;

469.18 (f) provisions relating to the responsibility for and custody of a student removed  
469.19 from a class;

469.20 (g) the procedures for return of a student to the specified class from which the  
469.21 student has been removed;

469.22 (h) the procedures for notifying a student and the student's parents or guardian of  
469.23 violations of the rules of conduct and of resulting disciplinary actions;

469.24 (i) any procedures determined appropriate for encouraging early involvement of  
469.25 parents or guardians in attempts to improve a student's behavior;

469.26 (j) any procedures determined appropriate for encouraging early detection of  
469.27 behavioral problems;

469.28 (k) any procedures determined appropriate for referring a student in need of special  
469.29 education services to those services;

469.30 (l) the procedures for consideration of whether there is a need for a further  
469.31 assessment or of whether there is a need for a review of the adequacy of a current  
469.32 individualized education program of a student with a disability who is removed from class;

469.33 (m) procedures for detecting and addressing chemical abuse problems of a student  
469.34 while on the school premises;

469.35 (n) the minimum consequences for violations of the code of conduct;

470.1 (o) procedures for immediate and appropriate interventions tied to violations of  
470.2 the code;

470.3 (p) a provision that states that a teacher, school employee, school bus driver, or  
470.4 other agent of a district may use reasonable force in compliance with section 121A.582  
470.5 and other laws; ~~and~~

470.6 (q) an agreement regarding procedures to coordinate crisis services to the extent  
470.7 funds are available with the county board responsible for implementing sections 245.487  
470.8 to 245.4889 for students with a serious emotional disturbance or other students who  
470.9 have an individualized education program whose behavior may be addressed by crisis  
470.10 intervention; and

470.11 (r) a provision that states a student must be removed from class immediately if the  
470.12 student engages in assault or violent behavior. For purposes of this paragraph, "assault"  
470.13 has the meaning given it in section 609.02, subdivision 10. The removal shall be for a  
470.14 period of time deemed appropriate by the principal, in consultation with the teacher.

470.15 Sec. 30. Minnesota Statutes 2014, section 121A.64, is amended to read:

470.16 **121A.64 NOTIFICATION; TEACHERS' LEGITIMATE EDUCATIONAL**  
470.17 **INTEREST.**

470.18 (a) A classroom teacher has a legitimate educational interest in knowing which  
470.19 students placed in the teacher's classroom have a history of violent behavior, including any  
470.20 documented physical assault of a district employee by the student, and must be notified  
470.21 before such students are placed in the teacher's classroom.

470.22 (b) Representatives of the school board and the exclusive representative of the  
470.23 teachers shall discuss issues related to the model policy on student records adopted under  
470.24 Laws 1999, chapter 241, article 9, section 50, and any modifications adopted under Laws  
470.25 2003, First Special Session chapter 9, for notifying classroom teachers and other school  
470.26 district employees having a legitimate educational interest in knowing about students with  
470.27 a history of violent behavior, including any documented physical assault of a district  
470.28 employee by students placed in classrooms. The representatives of the school board and  
470.29 the exclusive representative of the teachers also may discuss the need for intervention  
470.30 services or conflict resolution or training for staff related to placing students with a history  
470.31 of violent behavior in teachers' classrooms.

470.32 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and  
470.33 later.

471.1 Sec. 31. Minnesota Statutes 2014, section 123B.045, is amended by adding a  
471.2 subdivision to read:

471.3 Subd. 2a. **Teacher-governed schools; grants.** (a) Consistent with subdivision 1  
471.4 authorizing a school board to agree to assign certain autonomies and responsibilities to a  
471.5 school site, and subject to a memorandum of understanding between the school board and  
471.6 the exclusive representative of the teachers, a grant program is established to encourage  
471.7 licensed teachers employed at a school site to explore and develop organizational models  
471.8 for teaching and learning; provide curriculum and corresponding formative, interim, and  
471.9 summative assessments; measure and evaluate teacher performance; assign teaching  
471.10 positions and restructure instructional work; provide professional development to support  
471.11 teachers restructuring their work; allocate revenue; assert autonomy and leadership; and  
471.12 pursue other such policies, strategies, and activities for creating teacher-governed schools.

471.13 (b) The commissioner, after receiving documentation of the approved agreement  
471.14 between the parties under subdivision 1, paragraph (d), shall award grants on a first-come,  
471.15 first-served basis until appropriated funds are expended according to this paragraph:

471.16 (1) a planning grant of up to \$50,000 during the first year of the parties' agreement; and

471.17 (2) an implementation grant of up to \$100,000 during each of the next two years  
471.18 of the parties' agreement.

471.19 (c) A grant recipient that terminates an agreement before the end of a school year  
471.20 must return a pro rata portion of the grant to the commissioner, the amount of which  
471.21 the commissioner must determine based upon the number of school days remaining in  
471.22 the school year after the agreement is terminated. Grant recipients are encouraged to  
471.23 seek matching funds or in-kind contributions from nonstate sources to supplement the  
471.24 grant awards.

471.25 (d) A school district receiving a grant must transmit to the commissioner in an  
471.26 electronic format and post on its Web site by the end of the school year readily accessible  
471.27 information about recommended best practices based on its experience and progress under  
471.28 this section. The commissioner must make information about these recommended best  
471.29 practices readily available to interested districts and schools throughout Minnesota.

471.30 Sec. 32. Minnesota Statutes 2014, section 124D.03, subdivision 5a, is amended to read:

471.31 Subd. 5a. **Lotteries.** If a school district has more applications than available seats at  
471.32 a specific grade level, it must hold an impartial lottery following the January 15 deadline  
471.33 to determine which students will receive seats. Siblings of currently enrolled students and,  
471.34 applications related to an approved integration and achievement plan, and children of the  
471.35 school district's staff must receive priority in the lottery. The process for the school district

472.1 lottery must be established in school district policy, approved by the school board, and  
472.2 posted on the school district's Web site.

472.3 **EFFECTIVE DATE.** This section is effective the day following final enactment for  
472.4 nonresident pupil applications not yet accepted or rejected by the school district.

472.5 Sec. 33. Minnesota Statutes 2014, section 124D.15, subdivision 3a, is amended to read:

472.6 Subd. 3a. **Application and reporting requirements.** (a) A school readiness  
472.7 program provider must ~~submit~~ include a biennial plan ~~for approval by the commissioner~~  
472.8 ~~before receiving aid under section 124D.16.~~ The plan must describe in the district's  
472.9 world's best workforce plan under section 120B.11, describing how the school readiness  
472.10 program meets the program requirements under subdivision 3. ~~A school district by April 1~~  
472.11 ~~must submit the plan for approval by the commissioner in the form and manner prescribed~~  
472.12 ~~by the commissioner. One-half the districts must first submit the plan by April 1, 2006,~~  
472.13 ~~and one-half the districts must first submit the plan by April 1, 2007, as determined by~~  
472.14 ~~the commissioner.~~

472.15 (b) Programs receiving school readiness funds annually must submit a report to  
472.16 the department.

472.17 **EFFECTIVE DATE.** This section is effective July 1, 2016.

472.18 Sec. 34. Minnesota Statutes 2015 Supplement, section 124D.231, subdivision 2,  
472.19 is amended to read:

472.20 Subd. 2. **Full-service community school program.** (a) The commissioner shall  
472.21 provide funding to eligible school sites to plan, implement, and improve full-service  
472.22 community schools. Eligible school sites must meet one of the following criteria:

472.23 (1) the school is on a development plan for continuous improvement under section  
472.24 120B.35, subdivision 2; or

472.25 (2) the school is in a district that has an achievement and integration plan approved  
472.26 by the commissioner of education under sections 124D.861 and 124D.862.

472.27 (b) An eligible school site may receive up to ~~\$100,000~~ \$150,000 annually. School  
472.28 sites receiving funding under this section shall hire or contract with a partner agency to  
472.29 hire a site coordinator to coordinate services at each covered school site.

472.30 (c) Of grants awarded, implementation funding of up to \$20,000 must be available  
472.31 for up to one year for planning for school sites. At the end of this period, the school must  
472.32 submit a full-service community school plan, pursuant to paragraph (g). If the site decides  
472.33 not to use planning funds, the plan must be submitted with the application.

473.1 (d) The commissioner shall ~~dispense the funds to~~ consider additional school factors  
473.2 when dispensing funds including: schools with significant populations of students  
473.3 receiving free or reduced-price lunches. ~~Schools with~~ significant homeless and highly  
473.4 mobile students ~~shall also be a priority. The commissioner must also dispense the funds in a~~  
473.5 ~~manner to ensure~~ rates; and equity among urban, suburban, and greater Minnesota schools.

473.6 (e) A school site must establish a school leadership team responsible for developing  
473.7 school-specific programming goals, assessing program needs, and overseeing the process  
473.8 of implementing expanded programming at each covered site. The school leadership team  
473.9 shall have between 12 to 15 members and shall meet the following requirements:

473.10 (1) at least 30 percent of the members are parents and 30 percent of the members  
473.11 are teachers at the school site and must include the school principal and representatives  
473.12 from partner agencies; and

473.13 (2) the school leadership team must be responsible for overseeing the baseline  
473.14 analyses under paragraph (f). A school leadership team must have ongoing responsibility  
473.15 for monitoring the development and implementation of full-service community school  
473.16 operations and programming at the school site and shall issue recommendations to schools  
473.17 on a regular basis and summarized in an annual report. These reports shall also be made  
473.18 available to the public at the school site and on school and district Web sites.

473.19 (f) School sites must complete a baseline analysis prior to beginning programming  
473.20 as a full-service community school. The analysis shall include:

473.21 (1) a baseline analysis of needs at the school site, led by the school leadership team,  
473.22 which shall include the following elements:

473.23 (i) identification of challenges facing the school;

473.24 (ii) analysis of the student body, including:

473.25 (A) number and percentage of students with disabilities and needs of these students;

473.26 (B) number and percentage of students who are English learners and the needs of  
473.27 these students;

473.28 (C) number of students who are homeless or highly mobile; and

473.29 (D) number and percentage of students receiving free or reduced-price lunch and the  
473.30 needs of these students;

473.31 (iii) analysis of enrollment and retention rates for students with disabilities,  
473.32 English learners, homeless and highly mobile students, and students receiving free or  
473.33 reduced-price lunch;

473.34 (iv) analysis of suspension and expulsion data, including the justification for such  
473.35 disciplinary actions and the degree to which particular populations, including, but not  
473.36 limited to, students of color, students with disabilities, students who are English learners,

474.1 and students receiving free or reduced-price lunch are represented among students subject  
474.2 to such actions;

474.3 (v) analysis of school achievement data disaggregated by major demographic  
474.4 categories, including, but not limited to, race, ethnicity, English learner status, disability  
474.5 status, and free or reduced-price lunch status;

474.6 (vi) analysis of current parent engagement strategies and their success; and

474.7 (vii) evaluation of the need for and availability of wraparound services, including,  
474.8 but not limited to:

474.9 (A) mechanisms for meeting students' social, emotional, and physical health needs,  
474.10 which may include coordination of existing services as well as the development of new  
474.11 services based on student needs; and

474.12 (B) strategies to create a safe and secure school environment and improve school  
474.13 climate and discipline, such as implementing a system of positive behavioral supports, and  
474.14 taking additional steps to eliminate bullying;

474.15 (2) a baseline analysis of community assets and a strategic plan for utilizing  
474.16 and aligning identified assets. This analysis should include, but is not limited to, a  
474.17 documentation of individuals in the community, faith-based organizations, community and  
474.18 neighborhood associations, colleges, hospitals, libraries, businesses, and social service  
474.19 agencies who may be able to provide support and resources; and

474.20 (3) a baseline analysis of needs in the community surrounding the school, led by  
474.21 the school leadership team, including, but not limited to:

474.22 (i) the need for high-quality, full-day child care and early childhood education  
474.23 programs;

474.24 (ii) the need for physical and mental health care services for children and adults; and

474.25 (iii) the need for job training and other adult education programming.

474.26 (g) Each school site receiving funding under this section must establish at least two  
474.27 of the following types of programming:

474.28 (1) early childhood:

474.29 (i) early childhood education; and

474.30 (ii) child care services;

474.31 (2) academic:

474.32 (i) academic support and enrichment activities, including expanded learning time;

474.33 (ii) summer or after-school enrichment and learning experiences;

474.34 (iii) job training, internship opportunities, and career counseling services;

474.35 (iv) programs that provide assistance to students who have been truant, suspended,  
474.36 or expelled; and

- 475.1 (v) specialized instructional support services;
- 475.2 (3) parental involvement:
- 475.3 (i) programs that promote parental involvement and family literacy, ~~including the~~
- 475.4 ~~Reading First and Early Reading First programs authorized under part B of title I of the~~
- 475.5 ~~Elementary and Secondary Education Act of 1965, United States Code, title 20, section~~
- 475.6 ~~6361, et seq.;~~
- 475.7 (ii) parent leadership development activities; and
- 475.8 (iii) parenting education activities;
- 475.9 (4) mental and physical health:
- 475.10 (i) mentoring and other youth development programs, including peer mentoring and
- 475.11 conflict mediation;
- 475.12 (ii) juvenile crime prevention and rehabilitation programs;
- 475.13 (iii) home visitation services by teachers and other professionals;
- 475.14 (iv) developmentally appropriate physical education;
- 475.15 (v) nutrition services;
- 475.16 (vi) primary health and dental care; and
- 475.17 (vii) mental health counseling services;
- 475.18 (5) community involvement:
- 475.19 (i) service and service-learning opportunities;
- 475.20 (ii) adult education, including instruction in English as a second language; and
- 475.21 (iii) homeless prevention services;
- 475.22 (6) positive discipline practices; and
- 475.23 (7) other programming designed to meet school and community needs identified in
- 475.24 the baseline analysis and reflected in the full-service community school plan.
- 475.25 (h) The school leadership team at each school site must develop a full-service
- 475.26 community school plan detailing the steps the school leadership team will take, including:
- 475.27 (1) timely establishment and consistent operation of the school leadership team;
- 475.28 (2) maintenance of attendance records in all programming components;
- 475.29 (3) maintenance of measurable data showing annual participation and the impact
- 475.30 of programming on the participating children and adults;
- 475.31 (4) documentation of meaningful and sustained collaboration between the school
- 475.32 and community stakeholders, including local governmental units, civic engagement
- 475.33 organizations, businesses, and social service providers;
- 475.34 (5) establishment and maintenance of partnerships with institutions, such as
- 475.35 universities, hospitals, museums, or not-for-profit community organizations to further the
- 475.36 development and implementation of community school programming;

- 476.1 (6) ensuring compliance with the district nondiscrimination policy; and  
476.2 (7) plan for school leadership team development.

476.3 Sec. 35. Minnesota Statutes 2014, section 124D.59, is amended by adding a  
476.4 subdivision to read:

476.5 Subd. 9. **English learner data.** When data on English learners are reported for  
476.6 purposes of educational accountability, English learner data must include all pupils  
476.7 enrolled in a Minnesota public school course or program who are currently or were  
476.8 previously counted as an English learner under this section. Reported data must be  
476.9 disaggregated by currently counted and previously counted English learners.

476.10 **EFFECTIVE DATE.** This section is effective for the 2017-2018 school year and  
476.11 later.

476.12 Sec. 36. Minnesota Statutes 2015 Supplement, section 124D.73, subdivision 4, is  
476.13 amended to read:

476.14 Subd. 4. **Participating school; American Indian school.** "Participating school"  
476.15 and "American Indian school" mean a school that:

476.16 (1) is not operated by a school district; and

476.17 (2) is eligible for a grant under federal Title ~~VH~~ VI of the Elementary and Secondary  
476.18 Education Act for the education of American Indian children.

476.19 Sec. 37. **[124D.8957] PREKINDERGARTEN THROUGH GRADE 12**  
476.20 **PARENTAL RIGHTS CODED ELSEWHERE.**

476.21 Subdivision 1. **Scope.** The sections referred to in subdivisions 2 to 30 are codified  
476.22 outside this section. Those sections include many but not all the sections governing  
476.23 parental rights related to topics in prekindergarten through grade 12 education.

476.24 Subd. 2. **Compulsory instruction.** Parental rights related to compulsory instruction,  
476.25 including the right to withdraw a child from school; to receive notice related to transfer of  
476.26 disciplinary records; to excuse a child from school for illnesses, appointments, or religious  
476.27 events; and the right of noncustodial parents to access school records and conferences,  
476.28 among other rights, are governed by section 120A.22.

476.29 Subd. 3. **Longitudinal data.** The parental right to annual summary longitudinal  
476.30 performance and progress data is governed by section 120B.31.

476.31 Subd. 4. **Antibullying.** Parental rights related to school district antibullying  
476.32 policies, including the right to be involved in developing the policies, the right to be

477.1 notified of incidents of prohibited conduct, and the right to be informed of data practices  
477.2 laws, are governed by section 121A.031.

477.3 Subd. 5. **Student discipline policies.** The parental right to notice in student  
477.4 discipline policies of rights under the Safe and Supportive Minnesota Schools Act is  
477.5 governed by section 121A.0311.

477.6 Subd. 6. **Early childhood development screening.** Parental rights to certain notice  
477.7 requirements related to early childhood development screening and to receive results of  
477.8 early childhood development screening are governed by section 121A.17. The parental  
477.9 right to provide consent before individual screening data may be disclosed to a school  
477.10 district is governed by section 121A.18.

477.11 Subd. 7. **Chemical abuse.** The parental right to be informed of a reported case of  
477.12 chemical abuse by a minor student is governed by section 121A.26.

477.13 Subd. 8. **Pesticides.** The parental right to be notified regarding the use of pesticides  
477.14 at a school is governed by the Janet B. Johnson Parents' Right-to-Know Act under section  
477.15 121A.30.

477.16 Subd. 9. **Student dismissal.** The parental right to notice and a meeting regarding  
477.17 the removal of a student for more than ten days is governed by section 121A.45.

477.18 Subd. 10. **Exclusion and expulsion.** The parental right to be included in exclusion  
477.19 or expulsion hearing procedures, including access to records, ability to testify and present  
477.20 evidence, and inclusion in the student's readmission plan, is governed by section 121A.47.

477.21 Subd. 11. **Exclusion and expulsion appeal.** The parental right to notice of the right  
477.22 to appeal an exclusion or expulsion decision is governed by section 121A.49.

477.23 Subd. 12. **Reinstatement after termination of dismissal.** The parental right to  
477.24 notice of a student's right to be reinstated after the termination of dismissal is governed  
477.25 by section 121A.54.

477.26 Subd. 13. **Interdistrict cooperation.** The parental right to notice of an  
477.27 informational school board meeting relating to discontinuing interdistrict cooperation  
477.28 is governed by section 123A.32.

477.29 Subd. 14. **Background checks.** The parental right to notice of a school's  
477.30 background check policy for hiring teachers is governed by section 123B.03.

477.31 Subd. 15. **Textbook fees.** The parental right to notice of a school board's policy to  
477.32 charge fees for textbooks lost or destroyed by students is governed by section 123B.37.

477.33 Subd. 16. **Transportation privileges.** The parental right to surrender a student's  
477.34 privilege to receive transportation services from a school district is governed by section  
477.35 123B.88.

478.1 Subd. 17. **Nonresident district policies.** The parental right to receive notice of: a  
478.2 decision on an application by a student to attend school in a nonresident district; the  
478.3 transportation policies of the nonresident district; and the right to be reimbursed for costs  
478.4 of transportation to the nonresident district's border are governed by section 124D.03.

478.5 Subd. 18. **Out-of-state districts.** Under section 124D.04, the parental rights related  
478.6 to a student attending a nonresident district under section 124D.03 apply to a student  
478.7 attending an out-of-state district.

478.8 Subd. 19. **Free or reduced-price lunch eligibility.** The parental right to opt a child  
478.9 out of disclosing a child's eligibility for free or reduced-price lunch to the Department of  
478.10 Education and the Department of Human Services is governed by section 124D.1115.

478.11 Subd. 20. **Learning year programs.** The parental right to notice of optional  
478.12 learning year programs is governed by section 124D.128.

478.13 Subd. 21. **English learners programs.** Parental rights related to student enrollment  
478.14 in programs for English learners, including notice, withdrawal, and parental involvement,  
478.15 are governed by section 124D.60.

478.16 Subd. 22. **Charter school transportation.** The parental right to receive  
478.17 pupil transportation information from the charter school or school district providing  
478.18 transportation services to a charter school student is governed by section 123B.88.

478.19 Subd. 23. **Services for children with disabilities.** The parental right to be included  
478.20 in determining the appropriate and necessary services for students with disabilities is  
478.21 governed by section 125A.027.

478.22 Subd. 24. **Data on children with disabilities.** The parental right to notice and  
478.23 involvement regarding online reporting of data related to children with disabilities is  
478.24 governed by section 125A.085.

478.25 Subd. 25. **Special education alternative dispute resolution.** Parental rights  
478.26 regarding notice, participation, and due process related to special education alternative  
478.27 dispute resolution procedures are governed by section 125A.091.

478.28 Subd. 26. **Third-party reimbursement for children with disabilities.** The  
478.29 parental right to notice of a school district seeking reimbursement from medical assistance  
478.30 or MinnesotaCare for services rendered to a student with a disability is governed by  
478.31 section 125A.21.

478.32 Subd. 27. **Services provided to children with disabilities.** Parental rights  
478.33 related to services provided to students eligible for Part C services under the Individuals  
478.34 with Disabilities Education Act and the right to receive written materials regarding the  
478.35 implementation of Part C services are governed by sections 125A.42 and 125A.48. The

479.1 parental right to use mediation to resolve disputes under section 125A.42 is governed  
 479.2 by section 125A.43.

479.3 Subd. 28. **Minnesota State Academies discharge.** The parental right to notice of a  
 479.4 student's discharge from the Minnesota State Academies is governed by section 125A.68.

479.5 Subd. 29. **Education records for military children.** The parental right to education  
 479.6 records under the Interstate Compact on Educational Opportunity for Military Children  
 479.7 is governed by section 127A.85.

479.8 Subd. 30. **Appeal adverse school board decision.** The parental right to appeal a  
 479.9 school board decision adversely affecting an academic program of an enrolled student is  
 479.10 governed by section 129C.10, subdivision 36.

479.11 Sec. 38. Minnesota Statutes 2014, section 125A.56, subdivision 1, is amended to read:

479.12 Subdivision 1. **Requirement.** (a) Before a pupil is referred for a special education  
 479.13 evaluation, the district must conduct and document at least two instructional strategies,  
 479.14 alternatives, or interventions using a system of scientific, research-based instruction and  
 479.15 intervention in academics or behavior, based on the pupil's needs, while the pupil is in the  
 479.16 regular classroom. The pupil's teacher must document the results. A special education  
 479.17 evaluation team may waive this requirement when it determines the pupil's need for the  
 479.18 evaluation is urgent. This section may not be used to deny a pupil's right to a special  
 479.19 education evaluation.

479.20 (b) A school district shall use alternative intervention services, including the  
 479.21 assurance of mastery program under section 124D.66, or an early intervening services  
 479.22 program under subdivision 2 to serve at-risk pupils who demonstrate a need for alternative  
 479.23 instructional strategies or interventions.

479.24 (c) A student identified as being unable to read at grade level under section 120B.12,  
 479.25 subdivision 2, paragraph (a), must be provided with alternate instruction under this  
 479.26 subdivision.

479.27 Sec. 39. Minnesota Statutes 2014, section 127A.095, is amended to read:

479.28 **127A.095 IMPLEMENTATION OF ~~NO CHILD LEFT BEHIND ACT~~**  
 479.29 **ELEMENTARY AND SECONDARY EDUCATION ACT.**

479.30 Subdivision 1. **Continued implementation.** The Department of Education shall  
 479.31 continue to implement the federal ~~No Child Left Behind Act, Public Law 107-110,~~  
 479.32 Elementary and Secondary Education Act without interruption.

479.33 ~~Subd. 2. **No Child Left Behind review.** (a) The legislature intends to require~~  
 479.34 ~~the Department of Education to conduct a comprehensive review of the consolidated~~

480.1 ~~state plan the state submitted to the federal Department of Education to implement the~~  
480.2 ~~No Child Left Behind Act. The Minnesota Department of Education shall seek waivers~~  
480.3 ~~under paragraph (b). If the Department of Education is unable to obtain waivers under~~  
480.4 ~~paragraph (b), it should recommend in its report under paragraph (b) whether the state~~  
480.5 ~~should opt out of the No Child Left Behind Act.~~

480.6 ~~(b) The commissioner, by January 15, 2008, shall report to the house of~~  
480.7 ~~representatives and senate committees having jurisdiction over kindergarten through grade~~  
480.8 ~~12 education policy and finance whether the department has received approval from~~  
480.9 ~~the federal Department of Education to:~~

480.10 ~~(1) participate in the growth model pilot program;~~

480.11 ~~(2) exclude from sanctions schools that have not made adequate yearly progress due~~  
480.12 ~~solely to a subgroup of students with disabilities not testing at a proficient level;~~

480.13 ~~(3) identify a school as not making adequate yearly progress only after the school has~~  
480.14 ~~missed the adequate yearly progress targets in the same subgroup for two consecutive years;~~

480.15 ~~(4) determine when to hold schools accountable for including an English learner~~  
480.16 ~~in adequate yearly progress calculations;~~

480.17 ~~(5) allow a district not making adequate yearly progress to offer supplemental~~  
480.18 ~~educational services as an option before offering school choice;~~

480.19 ~~(6) allow a district not making adequate yearly progress to also be the supplemental~~  
480.20 ~~educational services provider;~~

480.21 ~~(7) allow the state to maintain a subgroup size to 40 for the purposes of calculating~~  
480.22 ~~adequate yearly progress for subgroups of English learners and subgroups of students~~  
480.23 ~~with disabilities; and~~

480.24 ~~(8) create flexibility to enable the state to define and identify highly qualified teachers.~~

480.25 **Subd. 3. Department of Management and Budget certification.** ~~If the federal~~  
480.26 ~~Department of Education does not transmit to the commissioner of education its approval~~  
480.27 ~~of the conditions in subdivision 2, paragraph (b), The commissioner of management and~~  
480.28 ~~budget shall certify and report to the legislature annually beginning January 1, 2008, the~~  
480.29 ~~amount of federal revenue, if any, that the federal government may withhold as a result~~  
480.30 ~~of a potential state decision to discontinue implementation of the No Child Left Behind~~  
480.31 ~~Act Elementary and Secondary Education Act. The report shall also specify the intended~~  
480.32 ~~purpose of the federal revenue and the amount of revenue that the federal government may~~  
480.33 ~~withhold from the state, each school district, and each charter school in each fiscal year.~~

480.34 **Sec. 40.** Minnesota Statutes 2014, section 129C.10, subdivision 1, is amended to read:

481.1 Subdivision 1. **Governance.** (a) The board of the Perpich Center for Arts Education  
481.2 shall consist of 15 persons. The members of the board shall be appointed by the governor  
481.3 with the advice and consent of the senate. At least one member must be appointed from  
481.4 each congressional district.

481.5 (b) All board members must complete board training requirements consistent with  
481.6 section 127A.19.

481.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.

481.8 Sec. 41. Minnesota Statutes 2015 Supplement, section 136F.302, subdivision 1,  
481.9 is amended to read:

481.10 Subdivision 1. **ACT college ready score; Minnesota Comprehensive Assessment**  
481.11 **career and college ready benchmarks.** A state college or university ~~may~~ must not  
481.12 require an individual to take a remedial, noncredit course in a subject area if the individual  
481.13 has received a college ready ACT score or met a career and college ready Minnesota  
481.14 Comprehensive Assessment benchmark in that subject area. Only the ACT and SAT  
481.15 scores an individual received and the Minnesota Comprehensive Assessment benchmarks  
481.16 an individual met in the previous five years are valid for purposes of this section. Each  
481.17 state college and university must post notice of the exemption from remedial course taking  
481.18 on its Web site explaining student course placement requirements.

481.19 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and  
481.20 later.

481.21 Sec. 42. **[136F.3025] MINNESOTA COMPREHENSIVE ASSESSMENT**  
481.22 **CAREER AND COLLEGE READY BENCHMARKS; REMEDIAL EDUCATION.**

481.23 (a) A state college or university must not require an individual to take a remedial,  
481.24 noncredit course in a subject area if the individual has received a career and college ready  
481.25 Minnesota Comprehensive Assessment benchmark in that subject area, consistent with  
481.26 benchmarks established by the commissioner of education pursuant to section 120B.30,  
481.27 subdivision 1, paragraph (m).

481.28 (b) As part of the notification of high school students and their families under  
481.29 section 120B.30, subdivision 1, paragraph (m), the commissioner shall include a statement  
481.30 that students who receive a college ready benchmark on the high school MCA are not  
481.31 required to take a remedial, noncredit course at a Minnesota state college or university in  
481.32 the corresponding subject area.

482.1 **EFFECTIVE DATE.** If the chancellor approves the career and college ready  
 482.2 benchmarks, paragraph (a) must be effective for the 2016-2017 school year, if practicable,  
 482.3 but no later than the 2017-2018 school year. If the chancellor does not approve the  
 482.4 benchmarks, paragraph (a) is effective upon the establishment of revised benchmarks.  
 482.5 Paragraph (b) is effective for the 2016-2017 school year and later.

482.6 Sec. 43. Laws 2015, chapter 69, article 1, section 3, subdivision 28, is amended to read:

482.7			200,000
482.8	Subd. 28. <b>Teacher Shortage Loan Forgiveness</b>	200,000	<u>2,200,000</u>

482.9 For the loan forgiveness program under  
 482.10 Minnesota Statutes, section 136A.1791.

482.11 The commissioner may use no more  
 482.12 than three percent of this appropriation  
 482.13 to administer the program under this  
 482.14 subdivision. The base for the program for  
 482.15 fiscal year 2018 and later is \$200,000.

482.16 **EFFECTIVE DATE.** This section is effective the day following final enactment,  
 482.17 and any unexpended funds in fiscal year 2017 do not cancel and remain available until  
 482.18 June 30, 2019.

482.19 Sec. 44. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision  
 482.20 2, is amended to read:

482.21 Subd. 2. **Alternative compensation.** For alternative teacher compensation aid  
 482.22 under Minnesota Statutes, section 122A.415, subdivision 4:

482.23		<del>78,331,000</del>	
482.24	\$	<u>78,907,000</u>	..... 2016
482.25		<del>87,147,000</del>	
482.26	\$	<u>89,049,000</u>	..... 2017

482.27 The 2016 appropriation includes \$7,766,000 for 2015 and ~~\$70,565,000~~ \$71,141,000  
 482.28 for 2016.

482.29 The 2017 appropriation includes ~~\$7,840,000~~ \$7,876,000 for 2016 and ~~\$79,307,000~~  
 482.30 \$81,173,000 for 2017.

482.31 Sec. 45. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision  
 482.32 3, is amended to read:

483.1 Subd. 3. **Achievement and integration aid.** For achievement and integration aid  
 483.2 under Minnesota Statutes, section 124D.862:

483.3 ~~65,539,000~~  
 483.4 \$ 65,439,000 ..... 2016  
 483.5 ~~68,745,000~~  
 483.6 \$ 69,372,000 ..... 2017

483.7 The 2016 appropriation includes \$6,382,000 for 2015 and ~~\$59,157,000~~ \$59,057,000  
 483.8 for 2016.

483.9 The 2017 appropriation includes ~~\$6,573,000~~ \$6,561,000 for 2016 and ~~\$62,172,000~~  
 483.10 \$62,811,000 for 2017.

483.11 Sec. 46. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision  
 483.12 6, is amended to read:

483.13 Subd. 6. **Reading Corps.** For grants to ServeMinnesota for the Minnesota Reading  
 483.14 Corps under Minnesota Statutes, section 124D.42, subdivision 8:

483.15 \$ 6,125,000 ..... 2016  
 483.16 ~~6,125,000~~  
 483.17 \$ 7,125,000 ..... 2017

483.18 Any balance ~~in the first year does not cancel~~ but is available in the second year: until  
 483.19 June 30, 2019. The base appropriation for fiscal year 2018 and later years is \$5,625,000.

483.20 Sec. 47. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision  
 483.21 12, is amended to read:

483.22 Subd. 12. **Collaborative urban educator.** For the collaborative urban educator  
 483.23 grant program:

483.24 \$ 780,000 ..... 2016  
 483.25 ~~780,000~~  
 483.26 \$ 1,090,000 ..... 2017

483.27 Grants shall be awarded in equal amounts: ~~\$195,000~~ \$272,500 each year is for the  
 483.28 Southeast Asian teacher program at Concordia University, St. Paul; ~~\$195,000~~ \$272,500  
 483.29 each year is for the collaborative urban educator program at the University of St. Thomas;  
 483.30 ~~\$195,000~~ \$272,500 each year is for the Center for Excellence in Urban Teaching at  
 483.31 Hamline University; and ~~\$195,00~~ \$272,500 each year is for the East Africa Student to  
 483.32 Teacher program at Augsburg College.

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

483.34 Each institution shall prepare for the legislature, by January 15 of each year, a  
 483.35 detailed report regarding the funds used. The report must include the number of teachers

484.1 prepared as well as the diversity for each cohort of teachers produced. The report must  
 484.2 also include the graduation rate for each cohort of teacher candidates, the placement rate  
 484.3 for each graduating cohort of teacher candidates, and the retention rate for each graduating  
 484.4 cohort of teacher candidates, among other program outcomes.

484.5 The base appropriation for fiscal year 2018 and later is \$780,000. Grants shall  
 484.6 be awarded in equal amounts: \$195,000 each year is for the Southeast Asian teacher  
 484.7 program at Concordia University, St. Paul; \$195,000 each year is for the collaborative  
 484.8 urban educator program at the University of St. Thomas; \$195,000 each year is for the  
 484.9 Center for Excellence in Urban Teaching at Hamline University; and \$195,000 each year  
 484.10 is for the East Africa Student to Teacher program at Augsburg College.

484.11 Sec. 48. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision  
 484.12 15, is amended to read:

484.13 Subd. 15. **Museums and Education Centers.** For grants to museums and education  
 484.14 centers:

484.15	\$	351,000	.....	2016
484.16		<del>351,000</del>		
484.17	\$	<u>401,000</u>	.....	2017

484.18 (a) \$260,000 each year is for the Minnesota Children's Museum.

484.19 (b) \$50,000 each year is for the Duluth Children's Museum.

484.20 (c) \$41,000 each year is for the Minnesota Academy of Science.

484.21 (d) \$50,000 in fiscal year 2017 and later is for the Headwaters Science Center for  
 484.22 hands-on science, technology, engineering, and math (STEM) education.

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

484.24 The base in fiscal year 2018 is \$401,000.

484.25 Sec. 49. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision  
 484.26 19, is amended to read:

484.27 Subd. 19. **Full-service community schools.** For full-service community schools  
 484.28 under Minnesota Statutes, section 124D.231:

484.29	\$	250,000	.....	2016
484.30		<del>250,000</del>		
484.31	\$	<u>1,250,000</u>	.....	2017

484.32 This is a onetime appropriation. Up to \$50,000 each year is for administration of  
 484.33 this program. Any balance in the first year does not cancel but is available in the second  
 484.34 year. The base appropriation for fiscal year 2018 is \$0.

485.1 Sec. 50. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision  
 485.2 21, is amended to read:

485.3 Subd. 21. **American Indian teacher preparation grants.** For joint grants to assist  
 485.4 American Indian people to become teachers under Minnesota Statutes, section 122A.63:

485.5 \$ 190,000 ..... 2016

485.6 ~~\$190,000~~ 460,000 ..... 2017

485.7 Sec. 51. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision  
 485.8 24, is amended to read:

485.9 Subd. 24. **Race 2 Reduce.** For grants to support expanded Race 2 Reduce water  
 485.10 conservation programming in Minnesota schools:

485.11 \$ 81,000 ..... 2016

485.12 ~~69,000~~

485.13 \$ 219,000 ..... 2017

485.14 In the first year, \$28,000 is for H2O for Life; \$38,000 is for Independent School  
 485.15 District No. 624, White Bear Lake; and \$15,000 is for Independent School District No.  
 485.16 832, Mahtomedi. In the second year, ~~\$32,000~~ \$102,000 is for H2O for Life; ~~\$22,000~~  
 485.17 \$70,000 is for Independent School District No. 624, White Bear Lake; and ~~\$15,000~~  
 485.18 \$47,000 is for Independent School District No. 832, Mahtomedi.

485.19 Any balance in the first year does not cancel but is available in the second year. The  
 485.20 base appropriation for fiscal year 2018 and later is ~~\$0~~ \$307,000, and the commissioner  
 485.21 shall proportionately increase the grant amount to each recipient.

485.22 Sec. 52. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision  
 485.23 26, is amended to read:

485.24 Subd. 26. **Education partnership pilots.** (a) For education partnership pilot grants:

485.25 \$ 501,000 ..... 2016

485.26 ~~501,000~~

485.27 \$ 531,000 ..... 2017

485.28 (b) Of this amount, \$167,000 in fiscal year 2016 and \$177,000 in each fiscal year  
 485.29 2017 is for the Northfield Healthy Community Initiative for a pilot site in Northfield;  
 485.30 \$167,000 in fiscal year 2016 and \$177,000 in each fiscal year 2017 is for the Jones Family  
 485.31 Foundation for a pilot site in Red Wing; and \$167,000 in fiscal year 2016 and \$177,000 in  
 485.32 each fiscal year 2017 is for Independent School District No. 742, St. Cloud, for a pilot  
 485.33 site in St. Cloud. Each partnership pilot program shall support community collaborations  
 485.34 focused on academic achievement and youth development, use a comprehensive and  
 485.35 data-driven approach to increase student success, and measure outcomes, such as

486.1 kindergarten readiness, reading proficiency at third grade, high school graduation, and  
 486.2 college and career readiness. By February 15, 2016, and by February 15 of every  
 486.3 subsequent even-numbered year, each partnership pilot grant recipient shall submit to  
 486.4 the chairs and ranking minority members of the legislative committees with primary  
 486.5 jurisdiction over kindergarten through grade 12 education a report describing the activities  
 486.6 funded by the grant, changes in outcome measures attributable to the grant-funded  
 486.7 activities, and the recipient's program plan for the following year.

486.8 ~~This is a onetime appropriation.~~

486.9 (c) The base for this program is \$0 for fiscal year 2018.

486.10 (d) Any balance from the first year may carry forward into the second year.

486.11 Sec. 53. Laws 2015, First Special Session chapter 3, article 10, section 3, subdivision  
 486.12 6, is amended to read:

486.13 Subd. 6. **Northside Achievement Zone.** For a grant to the Northside Achievement  
 486.14 Zone:

486.15 \$ 1,200,000 ..... 2016

486.16 ~~1,200,000~~

486.17 \$ 1,210,000 ..... 2017

486.18 Funds appropriated in this section are to reduce multigenerational poverty and the  
 486.19 educational achievement gap through increased enrollment of families within the zone,  
 486.20 and may be used for Northside Achievement Zone programming and services consistent  
 486.21 with federal Promise Neighborhood program agreements and requirements.

486.22 The base for this program is \$1,200,000 for fiscal year 2018 and later.

486.23 Sec. 54. Laws 2015, First Special Session chapter 3, article 10, section 3, subdivision  
 486.24 7, is amended to read:

486.25 Subd. 7. **St. Paul Promise Neighborhood.** For a grant to the St. Paul Promise  
 486.26 Neighborhood:

486.27 \$ 1,200,000 ..... 2016

486.28 ~~1,200,000~~

486.29 \$ 1,210,000 ..... 2017

486.30 Funds appropriated in this section are to reduce multigenerational poverty and the  
 486.31 educational achievement gap through increased enrollment of families within the zone,  
 486.32 and may be used for St. Paul Promise Neighborhood programming and services consistent  
 486.33 with federal Promise Neighborhood program agreements and requirements.

486.34 The base for this program is \$1,200,000 for fiscal year 2018 and later.

487.1       Sec. 55. **AGRICULTURAL EDUCATOR GRANTS.**

487.2           Subdivision 1. Grant program established. A grant program is established to  
487.3 support school districts in paying agricultural education teachers for work over the  
487.4 summer with high school students in extended projects.

487.5           Subd. 2. Application. The commissioner of education shall develop the form and  
487.6 method for applying for the grants. The commissioner shall develop criteria for determining  
487.7 the allocation of the grants, including appropriate goals for the use of the grants.

487.8           Subd. 3. Grant awards. Grant funding under this section must be matched  
487.9 by funding from the school district for the agricultural education teacher's summer  
487.10 employment. Grant funding for each teacher is limited to the one-half share of 40 working  
487.11 days.

487.12           Subd. 4. Reports. School districts that receive grant funds shall report to the  
487.13 commissioner of education no later than December 31 of each year regarding the number  
487.14 of teachers funded by the grant program and the outcomes compared to the goals  
487.15 established in the grant application. The Department of Education shall develop the  
487.16 criteria necessary for the reports.

487.17       Sec. 56. **SUPPORT OUR STUDENTS GRANT PROGRAM.**

487.18           Subdivision 1. Definitions. For the purposes of this section, the following terms  
487.19 have the meanings given them:

487.20           (1) "student support services personnel" includes individuals licensed to serve as a  
487.21 school counselor, school psychologist, school social worker, school nurse, or chemical  
487.22 dependency counselor in Minnesota; and

487.23           (2) "new position" means a student support services personnel full-time or part-time  
487.24 position not under contract by a school at the start of the 2015-2016 school year.

487.25           Subd. 2. Purpose. The purpose of the support our students grant program is to:

487.26           (1) address shortages of student support services personnel within Minnesota schools;

487.27           (2) decrease caseloads for existing student support services personnel to ensure  
487.28 effective services;

487.29           (3) ensure that students receive effective academic guidance and integrated and  
487.30 comprehensive services to improve kindergarten through grade 12 school outcomes and  
487.31 career and college readiness;

487.32           (4) ensure that student support services personnel serve within the scope and practice  
487.33 of their training and licensure;

487.34           (5) fully integrate learning supports, instruction, and school management within a  
487.35 comprehensive approach that facilitates interdisciplinary collaboration; and

488.1 (6) improve school safety and school climate to support academic success and  
488.2 career and college readiness.

488.3 Subd. 3. **Grant eligibility and application.** (a) A school district, charter school,  
488.4 intermediate school district, or other cooperative unit is eligible to apply for a six-year  
488.5 matching grant under this section.

488.6 (b) The commissioner of education shall specify the form and manner of the grant  
488.7 application. In awarding grants, the commissioner must give priority to schools in  
488.8 which student support services personnel positions do not currently exist. To the extent  
488.9 practicable, the commissioner must award grants equally between applicants in metro  
488.10 counties and nonmetro counties. Additional criteria must include at least the following:

488.11 (1) existing student support services personnel caseloads;

488.12 (2) school demographics;

488.13 (3) Title I revenue;

488.14 (4) Minnesota student survey data;

488.15 (5) graduation rates; and

488.16 (6) postsecondary completion rates.

488.17 Subd. 4. **Allowed uses; match requirements.** A grant under this section must be  
488.18 used to hire a new position. A school that receives a grant must match the grant with local  
488.19 funds in each year of the grant. In each of the first four years of the grant, the local match  
488.20 equals \$1 for every \$1 awarded in the same year. In years five and six of the grant, the  
488.21 local match equals \$3 for every \$1 awarded in the same year. The local match may not  
488.22 include federal reimbursements attributable to the new position.

488.23 Subd. 5. **Report required.** By February 1 following any fiscal year in which it  
488.24 received a grant, a school must submit a written report to the commissioner indicating  
488.25 how the new positions affected two or more of the following measures:

488.26 (1) school climate;

488.27 (2) attendance rates;

488.28 (3) academic achievement;

488.29 (4) career and college readiness; and

488.30 (5) postsecondary completion rates.

488.31 Sec. 57. **STUDENT DISCIPLINE WORKING GROUP.**

488.32 (a) A Student Discipline Working Group is created to review the substance,  
488.33 application, and effect of Minnesota's Pupil Fair Dismissal Act under Minnesota Statutes,  
488.34 sections 121A.40 to 121A.56, and related student discipline provisions in Minnesota  
488.35 Statutes, chapter 121A, and submit written recommendations to the chairs and ranking

489.1 minority members of the committees in the house of representatives and the senate with  
489.2 jurisdiction over education by February 1, 2017, on improving disciplinary policies,  
489.3 practices, and procedures as they affect students and school officials and the effects on  
489.4 student outcomes.

489.5 (b) Consistent with paragraph (a), the working group must analyze:

489.6 (1) available summary data on elementary and secondary students' removal from  
489.7 class, suspensions, exclusions, and expulsions, disaggregated by categories of race,  
489.8 ethnicity, poverty, disabilities, homelessness, English language proficiency, gender, age,  
489.9 and foster care status;

489.10 (2) the meaning and effect of "willful" in establishing grounds for dismissal under  
489.11 Minnesota Statutes, section 121A.45;

489.12 (3) the impact of student misconduct on teacher safety;

489.13 (4) district and school policies and standards to ensure minority students and  
489.14 English learners are not disproportionately determined eligible for special education  
489.15 services, dismissed from school or otherwise disciplined, placed in settings other than  
489.16 regular education classrooms, or dissuaded or otherwise prevented from taking rigorous  
489.17 or challenging courses;

489.18 (5) the impact of established policies and due process procedures on teacher safety  
489.19 and student outcomes;

489.20 (6) students' need for and access to professional support service providers such  
489.21 as school counselors, school social workers, school psychologists, and mental health  
489.22 professionals;

489.23 (7) the presence of school resource officers in school buildings, their role in effecting  
489.24 student discipline, and their impact on teacher safety and student outcomes;

489.25 (8) policies for retaining and destroying student disciplinary data;

489.26 (9) best practices for school discipline; and

489.27 (10) other related school discipline matters that are of concern to working group  
489.28 members.

489.29 (c) The working group consists of 21 members. By June 1, 2016, the executive  
489.30 director of each of the following organizations shall appoint one representative of  
489.31 that organization to serve as a member of the working group: the Minnesota School  
489.32 Boards Association; the Minnesota Association of School Administrators; Education  
489.33 Minnesota; the Minnesota Board of Peace Officer Standards and Training; the  
489.34 Minnesota Disability Law Center; the National Alliance of Mental Illness Minnesota;  
489.35 the Minnesota Association of Secondary School Principals; the Minnesota Elementary  
489.36 School Principals' Association; the Association of Metropolitan School Districts; the

490.1 Minnesota Rural Education Association; the Minnesota School Counselors Association;  
490.2 the Minnesota School Psychologists Association; the Parent Advocacy Coalition for  
490.3 Educational Rights; Minnesota Administrators for Special Education; Schools for Equity  
490.4 in Education; Minnesota Education Equity Partnership; Educators for Excellence; the  
490.5 School Nurse Organization of Minnesota; the Minnesota Association of Charter Schools;  
490.6 the Minnesota Youth Council; the Minnesota School Social Workers Association; and the  
490.7 American Federation of State, County, and Municipal Employees (AFSCME). Working  
490.8 group members must seek advice from experts and stakeholders in developing their  
490.9 recommendations.

490.10 (d) The commissioner of education, or the commissioner's designee, must convene  
490.11 the first meeting of the working group. The working group must select a chair or cochair  
490.12 from among its members at the first meeting. The working group must meet periodically.  
490.13 The commissioner must provide technical and administrative assistance to the working  
490.14 group upon request. Working group members are not eligible to receive expenses or per  
490.15 diem payments for serving on the working group.

490.16 (e) The working group expires February 2, 2017.

490.17 **EFFECTIVE DATE.** This section is effective the day following final enactment.

490.18 Sec. 58. **NORTHWEST REGIONAL PARTNERSHIP CONCURRENT**  
490.19 **ENROLLMENT PROGRAM.**

490.20 Subdivision 1. **Definition.** "Northwest Regional Partnership" means a voluntary  
490.21 association of the Lakes Country Service Cooperative, the Northwest Service Cooperative,  
490.22 and Minnesota State University-Moorhead that works together to provide coordinated  
490.23 higher learning opportunities for teachers.

490.24 Subd. 2. **Establishment.** Lakes Country Service Cooperative, in consultation with  
490.25 the Northwest Service Cooperative, may develop a continuing education program to allow  
490.26 eligible teachers to attain the requisite graduate credits necessary to be qualified to teach  
490.27 secondary school courses for postsecondary credit.

490.28 Subd. 3. **Curriculum development.** Minnesota State University-Moorhead may  
490.29 develop an online education curriculum to allow eligible secondary school teachers to  
490.30 attain graduate credit at a reduced credit rate.

490.31 Subd. 4. **Funding for course development; scholarships; stipends.** Lakes  
490.32 Country Service Cooperative, in consultation with the other members of the Northwest  
490.33 Regional Partnership, shall:

490.34 (1) provide funding for course development for up to 18 credits in applicable  
490.35 postsecondary subject areas;

491.1 (2) provide scholarships for eligible teachers to enroll in the continuing education  
491.2 program; and

491.3 (3) develop criteria for awarding educator stipends on a per-credit basis to  
491.4 incentivize participation in the continuing education program.

491.5 Subd. 5. **Participant eligibility.** Participation in the continuing education program  
491.6 is reserved for teachers of secondary school courses for postsecondary credit. Priority  
491.7 must be given to teachers employed by a school district that is a member of the Lakes  
491.8 Country Service Cooperative or Northwest Service Cooperative. Teachers employed  
491.9 by a school district that is not a member of the Lakes Country Service Cooperative or  
491.10 Northwest Service Cooperative may participate in the continuing education program as  
491.11 space allows. A teacher participating in this program is ineligible to participate in other  
491.12 concurrent enrollment teacher training grant programs.

491.13 Subd. 6. **Private funding.** The partnership may receive private resources to  
491.14 supplement the available public money. All money received shall be administered by  
491.15 the Lakes Country Service Cooperative.

491.16 Subd. 7. **Report required.** Northwest Regional Partnership must submit an annual  
491.17 report by January 15 of each year on the progress of its activities to the legislature,  
491.18 commissioner of education, and Board of Trustees of the Minnesota State Colleges and  
491.19 Universities. The annual report shall contain a financial report for the preceding year. The  
491.20 first report is due no later than January 15, 2018.

491.21 **EFFECTIVE DATE.** This section is effective July 1, 2016.

491.22 Sec. 59. **GRANTS TO STUDENT TEACHERS IN SHORTAGE AREAS.**

491.23 Subdivision 1. **Establishment.** The commissioner of the Office of Higher Education  
491.24 must establish a grant program for student teaching stipends for low-income students  
491.25 enrolled in a Board of Teaching-approved teacher preparation program who are interested  
491.26 in teaching in a high needs subject area or region after graduating and receiving their  
491.27 teaching license. For purposes of this section, "high needs subject area or region" means a  
491.28 shortage of teachers teaching in particular subject areas or a shortage of teachers teaching  
491.29 in particular regions of the state identified in the commissioner of education's biennial  
491.30 survey of districts under Minnesota Statutes, section 127A.05, subdivision 6, or in another  
491.31 Department of Education survey on teacher shortages.

491.32 Subd. 2. **Eligibility.** To be eligible for a grant under this section, a teacher candidate  
491.33 must:

491.34 (1) be enrolled in a Board of Teaching-approved teacher preparation program that  
491.35 requires at least 12 weeks of student teaching and results in the teacher candidate receiving

492.1 a full professional teaching license enabling the licensee to teach in a high needs subject  
492.2 area or region; and

492.3 (2) demonstrate financial need based on criteria established by the commissioner  
492.4 under subdivision 3.

492.5 Subd. 3. **Administration; repayment.** (a) The commissioner must establish an  
492.6 application process and other guidelines for implementing this program.

492.7 (b) The commissioner must determine each academic year the stipend amount based  
492.8 on the amount of available funding and the number of eligible applicants.

492.9 **EFFECTIVE DATE.** This section is effective July 1, 2016.

492.10 Sec. 60. **MINNESOTA COMPREHENSIVE ASSESSMENT COLLEGE READY**  
492.11 **BENCHMARKS; MINNESOTA STATE COLLEGES AND UNIVERSITIES**  
492.12 **PARTICIPATION.**

492.13 The chancellor of the Minnesota State Colleges and Universities must approve or  
492.14 reject the empirically derived benchmarks for the high school Minnesota Comprehensive  
492.15 Assessments established by the commissioner of education under Minnesota Statutes,  
492.16 section 120B.30, subdivision 1, paragraph (m), no later than December 31, 2016. The  
492.17 chancellor's approval or rejection must be made in writing to the commissioner and, if the  
492.18 benchmarks are rejected, must describe the reasons for rejection and suggest appropriate  
492.19 revisions. If the chancellor rejects the benchmarks, the commissioner must establish  
492.20 revised benchmarks. The revised benchmarks must incorporate the chancellor's suggested  
492.21 revisions.

492.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

492.23 If the established benchmarks are approved by the chancellor, the benchmarks must be  
492.24 effective for the 2016-2017 school year, if practicable, but no later than the 2017-2018  
492.25 school year. If revised benchmarks are required, the benchmarks must be established and  
492.26 made effective no later than the 2018-2019 school year.

492.27 Sec. 61. **CERTIFICATION INCENTIVE REVENUE.**

492.28 Subdivision 1. **Qualifying certificates.** As soon as practicable, the commissioner  
492.29 of education, in consultation with the Governor's Workforce Development Council  
492.30 established under Minnesota Statutes, section 116L.665, and the P-20 education  
492.31 partnership operating under Minnesota Statutes, section 127A.70, must establish the list of  
492.32 qualifying career and technical certificates and post the names of those certificates on the

493.1 Department of Education's Web site. The certificates must be in fields where occupational  
493.2 opportunities exist.

493.3 Subd. 2. **School district participation.** (a) A school board may adopt a policy  
493.4 authorizing its students in grades 9 through 12, including its students enrolled in  
493.5 postsecondary enrollment options courses under Minnesota Statutes, section 124D.09, the  
493.6 opportunity to complete a qualifying certificate. The certificate may be completed as part  
493.7 of a regularly scheduled course.

493.8 (b) A school district may register a student for any assessment necessary to complete  
493.9 a qualifying certificate and pay any associated registration fees for its students.

493.10 Subd. 3. **Incentive funding.** (a) A school district's career and technical certification  
493.11 aid equals \$500 times the district's number of students enrolled during the current fiscal  
493.12 year who have obtained one or more qualifying certificates during the current fiscal year.

493.13 (b) The statewide total certificate revenue must not exceed \$1,000,000. The  
493.14 commissioner must proportionately reduce the initial aid provided under this subdivision  
493.15 so that the statewide aid cap is not exceeded.

493.16 Subd. 4. **Reports to the legislature.** (a) The commissioner of education must  
493.17 report to the committees of the legislature with jurisdiction over kindergarten through  
493.18 grade 12 education and higher education by February 1, 2017, on the number and types  
493.19 of certificates authorized for the 2016-2017 school year. The commissioner must also  
493.20 recommend whether the pilot program should be continued.

493.21 (b) By February 1, 2018, the commissioner of education must report to the  
493.22 committees of the legislature with jurisdiction over kindergarten through grade 12  
493.23 education and higher education about the number and types of certificates earned by  
493.24 Minnesota's students during the 2016-2017 school year.

493.25 **EFFECTIVE DATE.** This section is effective the day following final enactment.

493.26 Sec. 62. **APPROPRIATIONS.**

493.27 Subdivision 1. **Department of Education.** The sums indicated in this section are  
493.28 appropriated from the general fund to the Department of Education for the fiscal years  
493.29 designated.

493.30 Subd. 2. **Staff development grants for cooperative units.** For payment of staff  
493.31 development grants to intermediate school districts and other cooperative units providing  
493.32 instruction to students in federal instructional settings of level 4 or higher:

494.1           \$        4,500,000        ..... 2017

494.2           This is a onetime appropriation. This appropriation is available until June 30,  
494.3 2019. To the extent practicable, this appropriation should fund staff development grants  
494.4 for intermediate school districts and other cooperative units for fiscal years 2017, 2018,  
494.5 and 2019.

494.6           Subd. 3. **Support our students grants.** For support our students grants:

494.7           \$        12,133,000        ..... 2017

494.8           This is a onetime appropriation.

494.9           Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available  
494.10 until June 30, 2022. The commissioner may not allot more than \$2,407,000 of this  
494.11 appropriation before July 1, 2017. Up to \$100,000 of this appropriation may be retained  
494.12 by the commissioner for administration of the grant program. Any balance remaining after  
494.13 June 30, 2022, shall cancel to the general fund.

494.14           Subd. 4. **Northwest Regional Partnership concurrent enrollment program.** For a  
494.15 grant to the Lakes Country Service Cooperative to operate a continuing education program:

494.16           \$        3,000,000        ..... 2017

494.17           This is a onetime appropriation. This appropriation is available until June 30, 2019.

494.18           Subd. 5. **Paraprofessional pathway to teacher licensure.** For grants to school  
494.19 districts for Grow Your Own new teacher programs:

494.20           \$        1,500,000        ..... 2017

494.21           The grants are for a first class city school district or any other school district with  
494.22 more than 40 percent minority students to provide tuition scholarships or stipends to  
494.23 eligible employees for a nonconventional teacher residency pilot program established  
494.24 under Minnesota Statutes, section 122A.09, subdivision 10, paragraph (a). The program  
494.25 shall provide tuition scholarships or stipends to enable education or teaching assistants  
494.26 or other nonlicensed employees of a first class city school district or any other school  
494.27 district with more than 40 percent minority students who hold a bachelor's degree from  
494.28 an accredited college or university and who seek an education license to participate in a  
494.29 Board of Teaching-approved nonconventional teacher residency program under Minnesota  
494.30 Statutes, section 122A.09, subdivision 10, paragraph (a). Any funds not awarded by June  
494.31 1, 2017, may be reallocated among the remaining districts if the total cost of the program  
494.32 exceeds the original allocation. The base in fiscal year 2018 is \$1,000,000.

494.33           Subd. 6. **Sanneh Foundation.** For a grant to the Sanneh Foundation:

495.1           \$           1,500,000       ..... 2017

495.2           Funds appropriated in this section are to provide all-day, in-school, and after-school  
495.3 academic and behavioral interventions for low-performing and chronically absent students  
495.4 with a focus on low-income students and students of color throughout the school year and  
495.5 during the summer to decrease absenteeism, encourage school engagement, and improve  
495.6 grades and graduation rates. Funds appropriated in this section may be used to hire and  
495.7 train staff in areas of youth mentorship, behavior support, and academic tutoring in group  
495.8 and individual settings and to promote pathways for teachers of color.

495.9           This is a onetime appropriation. This appropriation is available until June 30, 2019.

495.10          Subd. 7. **Education Innovation Partners Cooperative Center.** For a matching  
495.11 grant to Education Innovation Partners Cooperative Center, No. 6091-50, to provide  
495.12 research-based professional development services, on-site training, and leadership  
495.13 coaching to teachers and other school staff:

495.14           \$           500,000       ..... 2017

495.15          A grant under this subdivision must be matched with money or in-kind contributions  
495.16 from nonstate sources. This is a onetime appropriation.

495.17          Subd. 8. **Western Minnesota mobile manufacturing lab.** For a transfer to the  
495.18 Pine to Prairie Cooperative Center:

495.19           \$           900,000       ..... 2017

495.20          The funds in this subdivision must be used to establish a western Minnesota mobile  
495.21 labs program, including manufacturing and welding labs to create interest in these careers  
495.22 for secondary students. The program must be operated by Pine to Prairie Cooperative  
495.23 Center in collaboration with Northland Community and Technical College, Lakes Country  
495.24 Service Cooperative, and Minnesota State Community and Technical College.

495.25          This is a onetime appropriation. This appropriation is available until June 30, 2019.

495.26          Subd. 9. **Teacher-governed school grants.** For grants to teacher-governed schools  
495.27 under Minnesota Statutes, section 123B.045:

495.28           \$           500,000       ..... 2017

495.29          This is a onetime appropriation.

495.30          Subd. 10. **Girls in Action grant.** For a grant to the Girls in Action program to  
495.31 enable Girls in Action to continue to provide and to expand Twin Cities metropolitan area  
495.32 school and community-based programs that encourage and support low-income girls,  
495.33 including low-income girls of color, to graduate from high school on time, complete a

496.1 postsecondary preparation program, become community leaders, and participate in service  
496.2 learning opportunities in their communities. Girls in Action must expend \$500,000 of this  
496.3 appropriation for community-based programs located in the Twin Cities metropolitan area:

496.4 \$ 1,500,000 ..... 2017

496.5 This is a onetime appropriation. This appropriation is available until June 30, 2019.

496.6 Subd. 11. **Student teachers in shortage areas.** For transfer to the commissioner of  
496.7 the Office of Higher Education for the purpose of providing grants to student teachers in  
496.8 shortage areas under Minnesota Statutes, section 136A.1275:

496.9 \$ 2,800,000 ..... 2017

496.10 This is a onetime appropriation. This appropriation is available until June 30, 2019.

496.11 Subd. 12. **Minnesota Council on Economic Education.** For a grant to the  
496.12 Minnesota Council on Economic Education to provide staff development to teachers  
496.13 for implementing the state graduation standards in learning areas relating to economic  
496.14 education:

496.15 \$ 250,000 ..... 2017

496.16 The commissioner, in consultation with the council, shall develop expectations for  
496.17 staff development outcomes, eligibility criteria for participants, an evaluation procedure,  
496.18 and guidelines for direct and in-kind contributions by the council.

496.19 This is a onetime appropriation. This appropriation is available until June 30, 2019.

496.20 Subd. 13. **Singing-based pilot program to improve student reading.** (a) For a  
496.21 grant to pilot a research-supported, computer-based educational program that uses singing  
496.22 to improve the reading ability of students in grades 3 through 5:

496.23 \$ 100,000 ..... 2017

496.24 (b) The commissioner of education shall award a grant to the Rock 'n' Read Project  
496.25 to implement in at least three Minnesota school districts, charter schools, or school sites, a  
496.26 research-supported, computer-based educational program that uses singing to improve  
496.27 the reading ability of students in grades 3 through 5. The grantee shall be responsible  
496.28 for selecting participating school sites; providing any required hardware and software,  
496.29 including software licenses, for the duration of the grant period; providing technical  
496.30 support, training, and staff to install required project hardware and software; providing  
496.31 on-site professional development and instructional monitoring and support for school staff  
496.32 and students; administering pre- and post-intervention reading assessments; evaluating  
496.33 the impact of the intervention; and other project management services as required. To the

497.1 extent practicable, the grantee must select participating schools in urban, suburban, and  
 497.2 greater Minnesota, and give priority to schools in which a high proportion of students do  
 497.3 not read proficiently at grade level and are eligible for free or reduced-price lunch.

497.4 (c) By February 15, 2017, the grantee must submit a report detailing expenditures  
 497.5 and outcomes of the grant to the commissioner of education and the chairs and  
 497.6 ranking minority members of the legislative committees with primary jurisdiction over  
 497.7 kindergarten through grade 12 education policy and finance.

497.8 (d) This is a onetime appropriation.

497.9 Subd. 14. **Agricultural educator grants.** For agricultural educator grants:

497.10 \$ 250,000 ..... 2017

497.11 This is a onetime appropriation. This appropriation is available until June 30, 2019.

497.12 Subd. 15. **Certificate incentive funding.** For the certificate incentive program:

497.13 \$ 1,000,000 ..... 2017

497.14 This is a onetime appropriation. This appropriation is available until June 30, 2019.

497.15 Subd. 16. **Grants for vision therapy pilot project.** (a) For a grant to Independent  
 497.16 School District No. 12, Centennial, to implement a neuro-optometric vision therapy  
 497.17 pilot project:

497.18 \$ 200,000 ..... 2017

497.19 This is a onetime appropriation and is available until June 30, 2019.

497.20 (b) In each year of the pilot project, second and third grade students identified by  
 497.21 a set of criteria created by the district shall be admitted into the pilot study. Identified  
 497.22 students shall have a comprehensive eye examination with written standard requirements  
 497.23 of testing. Students identified with a diagnosis of convergence insufficiency must undergo  
 497.24 a vision efficiency evaluation by a licensed optometrist or ophthalmologist trained in the  
 497.25 evaluation of learning-related vision problems. The results of this examination shall  
 497.26 determine whether a student will qualify for neuro-optometric vision therapy funded by  
 497.27 the grant. The parent or guardian of a student who qualifies for the pilot program under  
 497.28 this paragraph may submit a written notification to the school opting the student out  
 497.29 of the program. The district must establish guidelines to provide quality standards and  
 497.30 measures to ensure an appropriate diagnosis and treatment plan that is consistent with the  
 497.31 convergence insufficiency treatment trial study.

497.32 (c) The commissioner of education must provide for an evaluation of the pilot  
 497.33 project and make a report to the legislative committees with jurisdiction over kindergarten  
 497.34 through grade 12 education policy and finance by January 15, 2020.

498.1 Subd. 17. Southwest Minnesota State University special education  
 498.2 teacher education program. For the Southwest Minnesota State University special  
 498.3 education teacher education program to support Minnesota resident special education  
 498.4 paraprofessionals working toward licensure in an online program:

498.5 \$ 385,000 ..... 2017

498.6 The base for this program in fiscal year 2018 is \$0.

498.7 Subd. 18. Student success grant. For a grant to Independent School District No.  
 498.8 272, Eden Prairie, for career and college readiness coordination, counseling, academic  
 498.9 support for middle and high school students, and summer activities and before and after  
 498.10 school tutoring programs:

498.11 \$ 500,000 ..... 2017

498.12 This is a onetime appropriation. This appropriation is available until June 30, 2019.

498.13 Sec. 63. **REPEALER.**

498.14 (a) Minnesota Statutes 2014, sections 122A.413, subdivision 3; and 122A.43,  
 498.15 subdivision 6, are repealed.

498.16 (b) Minnesota Statutes 2015 Supplement, section 122A.413, subdivisions 1 and  
 498.17 2, are repealed.

## 498.18 **ARTICLE 26**

### 498.19 **CHARTER SCHOOL RECODIFICATION**

498.20 Section 1. Minnesota Statutes 2015 Supplement, section 124E.01, is amended to read:

#### 498.21 **124E.01 PURPOSE AND APPLICABILITY.**

498.22 Subdivision 1. **Purposes.** The primary purpose of ~~this chapter~~ charter schools is to  
 498.23 improve all pupil learning and all student achievement. Additional purposes include to:

498.24 (1) increase learning opportunities for all pupils;

498.25 (2) encourage the use of different and innovative teaching methods;

498.26 (3) measure learning outcomes and create different and innovative forms of  
 498.27 measuring outcomes;

498.28 (4) establish new forms of accountability for schools; or

498.29 (5) create new professional opportunities for teachers, including the opportunity to  
 498.30 be responsible for the learning program at the school site.

498.31 Subd. 2. **Applicability.** This chapter applies only to charter schools formed and  
 498.32 operated under this chapter.

499.1 Sec. 2. Minnesota Statutes 2015 Supplement, section 124E.02, is amended to read:

499.2 **124E.02 DEFINITIONS.**

499.3 (a) For purposes of this chapter, the terms defined in this ~~paragraph~~ section have  
499.4 the meanings given them.

499.5 ~~"Application" to receive approval as an authorizer means the proposal an eligible~~  
499.6 ~~authorizer submits to the commissioner under section 124E.05 before that authorizer is~~  
499.7 ~~able to submit any affidavit to charter to a school.~~

499.8 ~~"Application" under section 124E.06 means the charter school business plan a~~  
499.9 ~~school developer submits to an authorizer for approval to establish a charter school that~~  
499.10 ~~documents the school developer's mission statement, school purposes, program design,~~  
499.11 ~~financial plan, governance and management structure, and background and experience,~~  
499.12 ~~plus any other information the authorizer requests. The application also shall include a~~  
499.13 ~~"statement of assurances" of legal compliance prescribed by the commissioner.~~

499.14 (b) "Affidavit" means a written statement the authorizer submits to the commissioner  
499.15 for approval to establish a charter school under section 124E.06, subdivision 4, attesting to  
499.16 its review and approval process before chartering a school.

499.17 ~~(b) For purposes of this chapter:~~

499.18 ~~(1) "related party" means an affiliate or immediate relative of the other party in~~  
499.19 ~~question, an affiliate of an immediate relative, or an immediate relative of an affiliate;~~

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

499.22 ~~(d) "Control" means the ability to affect the management, operations, or policy actions~~  
499.23 ~~or decisions of a person, whether by owning voting securities, by contract, or otherwise.~~

499.24 ~~(3) (e) "Immediate family" means an individual whose relationship by blood,~~  
499.25 ~~marriage, adoption, or partnering partnership is no more remote than first cousin;~~

499.26 ~~(4) (f) "Person" means an individual or entity of any kind; and~~

499.27 ~~(5) "control" means the ability to affect the management, operations, or policy~~  
499.28 ~~actions or decisions of a person, whether through ownership of voting securities, by~~  
499.29 ~~contract, or otherwise.~~

499.30 ~~(g) "Related party" means an affiliate or immediate relative of the other interested~~  
499.31 ~~party, an affiliate of an immediate relative who is the other interested party, or an~~  
499.32 ~~immediate relative of an affiliate who is the other interested party.~~

499.33 ~~(h) For purposes of this chapter, the terms defined in section 120A.05 have the~~  
499.34 ~~same meanings.~~

500.1 Sec. 3. Minnesota Statutes 2015 Supplement, section 124E.03, is amended to read:

500.2 **124E.03 APPLICABLE LAW.**

500.3 Subdivision 1. **Public status; exemption from statutes and rules.** A charter school  
500.4 is a public school and is part of the state's system of public education. A charter school is  
500.5 exempt from all statutes and rules applicable to a school, school board, or school district  
500.6 unless a statute or rule is made specifically applicable to a charter school or is included  
500.7 in this chapter.

500.8 Subd. 2. **General Certain federal, state, and local requirements.** (a) A charter  
500.9 school shall meet all federal, state, and local health and safety requirements applicable  
500.10 to school districts.

500.11 (b) A school must comply with statewide accountability requirements governing  
500.12 standards and assessments in chapter 120B.

500.13 (c) A charter school is ~~subject to and~~ must comply with the Minnesota Public School  
500.14 Fee Law, sections 123B.34 to 123B.39.

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

500.16 (e) A charter school is ~~subject to~~ must comply with the Pledge of Allegiance  
500.17 requirement under section 121A.11, subdivision 3.

500.18 (f) A charter school and charter school board of directors ~~are subject to~~ must comply  
500.19 with chapter 181 governing requirements for employment.

500.20 (g) A charter school is ~~subject to and~~ must comply with continuing truant notification  
500.21 under section 260A.03.

500.22 (h) A charter school must develop and implement a teacher evaluation and peer  
500.23 review process under section 122A.40, subdivision 8, paragraph (b), clauses (2) to  
500.24 (13). The teacher evaluation process in this paragraph does not create any additional  
500.25 employment rights for teachers.

500.26 (i) A charter school must adopt a policy, plan, budget, and process, consistent with  
500.27 section 120B.11, to review curriculum, instruction, and student achievement and strive  
500.28 for the world's best workforce.

500.29 Subd. 3. **Pupils with a disability.** A charter school must comply with sections  
500.30 125A.02, 125A.03 to 125A.24, 125A.65, and 125A.75 and rules relating to the education  
500.31 of pupils with a disability as though it were a district. A charter school enrolling  
500.32 prekindergarten pupils with a disability under section 124E.11, paragraph (h), must  
500.33 comply with sections 125A.259 to 125A.48 and rules relating to the Interagency Early  
500.34 Intervention System as though it were a school district.

501.1 Subd. 4. **Students' rights and related law.** (a) A charter school student must  
 501.2 ~~be released~~ release a student for religious instruction, consistent with section 120A.22,  
 501.3 subdivision 12, clause (3).

501.4 (b) A charter school ~~is subject to and~~ must comply with chapter 363A governing the  
 501.5 Minnesota Human Rights Act and section 121A.04 governing student athletics and sex  
 501.6 discrimination in schools.

501.7 (c) A charter school must comply with section 121A.031 governing policies on  
 501.8 ~~prohibited conduct~~ bullying.

501.9 Subd. 5. **Records, meetings, and data requirements.** (a) A charter school must  
 501.10 comply with ~~chapters~~ chapter 13 and 13D governing government data; and sections  
 501.11 ~~120A.22, subdivision 7;~~ 121A.75; governing access to juvenile justice records, and  
 501.12 260B.171, subdivisions 3 and 5, governing juvenile justice records.

501.13 (b) A charter school must comply with section 120A.22, subdivision 7, governing  
 501.14 the transfer of students' educational records and sections 138.163 and 138.17 governing  
 501.15 the management of local records.

501.16 Subd. 5a. **Open meetings.** A charter school must comply with chapter 13D  
 501.17 governing open meetings.

501.18 Subd. 6. **Length of school year.** A charter school must provide instruction each  
 501.19 year for at least the number of hours required by section 120A.41. It may provide  
 501.20 instruction throughout the year ~~according to~~ under sections 124D.12 to 124D.127 or  
 501.21 124D.128 governing learning year programs.

501.22 Subd. 7. **Additional program-specific requirements.** (a) A charter school offering  
 501.23 online courses or programs must comply with section 124D.095 governing online learning.

501.24 (b) A charter school that provides early childhood health and developmental screening  
 501.25 must comply with sections 121A.16 to 121A.19 governing early childhood screening.

501.26 (c) A charter school that provides school-sponsored youth athletic activities must  
 501.27 comply with section 121A.38 governing policies on concussions.

501.28 Sec. 4. Minnesota Statutes 2015 Supplement, section 124E.05, is amended to read:

501.29 **124E.05 AUTHORIZERS.**

501.30 Subdivision 1. **Eligible authorizers.** (a) ~~The following~~ organizations in this  
 501.31 subdivision may authorize one or more charter schools:

501.32 ~~(1)~~ (b) A school board, intermediate school district school board, or education  
 501.33 district organized under sections 123A.15 to 123A.19; may authorize a charter school.

501.34 ~~(2)~~ (c) A charitable organization under section 501(c)(3) of the Internal Revenue  
 501.35 Code of 1986; ~~excluding a nonpublic sectarian or religious institution; any person other~~

502.1 ~~than a natural person that directly or indirectly, through one or more intermediaries,~~  
 502.2 ~~controls, is controlled by, or is under common control with the nonpublic sectarian or~~  
 502.3 ~~religious institution; and any other charitable organization under this clause that in the~~  
 502.4 ~~federal IRS Form 1023, Part IV, describes activities indicating a religious purpose, that~~  
 502.5 ~~may authorize a charter school, if the organization:~~

502.6 ~~(i)~~ (1) is a member of the Minnesota Council of Nonprofits or the Minnesota Council  
 502.7 on Foundations;

502.8 ~~(ii)~~ (2) is registered with the attorney general's office; ~~and~~

502.9 ~~(iii)~~ (3) is incorporated in the state of Minnesota and has been operating continuously  
 502.10 for at least five years but does not operate a charter school; and

502.11 (4) is not:

502.12 (i) a nonpublic sectarian or religious institution;

502.13 (ii) any person other than a natural person that directly or indirectly, through one  
 502.14 or more intermediaries, controls, is controlled by, or is under common control with the  
 502.15 nonpublic sectarian or religious institution; or

502.16 (iii) any other charitable organization under this paragraph that in the federal IRS  
 502.17 Form 1023, Part IV, describes activities indicating a religious purpose.

502.18 ~~(3)~~ (d) A Minnesota private college, ~~notwithstanding clause (2),~~ that grants two- or  
 502.19 four-year degrees and is registered with the Minnesota Office of Higher Education under  
 502.20 chapter 136A; may authorize a charter school, notwithstanding paragraph (c).

502.21 ~~(e) community college, A state college or university, or technical college governed~~  
 502.22 ~~by the Board of Trustees of the Minnesota State Colleges and Universities; or~~ may  
 502.23 authorize a charter school.

502.24 ~~(f)~~ The University of Minnesota; may authorize a charter school.

502.25 ~~(4)~~ (g) A nonprofit corporation subject to chapter 317A, described in section  
 502.26 317A.905; and exempt from federal income tax under section 501(c)(6) of the Internal  
 502.27 Revenue Code of 1986, may authorize one or more charter schools if the charter school  
 502.28 has operated for at least three years under a different authorizer and if the nonprofit  
 502.29 corporation has existed for at least 25 years; ~~or.~~

502.30 ~~(5)~~ (h) A single-purpose ~~authorizers~~ authorizer formed as a charitable, nonsectarian  
 502.31 ~~organizations~~ organization under section 501(c)(3) of the Internal Revenue Code of 1986  
 502.32 and incorporated in the state of Minnesota under chapter 317A as a corporation with no  
 502.33 members or under section 322B.975 as a nonprofit limited liability company for the sole  
 502.34 purpose of chartering schools may authorize a charter school. An eligible organization  
 502.35 interested in being approved as an authorizer under this paragraph must submit a proposal  
 502.36 to the commissioner that includes the provisions of subdivision 3 and a five-year financial

503.1 plan. A single-purpose authorizer under this paragraph shall consider and approve  
 503.2 charter school applications using the criteria under section 124E.06 and shall not limit  
 503.3 the applications it solicits, considers, or approves to any single curriculum, learning  
 503.4 program, or method.

503.5 Subd. 2. **Requirements for authorizers.** ~~(a) Eligible organizations interested in~~  
 503.6 ~~being approved as an authorizer under subdivision 1, clause (5), must submit a proposal to~~  
 503.7 ~~the commissioner that includes the provisions of subdivision 3 and a five-year financial~~  
 503.8 ~~plan. Such authorizers shall consider and approve charter school applications using~~  
 503.9 ~~the criteria provided in section 124E.06 and shall not limit the applications it solicits,~~  
 503.10 ~~considers, or approves to any single curriculum, learning program, or method.~~

503.11 ~~(b) The authorizer must participate in department-approved training.~~

503.12 Subd. 3. **Application process.** (a) An eligible authorizer under this section must  
 503.13 apply to the commissioner for approval as an authorizer before submitting any affidavit to  
 503.14 the commissioner to charter a school. The application for approval as a charter school  
 503.15 authorizer must ~~demonstrate~~ show the applicant's ability to implement the procedures  
 503.16 and satisfy the criteria for chartering a school under this chapter. The commissioner  
 503.17 must approve or disapprove ~~an~~ the application within 45 business days of the ~~application~~  
 503.18 ~~deadline for that application period.~~ If the commissioner disapproves the application, the  
 503.19 commissioner must notify the applicant of the specific deficiencies in writing and the  
 503.20 applicant then has 20 business days to address the deficiencies to the commissioner's  
 503.21 satisfaction. After the 20 business days expire, the commissioner has 15 business days  
 503.22 to make a final decision to approve or disapprove the application. Failing to address  
 503.23 the deficiencies to the commissioner's satisfaction makes an applicant ineligible to be  
 503.24 an authorizer. The commissioner, in establishing criteria ~~for approval to approve an~~  
 503.25 authorizer, consistent with subdivision 4, must consider the applicant's:

503.26 (1) ~~capacity and infrastructure and capacity to serve as an authorizer;~~

503.27 (2) application criteria and process;

503.28 (3) contracting process;

503.29 (4) ongoing oversight and evaluation processes; and

503.30 (5) renewal criteria and processes.

503.31 (b) A disapproved applicant under this section may resubmit an application during a  
 503.32 future application period.

503.33 Subd. 4. **Application content.** To be approved as an authorizer, an applicant must  
 503.34 include in its application to the commissioner ~~to be an approved authorizer~~ at least the  
 503.35 following:

504.1 (1) ~~how the organization carries out its mission by chartering schools is a way for~~  
504.2 ~~the organization to carry out its mission;~~

504.3 (2) ~~a description of the capacity of the organization~~ the organization's capacity to  
504.4 serve as an authorizer, including the personnel who ~~will~~ perform the authorizing duties,  
504.5 their qualifications, the amount of time they ~~will be~~ are assigned to this responsibility, and  
504.6 the financial resources ~~allocated by the organization~~ allocates to this responsibility;

504.7 (3) ~~a description of the application and review process the authorizer will use~~ uses to  
504.8 ~~make decisions regarding the granting of~~ decide whether to grant charters;

504.9 (4) ~~a description of the type of contract it will arrange~~ arranges with the schools it  
504.10 charters ~~that meets~~ to meet the provisions of section 124E.10;

504.11 (5) the process ~~to be used for providing ongoing oversight of~~ overseeing the school,  
504.12 consistent with the ~~contract expectations specified in clause (4) that assures,~~ to ensure that  
504.13 the schools chartered ~~are complying~~ comply with ~~both the provisions of~~ applicable law  
504.14 and rules; and ~~with~~ the contract;

504.15 (6) ~~a description of the criteria and process the authorizer will use~~ uses to ~~grant~~  
504.16 ~~expanded~~ approve applications adding grades or sites under section 124E.06, subdivision 5;

504.17 (7) the process for ~~making decisions regarding the renewal or termination of~~ renewing  
504.18 or terminating the school's charter based on evidence ~~that demonstrates~~ showing the  
504.19 academic, organizational, and financial competency of the school, including its success in  
504.20 increasing student achievement and meeting the goals of the charter school agreement; and

504.21 (8) an assurance specifying that the organization is committed to serving as an  
504.22 authorizer for the full five-year term.

504.23 Subd. 5. **Review by commissioner.** The commissioner shall review an authorizer's  
504.24 performance every five years in a manner and form determined by the commissioner and  
504.25 may review an authorizer's performance more frequently at the commissioner's own  
504.26 initiative or at the request of a charter school operator, charter school board member, or  
504.27 other interested party. The commissioner, after completing the review, shall transmit a  
504.28 report with findings to the authorizer.

504.29 Subd. 6. **Corrective action.** (a) If, consistent with this chapter, the commissioner  
504.30 finds that an authorizer has not ~~fulfilled~~ met the requirements of this chapter, the  
504.31 commissioner may subject the authorizer to corrective action, which may include  
504.32 terminating the contract with the charter school board of directors of a school it chartered.  
504.33 The commissioner must notify the authorizer in writing of any findings that may subject  
504.34 the authorizer to corrective action and the authorizer then has 15 business days to request  
504.35 an informal hearing before the commissioner takes corrective action. If the commissioner

505.1 terminates a contract between an authorizer and a charter school under this paragraph, the  
505.2 commissioner may assist the charter school in acquiring a new authorizer.

505.3 (b) The commissioner may at any time take corrective action against an authorizer,  
505.4 including terminating an authorizer's ability to charter a school for:

505.5 (1) failing to demonstrate the criteria under subdivision ~~4~~ 3 under which the  
505.6 commissioner approved the authorizer;

505.7 (2) violating a term of the chartering contract between the authorizer and the charter  
505.8 school board of directors;

505.9 (3) unsatisfactory performance as an approved authorizer; or

505.10 (4) any good cause shown that ~~provides~~ gives the commissioner a legally sufficient  
505.11 reason to take corrective action against an authorizer.

505.12 Subd. 7. **Withdrawal.** If the governing board of an approved authorizer votes to  
505.13 withdraw as an approved authorizer for a reason unrelated to any cause under section  
505.14 124E.10, subdivision 4, the authorizer must notify all its chartered schools and the  
505.15 commissioner in writing by July 15 of its intent to withdraw as an authorizer on June 30 in  
505.16 the next calendar year, regardless of when the authorizer's five-year term of approval ends.  
505.17 The commissioner may approve the transfer of a charter school to a new authorizer ~~under~~  
505.18 ~~this subdivision~~ after the new authorizer submits an affidavit to the commissioner.

505.19 Subd. 8. **Reports.** By September 30 of each year, an authorizer shall submit to the  
505.20 commissioner a statement of income and expenditures related to chartering activities  
505.21 during the previous school year ending June 30. ~~A copy of the statement shall be given~~  
505.22 ~~to all schools chartered by the authorizer.~~ The authorizer must transmit a copy of the  
505.23 statement to all schools it charters.

505.24 Sec. 5. Minnesota Statutes 2015 Supplement, section 124E.06, is amended to read:

505.25 **124E.06 FORMING A SCHOOL.**

505.26 Subdivision 1. **Individuals eligible to organize.** (a) An authorizer, after receiving  
505.27 an application from a charter school developer, may charter either a licensed teacher  
505.28 under section 122A.18, subdivision 1, or a group of individuals that includes one or more  
505.29 licensed teachers under section 122A.18, subdivision 1, to operate a school subject to the  
505.30 commissioner's approval of the authorizer's affidavit under subdivision 4.

505.31 (b) "Application" under this section means the charter school business plan a charter  
505.32 school developer submits to an authorizer for approval to establish a charter school. This  
505.33 application must include:

505.34 (1) the school developer's:

505.35 (i) mission statement;

- 506.1 (ii) school purposes;  
 506.2 (iii) program design;  
 506.3 (iv) financial plan;  
 506.4 (v) governance and management structure; and  
 506.5 (vi) background and experience;  
 506.6 (2) any other information the authorizer requests; and  
 506.7 (3) a "statement of assurances" of legal compliance prescribed by the commissioner.

506.8 ~~(b)~~ (c) An authorizer shall not approve an application submitted by a charter school  
 506.9 developer under paragraph (a) if the application does not comply with subdivision 3,  
 506.10 paragraph ~~(d)~~ (e), and section 124E.01, subdivision 1. The commissioner shall not  
 506.11 approve an affidavit submitted by an authorizer under subdivision 4 if the affidavit does  
 506.12 not comply with subdivision 3, paragraph ~~(d)~~ (e), and section 124E.01, subdivision 1.

506.13 Subd. 2. **Nonprofit corporation.** (a) The school must be organized and operated as  
 506.14 a nonprofit corporation under chapter 317A and the provisions ~~under the applicable of that~~  
 506.15 chapter shall apply to the school except as provided in this chapter.

506.16 ~~(b)~~ The operators authorized to organize and operate a school; must incorporate as a  
 506.17 nonprofit corporation before entering into a contract or other agreement for professional  
 506.18 or other services, goods, or facilities; ~~must incorporate as a nonprofit corporation under~~  
 506.19 ~~chapter 317A.~~

506.20 ~~(e)~~ (b) Notwithstanding sections 465.717 and 465.719, a school district, subject to  
 506.21 this chapter, may create a corporation for the purpose of establishing a charter school.

506.22 Subd. 3. **Requirements.** (a) The primary focus of a charter school must be to  
 506.23 provide a comprehensive program of instruction for at least one grade or age group from  
 506.24 ages five through 18 years of age. ~~Instruction A charter school may be provided provide~~  
 506.25 instruction to people older than 18 years of age.

506.26 (b) A charter school may offer a free or fee-based preschool or prekindergarten that  
 506.27 meets high-quality early learning instructional program standards ~~that are~~ aligned with  
 506.28 Minnesota's early learning standards for children. The hours a student is enrolled in a  
 506.29 fee-based prekindergarten program do not generate pupil units under section 126C.05 and  
 506.30 must not be used to calculate general education revenue under section 126C.10.

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

506.35 ~~(e)~~ (d) ~~Charter schools A charter school~~ must not be used as a method of providing  
 506.36 to provide education or generating generate revenue for students ~~who are being~~

507.1 home-schooled students. This paragraph does not apply to shared time aid under section  
507.2 126C.19.

507.3 ~~(d)~~ (e) This chapter does not provide a means to keep open a school that a  
507.4 school board decides to close. However, a school board may endorse or authorize ~~the~~  
507.5 ~~establishment of~~ establishing a charter school to replace the school the board decided to  
507.6 close. Applicants seeking a charter under this circumstance must demonstrate to the  
507.7 authorizer that the charter sought is substantially different in purpose and program from  
507.8 the school the board closed and that the proposed charter satisfies the requirements of  
507.9 section 124E.01, subdivision 1. If the school board that closed the school authorizes  
507.10 the charter, it must document in its affidavit to the commissioner that the charter is  
507.11 substantially different in program and purpose from the school it closed.

507.12 ~~(e)~~ (f) A school authorized by a school board may be located in any district, unless  
507.13 the school board of the district of the proposed location disapproves the location by  
507.14 written resolution.

507.15 ~~(f)~~ (g) Except as provided in paragraph ~~(a)~~ (b), a charter school may not charge tuition.

507.16 ~~(g)~~ (h) The authorizer may prevent an approved charter school from opening for  
507.17 operation if, among other grounds, the charter school violates this chapter or does not meet  
507.18 the ready-to-open standards that are part of (1) the authorizer's oversight and evaluation  
507.19 process or ~~are~~ (2) stipulated in the charter school contract.

507.20 Subd. 4. **Authorizer's affidavit; approval process; authorizer's affidavit.** (a)  
507.21 ~~Before the operators~~ an operator may establish and operate a school, the authorizer must  
507.22 file an affidavit with the commissioner stating its intent to charter a school. An authorizer  
507.23 must file a separate affidavit for each school it intends to charter. An authorizer must file  
507.24 an affidavit at least 14 months before July 1 of the year the new charter school plans to  
507.25 serve students. The affidavit must state:

507.26 (1) the terms and conditions under which the authorizer would charter a school; and

507.27 (2) how the authorizer intends to oversee;

507.28 (i) the fiscal and student performance of the charter school; and

507.29 ~~to comply~~ (ii) compliance with the terms of the written contract between the  
507.30 authorizer and the charter school board of directors under section 124E.10, subdivision 1.

507.31 (b) The commissioner must approve or disapprove the authorizer's affidavit within  
507.32 60 business days of ~~receipt of~~ receiving the affidavit. If the commissioner disapproves the  
507.33 affidavit, the commissioner shall notify the authorizer of the deficiencies in the affidavit  
507.34 and the authorizer then has 20 business days to address the deficiencies. The commissioner  
507.35 must notify the authorizer of the commissioner's final approval or final disapproval  
507.36 within 15 business days after receiving the authorizer's response to the deficiencies

508.1 in the affidavit. If the authorizer does not address deficiencies to the commissioner's  
508.2 satisfaction, the commissioner's disapproval is final. ~~Failure to obtain commissioner~~  
508.3 ~~approval precludes~~ An authorizer who fails to obtain the commissioner's approval is  
508.4 precluded from chartering the school that is the subject of this affidavit.

508.5 Subd. 5. ~~Expansion of a charter~~ **Adding grades or sites.** (a) A charter school  
508.6 may apply to the authorizer to amend the school charter to ~~expand the operation of~~  
508.7 ~~the school to additional~~ add grades or sites ~~that would be students'~~ primary enrollment  
508.8 ~~site~~ sites beyond those defined in the original affidavit approved by the commissioner.  
508.9 After approving the school's application, the authorizer shall submit a ~~supplementary~~  
508.10 supplemental affidavit in the form and manner prescribed by the commissioner. The  
508.11 authorizer must file a ~~supplement~~ supplemental affidavit to the commissioner by October  
508.12 1 to be eligible to ~~expand~~ add grades or sites in the next school year. The ~~supplementary~~  
508.13 supplemental affidavit must document ~~that the school has demonstrated~~ to the authorizer's  
508.14 satisfaction ~~of the authorizer~~ the following:

508.15 (1) the need for the ~~expansion~~ additional grades or sites with supporting long-range  
508.16 enrollment projections;

508.17 (2) a longitudinal record of ~~demonstrated~~ student academic performance and growth  
508.18 on statewide assessments under chapter 120B or on other academic assessments that  
508.19 measure longitudinal student performance and growth approved by the charter school's  
508.20 board of directors and agreed upon with the authorizer;

508.21 (3) a history of sound school finances and a ~~finance~~ plan to ~~implement the expansion~~  
508.22 ~~in a manner to promote~~ add grades or sites that sustains the school's ~~financial sustainability~~  
508.23 finances; and

508.24 (4) board capacity ~~and an administrative and management plan to implement its~~  
508.25 ~~expansion~~ to administer and manage the additional grades or sites.

508.26 (b) The commissioner shall have 30 business days to review and comment on the  
508.27 supplemental affidavit. The commissioner shall notify the authorizer in writing of any  
508.28 deficiencies in the supplemental affidavit and the authorizer then has 20 business days to  
508.29 address; ~~to the commissioner's satisfaction~~, any deficiencies in the supplemental affidavit  
508.30 to the commissioner's satisfaction. The commissioner must notify the authorizer of final  
508.31 approval or final disapproval within 15 business days after receiving the authorizer's  
508.32 response to the deficiencies in the affidavit. The school may not ~~expand~~ add grades or ~~add~~  
508.33 sites until the commissioner has approved the supplemental affidavit. The commissioner's  
508.34 approval or disapproval of a supplemental affidavit is final.

508.35 Subd. 6. **Conversion of existing schools.** A board of an independent or special  
508.36 school district may convert one or more of its existing schools to charter schools under

509.1 this chapter if 60 percent of the full-time teachers at the school sign a petition seeking  
 509.2 conversion. The conversion must occur at the beginning of an academic year.

509.3 Subd. 7. **Merger.** (a) Two or more charter schools may merge under chapter 317A.  
 509.4 The effective date of a merger must be July 1. The merged school must continue under  
 509.5 the identity of one of the merging schools. The authorizer and the merged school must  
 509.6 execute a new charter contract under section 124E.10, subdivision 1, ~~must be executed~~ by  
 509.7 July 1. The authorizer must submit to the commissioner a copy of the new signed charter  
 509.8 contract within ten business days of ~~its execution~~ executing the contract.

509.9 (b) Each merging school must submit a separate year-end report for the previous  
 509.10 fiscal year for that school only. After the final fiscal year of the premerger schools is  
 509.11 closed out, each of those schools must transfer the fund balances and debts from the  
 509.12 merging schools must be transferred to the merged school.

509.13 (c) For its first year of operation, the merged school is eligible to receive aid from  
 509.14 programs requiring approved applications equal to the sum of the aid of all of the merging  
 509.15 schools. For aids based on prior year data, the merged school is eligible to receive aid for  
 509.16 its first year of operation based on the combined data of all of the merging schools.

509.17 Sec. 6. Minnesota Statutes 2015 Supplement, section 124E.07, is amended to read:

509.18 **124E.07 BOARD OF DIRECTORS.**

509.19 Subdivision 1. **Initial board of directors.** Before entering into a contract or other  
 509.20 agreement for professional or other services, goods, or facilities, the operators authorized  
 509.21 to organize and operate a school, ~~before entering into a contract or other agreement for~~  
 509.22 ~~professional or other services, goods, or facilities,~~ must establish a board of directors  
 509.23 composed of at least five members who are not related parties. The initial board continues  
 509.24 to serve until a timely election for members of the ongoing charter school board of  
 509.25 directors is held according to the school's articles and bylaws under subdivision 4.

509.26 Subd. 2. **Ongoing board of directors.** The ongoing board must be elected before  
 509.27 the school completes its third year of operation. Board elections must be held during the  
 509.28 school year but may not be conducted on days when the school is closed ~~for holidays,~~  
 509.29 ~~breaks, or vacations.~~

509.30 Subd. 3. **Membership criteria.** (a) The ongoing charter school board of directors  
 509.31 ~~shall be composed of~~ have at least five nonrelated members and include: (1) at least  
 509.32 one licensed teacher who is employed as a teacher at the school or ~~providing~~ provides  
 509.33 instruction under contract between the charter school and a cooperative; (2) at least one  
 509.34 parent or legal guardian of a student enrolled in the charter school who is not an employee  
 509.35 of the charter school; and (3) at least one interested community member who resides in

510.1 Minnesota ~~and~~, is not employed by the charter school, and does not have a child enrolled  
510.2 in the school. The board structure may include a majority of teachers ~~described in~~ under  
510.3 this paragraph or parents or community members, or it may have no clear majority. The  
510.4 chief financial officer and the chief administrator may only serve as ex-officio nonvoting  
510.5 board members. No charter school employees shall serve on the board other than teachers  
510.6 under clause (1). Contractors providing facilities, goods, or services to a charter school  
510.7 shall not serve on the board of directors of the charter school.

510.8 (b) An individual is prohibited from serving as a member of the charter school board  
510.9 of directors if: (1) the individual, an immediate family member, or the individual's partner  
510.10 is a full or part owner or principal with a for-profit or nonprofit entity or independent  
510.11 contractor with whom the charter school contracts, directly or indirectly, for professional  
510.12 services, goods, or facilities. ~~An individual is prohibited from serving as a board member~~  
510.13 ~~if;~~ or (2) an immediate family member is an employee of the school. An individual may  
510.14 serve as a member of the board of directors if no conflict of interest exists under this  
510.15 paragraph, consistent with this section.

510.16 (c) A violation of ~~this prohibition~~ paragraph (b) renders a contract voidable at the  
510.17 option of the commissioner or the charter school board of directors. A member of a charter  
510.18 school board of directors who violates ~~this prohibition~~ paragraph (b) is individually liable  
510.19 to the charter school for any damage caused by the violation.

510.20 (e) ~~(d)~~ Any employee, agent, or board member of the authorizer who participates  
510.21 ~~in the initial review, approval, ongoing oversight, evaluation, or the charter renewal or~~  
510.22 ~~nonrenewal process or decision~~ initially reviewing, approving, overseeing, evaluating,  
510.23 renewing, or not renewing the charter school is ineligible to serve on the board of directors  
510.24 of a school chartered by that authorizer.

510.25 ~~(d) An individual may serve as a member of the board of directors if no conflict of~~  
510.26 ~~interest under paragraph (b) exists.~~

510.27 Subd. 4. **Structure of Board structure.** Board bylaws shall outline the process and  
510.28 procedures for changing the board's governance structure, consistent with chapter 317A.

510.29 A board may change its governance structure only:

510.30 (1) by a majority vote of the board of directors and a majority vote of the licensed  
510.31 teachers employed by the school as teachers, including licensed teachers providing  
510.32 instruction under a contract between the school and a cooperative; and

510.33 (2) with the authorizer's approval.

510.34 Any change in board governance structure must conform with the board composition  
510.35 ~~of the board~~ established under this ~~subdivision~~ section.

511.1 Subd. 5. **Eligible voters.** Staff members employed at the school, including teachers  
 511.2 providing instruction under a contract with a cooperative, members of the board of  
 511.3 directors, and all parents or legal guardians of children enrolled in the school are the voters  
 511.4 eligible to elect the members of the school's board of directors. A charter school must  
 511.5 notify eligible voters of the school board election dates at least 30 days before the election.

511.6 Subd. 6. **Duties.** The board of directors also shall decide and ~~be~~ is responsible  
 511.7 for policy matters related to ~~the operation of~~ operating the school, including budgeting,  
 511.8 curriculum programming, personnel, and operating procedures. The board shall adopt a  
 511.9 ~~policy on nepotism in employment~~ policy. The board shall adopt personnel evaluation  
 511.10 policies and practices that, at a minimum:

511.11 (1) carry out the school's mission and goals;

511.12 (2) evaluate ~~the execution of~~ how charter contract goals and commitments are  
 511.13 executed;

511.14 (3) evaluate student achievement, postsecondary and workforce readiness, and  
 511.15 student engagement and connection goals;

511.16 (4) establish a teacher evaluation process under section 124E.03, subdivision 2,  
 511.17 paragraph (h); and

511.18 (5) provide professional development related to the individual's job responsibilities.

511.19 Subd. 7. **Training.** Every charter school board member shall attend annual training  
 511.20 throughout the member's term ~~on the board~~. All new board members shall attend initial  
 511.21 training on the board's role and responsibilities, employment policies and practices, and  
 511.22 financial management. A new board member who does not begin the required initial  
 511.23 training within six months after being seated and complete that training within 12 months  
 511.24 ~~of~~ after being seated ~~on the board~~ is automatically ineligible to continue to serve as a board  
 511.25 member. The school shall include in its annual report the training each board member  
 511.26 ~~attended by each board member~~ during the previous year.

511.27 Subd. 8. **Meetings and information.** (a) Board of director meetings must comply  
 511.28 with chapter 13D governing open meetings.

511.29 (b) A charter school shall publish and maintain on the school's official Web site: (1)  
 511.30 the meeting minutes ~~of meetings~~ of the board of directors; and of members and committees  
 511.31 having ~~any~~ board-delegated authority, for at least ~~one calendar year~~ 365 days from the  
 511.32 date of publication; (2) directory information for ~~members of~~ the board of directors and  
 511.33 for the members of committees having board-delegated authority; and (3) identifying and  
 511.34 contact information for the school's authorizer.

511.35 (c) A charter school must include identifying and contact information for the school's  
 511.36 authorizer ~~must be included~~ in other school materials ~~made~~ it makes available to the public.

512.1 Sec. 7. Minnesota Statutes 2015 Supplement, section 124E.08, is amended to read:

512.2 **124E.08 ~~COLLABORATION BETWEEN CHARTER SCHOOL AND~~**  
 512.3 **SCHOOL DISTRICT COLLABORATION.**

512.4 (a) A charter school board may voluntarily enter into a two-year, renewable  
 512.5 collaboration agreement for collaboration with a school district in which the charter school  
 512.6 is geographically located to enhance student the achievement with a school district within  
 512.7 whose geographic boundary it operates of the students in the district and the students in  
 512.8 the charter school.

512.9 (b) A school district ~~need~~ does not need to be either an approved authorizer or the  
 512.10 authorizer of the charter school to enter into a collaboration agreement with a charter  
 512.11 school under this section. ~~A charter school need not be authorized by the school district~~  
 512.12 ~~with which it seeks to collaborate.~~

512.13 (e) A charter school authorizer is prohibited from requiring a collaboration  
 512.14 agreement as a condition of entering into or renewing a charter contract as defined in  
 512.15 section 124E.10, subdivision 1.

512.16 (d) ~~Nothing in this section or in the collaboration agreement may impact in any way~~  
 512.17 ~~the authority or autonomy of the charter school.~~

512.18 (e) ~~Nothing in this section or in the collaboration agreement shall cause the state to~~  
 512.19 ~~pay twice for the same student, service, or facility or otherwise impact state funding, or~~  
 512.20 ~~the flow thereof, to the school district or the charter school.~~

512.21 (f) (b) The collaboration agreement may include, but ~~need~~ is not be limited  
 512.22 to, collaboration regarding facilities, transportation, training, student achievement,  
 512.23 assessments, mutual performance standards, and other areas of mutual agreement.

512.24 (g) (c) For purposes of student assessment and reporting to the state under section  
 512.25 120B.36, the school district may include the academic performance of the students of a  
 512.26 collaborative charter school site operating within the geographic boundaries of the school  
 512.27 district, for purposes of student assessment and reporting to the state under paragraph (a).

512.28 (h) Districts, authorizers, or charter schools entering into a collaborative agreement  
 512.29 are equally and collectively subject to the same state and federal accountability measures  
 512.30 for student achievement, school performance outcomes, and school improvement  
 512.31 strategies. The collaborative agreement and all accountability measures must be posted  
 512.32 on the district, charter school, and authorizer Web sites.

512.33 (d) Nothing in this section or in the collaboration agreement may impact in any way  
 512.34 the authority or autonomy of the charter school.

513.1 (e) Nothing in this section or in the collaboration agreement shall cause the state to  
 513.2 pay twice for the same student, service, or facility or otherwise impact state funding or  
 513.3 payment to the school district or the charter school.

513.4 Sec. 8. Minnesota Statutes 2015 Supplement, section 124E.10, is amended to read:

513.5 **124E.10 CHARTER CONTRACT.**

513.6 Subdivision 1. **Contents.** ~~(a) The authorization for~~ To authorize a charter school, the  
 513.7 authorizer and the charter school board of directors must be in the form of sign a written  
 513.8 contract signed by the authorizer and the board of directors of the charter school. The  
 513.9 contract must be completed within 45 business days of the commissioner's approval of  
 513.10 the authorizer's affidavit. The authorizer shall submit ~~to the commissioner~~ a copy of the  
 513.11 signed charter contract to the commissioner within ten business days of its execution after  
 513.12 the contract is signed by the contracting parties. The contract ~~for a charter school~~ must  
 513.13 ~~be in writing and contain~~ include at least the following:

513.14 (1) a declaration that the charter school will carry out the primary purpose in section  
 513.15 124E.01, subdivision 1, and indicate how the school will report its implementation of the  
 513.16 primary purpose to its authorizer;

513.17 (2) a declaration of the additional purpose or purposes in section 124E.01,  
 513.18 subdivision 1, that the school intends to carry out and indicate how the school will report  
 513.19 its implementation of those purposes to its authorizer;

513.20 (3) a description of the school program and the specific academic and nonacademic  
 513.21 outcomes that pupils must achieve;

513.22 (4) a statement of admission policies and procedures;

513.23 (5) a school governance, management, and administration plan ~~for the school~~;

513.24 (6) signed agreements from charter school board members to comply with ~~all~~ the  
 513.25 federal and state laws governing organizational, programmatic, and financial requirements  
 513.26 applicable to charter schools;

513.27 (7) the criteria, processes, and procedures ~~that~~ the authorizer will use to monitor and  
 513.28 evaluate the fiscal, operational, and academic performance<sub>2</sub> consistent with subdivision  
 513.29 3, paragraphs (a) and (b);

513.30 (8) for contract renewal, the formal written performance evaluation ~~of the school~~  
 513.31 that is a prerequisite for reviewing a charter contract under subdivision 3;

513.32 (9) types and amounts of insurance liability coverage ~~to be obtained by~~ the charter  
 513.33 school must obtain, consistent with section 124E.03, subdivision 2, paragraph (d);

514.1 (10) consistent with section 124E.09, paragraph (d), a provision to indemnify and  
 514.2 hold harmless ~~the authorizer and its officers, agents, and employees~~ from any suit, claim,  
 514.3 or liability arising from any charter school operation of the charter school;

514.4 (i) the authorizer and its officers, agents, and employees; and

514.5 (ii) notwithstanding section 3.736, the commissioner and department officers,  
 514.6 agents, and employees ~~notwithstanding section 3.736~~;

514.7 (11) the term of the ~~initial~~ contract, which, for an initial contract, may be up to five  
 514.8 years plus an additional preoperational planning year, ~~and up to five years or~~ for a renewed  
 514.9 contract or a contract with a new authorizer after a transfer of authorizers, may be up to  
 514.10 five years, if warranted by the school's academic, financial, and operational performance;

514.11 (12) how the charter school board of directors or the charter school operators of the  
 514.12 ~~charter school~~ will provide special instruction and services for children with a disability  
 514.13 under sections 125A.03 to 125A.24, and 125A.65, and a description of the financial  
 514.14 parameters within which the charter school will operate to provide the special instruction  
 514.15 and services to children with a disability;

514.16 (13) the specific conditions for contract renewal that identify the performance of  
 514.17 all students under the primary purpose of section 124E.01, subdivision 1, as the most  
 514.18 important factor in determining whether to renew the contract renewal; and

514.19 (14) the additional purposes under section 124E.01, subdivision 1, and related  
 514.20 performance obligations under clause (7) contained in the charter contract as additional  
 514.21 factors in determining whether to renew the contract renewal; and

514.22 ~~(15)~~ (b) In addition to the requirements of paragraph (a), the charter contract must  
 514.23 contain the plan for an orderly closing of the school under chapter 317A, that establishes  
 514.24 the responsibilities of the school board of directors and the authorizer, whether the closure  
 514.25 is a termination for cause, a voluntary termination, or a nonrenewal of the contract, ~~that~~  
 514.26 ~~includes establishing the responsibilities of the school board of directors and the authorizer~~  
 514.27 ~~and notifying~~. The plan must establish who is responsible for:

514.28 (1) notifying the commissioner, ~~authorizer~~, school district in which the charter  
 514.29 school is located, and parents of enrolled students about the closure;

514.30 (2) providing parents of enrolled students information and assistance sufficient to  
 514.31 enable the student to re-enroll in another school; ~~the~~;

514.32 (3) ~~transfer of~~ transferring student records under section 124E.03, subdivision 5,  
 514.33 paragraph (b), to the student's resident school district; and

514.34 (4) ~~procedures for~~ closing financial operations.

514.35 ~~(b)~~ (c) A charter school must design its programs to at least meet the outcomes  
 514.36 adopted by the commissioner for public school students. In the absence of the

515.1 commissioner's requirements governing state standards and benchmarks, the school must  
 515.2 meet the outcomes contained in the contract with the authorizer. The achievement levels  
 515.3 of the outcomes contained in the contract may exceed the achievement levels of any  
 515.4 outcomes adopted by the commissioner for public school students.

515.5 Subd. 2. **Limitations** Limits on charter contract school agreements. (a) A  
 515.6 school must disclose to the commissioner any potential contract, lease, or purchase of  
 515.7 service from an authorizer must be disclosed to the commissioner. The contract, lease, or  
 515.8 purchase must be accepted through an open bidding process; and be a separate contract  
 515.9 from the charter contract. The school must document the open bidding process. An  
 515.10 authorizer must not enter into a contract to provide management and financial services for  
 515.11 to a school that it authorizes, unless the school documents that it received receiving at  
 515.12 least two competitive bids.

515.13 (b) ~~The~~ An authorizer must not condition granting or ~~renewal of~~ renewing a charter  
 515.14 ~~school by an authorizer must not be contingent on:~~

515.15 (1) the charter school being required to contract, lease, or purchase services from  
 515.16 the authorizer; or

515.17 (e) ~~The granting or renewal of a charter by an authorizer must not be conditioned~~  
 515.18 ~~upon~~ (2) the bargaining unit status of the school employees ~~of the school.~~

515.19 Subd. 3. **Review and comment.** (a) The authorizer shall provide a formal written  
 515.20 evaluation of the school's performance before the authorizer renews the charter contract.  
 515.21 The ~~department~~ commissioner must review and comment on the authorizer's evaluation  
 515.22 process at the time the authorizer submits its application for approval and each time the  
 515.23 authorizer undergoes its five-year review under section 124E.05, subdivision 5.

515.24 (b) An authorizer shall monitor and evaluate the academic, financial, operational,  
 515.25 and student performance of the school, and may ~~for this purpose annually~~ assess a charter  
 515.26 school a fee according to paragraph (c). The agreed-upon fee structure must be stated in  
 515.27 the charter school contract.

515.28 (c) The fee that an authorizer may annually assess is the greater of:

515.29 (1) the basic formula allowance for that year; or

515.30 (2) the lesser of:

515.31 (i) the maximum fee factor times the basic formula allowance for that year; or

515.32 (ii) the fee factor times the basic formula allowance for that year times the charter  
 515.33 school's adjusted pupil units for that year. The fee factor equals .015. The maximum  
 515.34 fee factor equals 4.0.

515.35 (d) An authorizer may not assess a fee for any required services other than as  
 515.36 provided in this subdivision.

516.1 (e) For the preoperational planning period, after a school is chartered, the authorizer  
516.2 may assess a charter school a fee equal to the basic formula allowance.

516.3 Subd. 4. **Causes for nonrenewal or termination of charter school contract.** (a)  
516.4 The duration of the contract with an authorizer must be for the term contained in the  
516.5 contract according to subdivision 1, paragraph (a). The authorizer may or may not renew a  
516.6 contract at the end of the term for any ground listed in paragraph (b). An authorizer may  
516.7 unilaterally terminate a contract during the term of the contract for any ground listed in  
516.8 paragraph (b). At least 60 business days before not renewing or terminating a contract,  
516.9 the authorizer shall notify the board of directors of the charter school of the proposed  
516.10 action in writing. The notice shall state the grounds for the proposed action in reasonable  
516.11 detail and ~~that~~ describe the informal hearing process, consistent with this paragraph. The  
516.12 charter school's board of directors may request in writing an informal hearing before the  
516.13 authorizer within 15 business days ~~of~~ after receiving notice of nonrenewal or termination  
516.14 of the contract. Failure by the board of directors to make a written request for an informal  
516.15 hearing within the 15-business-day period shall be treated as acquiescence to the proposed  
516.16 action. Upon receiving a timely written request for a hearing, the authorizer shall give ten  
516.17 business days' notice to the charter school's board of directors of the hearing date. The  
516.18 authorizer shall conduct an informal hearing before taking final action. The authorizer  
516.19 shall take final action to renew or not renew a contract no later than 20 business days  
516.20 before the proposed date for terminating the contract or the end date of the contract.

516.21 (b) An authorizer may terminate or not renew a contract ~~may be terminated or not~~  
516.22 ~~renewed~~ upon any of the following grounds:

- 516.23 (1) failure to demonstrate satisfactory academic achievement for all students,  
516.24 including the requirements for pupil performance contained in the contract;  
516.25 (2) failure to meet generally accepted standards of fiscal management;  
516.26 (3) violations of law; or  
516.27 (4) other good cause shown.

516.28 If the authorizer terminates or does not renew a contract ~~is terminated or not~~  
516.29 ~~renewed~~ under this paragraph, the school must be dissolved according to the applicable  
516.30 provisions of chapter 317A.

516.31 (c) The commissioner, after providing reasonable notice to the board of directors of  
516.32 a charter school and the existing authorizer, and after providing an opportunity for a public  
516.33 hearing, may terminate the existing contract between the authorizer and the charter school  
516.34 board if the charter school has a history of:

- 516.35 (1) failure to meet pupil performance requirements<sub>2</sub> consistent with state law;

517.1 (2) financial mismanagement or failure to meet generally accepted standards of  
517.2 fiscal management; or

517.3 (3) repeated or major violations of the law.

517.4 Subd. 5. **Mutual nonrenewal.** If the authorizer and the charter school board of  
517.5 directors mutually agree not to renew the contract, a change in authorizers is allowed. The  
517.6 authorizer and the school board must jointly submit a written and signed letter of their  
517.7 intent to the commissioner to mutually not renew the contract. The authorizer that is a party  
517.8 to the existing contract must inform the proposed authorizer about the fiscal, operational,  
517.9 and student performance status of the school, as well as any outstanding contractual  
517.10 obligations ~~that exist~~. The charter contract between the proposed authorizer and the school  
517.11 must identify and provide a plan to address any outstanding obligations from the previous  
517.12 contract. The proposed authorizer must submit the proposed contract ~~must be submitted~~ at  
517.13 least 105 business days before the end of the existing charter contract. The commissioner  
517.14 ~~shall have~~ has 30 business days to review and make a determination on the change in  
517.15 authorizer. The proposed authorizer and the school ~~shall~~ have 15 business days to respond  
517.16 to the determination and address any issues identified by the commissioner. ~~A final~~  
517.17 ~~determination by~~ The commissioner ~~shall be made~~ must make a final determination no later  
517.18 than 45 business days before the end of the current charter contract. ~~If~~ no the commissioner  
517.19 does not approve a change in authorizer is approved, the school and the current authorizer  
517.20 may withdraw their letter of nonrenewal and enter into a new contract. If the ~~transfer of~~  
517.21 ~~authorizers is not approved~~ commissioner does not approve a change in authorizer and the  
517.22 current authorizer and the school do not withdraw their letter and enter into a new contract,  
517.23 the school must be dissolved according to applicable law and the terms of the contract.

517.24 Subd. 6. **Pupil enrollment upon nonrenewal or termination of charter school**  
517.25 **contract.** (a) If a contract is not renewed or is terminated according to subdivision 4 or  
517.26 5, a pupil who attended the school, siblings of the pupil, or another pupil who resides  
517.27 ~~in the same place as~~ with the pupil may enroll in the resident district or may submit  
517.28 an application to a nonresident district according to section 124D.03 governing open  
517.29 enrollment at any time. Applications and notices required by section 124D.03 must be  
517.30 processed and provided in a prompt manner. The application and notice deadlines in  
517.31 section 124D.03 do not apply under these circumstances.

517.32 (b) Within ten business days of closing the charter school, the closed ~~charter~~ school  
517.33 must transfer the student's educational records ~~within ten business days of closure~~ to the  
517.34 student's school district of residence where the records must be retained or transferred  
517.35 under section 120A.22, subdivision 7.

518.1 Sec. 9. Minnesota Statutes 2015 Supplement, section 124E.12, is amended to read:

518.2 **124E.12 EMPLOYMENT.**

518.3 Subdivision 1. **Teachers.** A charter school must employ or contract with necessary  
 518.4 teachers, as defined by section 122A.15, subdivision 1, who hold valid licenses to perform  
 518.5 the particular service for which they are employed in the school. The commissioner may  
 518.6 reduce the charter school's state aid ~~may be reduced~~ under section 127A.43 if the school  
 518.7 employs a teacher who is not appropriately licensed or approved by the board of teaching.  
 518.8 The school may employ necessary employees who are not required to hold teaching  
 518.9 licenses to perform duties other than teaching and may contract for other services. The  
 518.10 school may discharge teachers and nonlicensed employees. The charter school board is  
 518.11 subject to section 181.932 governing whistle-blowers. When offering employment to a  
 518.12 prospective employee, a charter school must give that employee a written description of  
 518.13 the terms and conditions of employment and the school's personnel policies.

518.14 Subd. 2. **Administrators.** (a) A person, without holding a valid administrator's  
 518.15 license, may perform administrative, supervisory, or instructional leadership duties.  
 518.16 The board of directors shall establish qualifications for all persons that who hold  
 518.17 administrative, supervisory, or instructional leadership roles. The qualifications shall  
 518.18 ~~include~~ cover at least ~~the following areas~~: instruction and assessment; human resource  
 518.19 and personnel management; financial management; legal and compliance management;  
 518.20 effective communication; and board, authorizer, and community relationships. The board  
 518.21 of directors shall use those qualifications as the basis for job descriptions, hiring, and  
 518.22 performance evaluations of those who hold administrative, supervisory, or instructional  
 518.23 leadership roles.

518.24 (b) The board of directors and an individual who does not hold a valid administrative  
 518.25 license and who serves in an administrative, supervisory, or instructional leadership  
 518.26 position shall develop a professional development plan. ~~Documentation of the~~  
 518.27 ~~implementation of~~ The school's annual report must include public personnel information  
 518.28 documenting the professional development plan ~~of these persons shall be included in~~  
 518.29 ~~the school's annual report.~~

518.30 Subd. 3. **Collective bargaining.** Employees of the board of directors of a charter  
 518.31 school may, if otherwise eligible, organize under chapter 179A and comply with its  
 518.32 provisions. The board of directors of a charter school is a public employer, for the  
 518.33 purposes of chapter 179A, ~~upon formation of~~ when forming one or more bargaining units  
 518.34 at the school. Bargaining units at the school must be separate from any other units within  
 518.35 an authorizing district, except that bargaining units may remain part of the appropriate  
 518.36 unit within an authorizing district; if the employees of the school, the board of directors of

519.1 the school, the exclusive representative of the appropriate unit in the authorizing district,  
519.2 and the board of the authorizing district agree to include the employees in the appropriate  
519.3 unit of the authorizing district. The board of directors of a charter school with employees  
519.4 organized under this subdivision must comply with sections 471.6161 governing group  
519.5 insurance and 471.895 governing gifts.

519.6 Subd. 4. **Teacher and other employee retirement.** (a) Teachers in a charter school  
519.7 must be public school teachers for the purposes of chapters 354 and 354A governing the  
519.8 Teacher Retirement Act.

519.9 (b) Except for teachers under paragraph (a), employees in a charter school must  
519.10 be public employees for the purposes of chapter 353 governing the Public Employees  
519.11 Retirement Act.

519.12 Subd. 5. **Group health insurance.** (a) A charter school board with at least 25  
519.13 employees or a teacher cooperative of licensed teachers providing instruction under  
519.14 a contract between a school and a cooperative that provides group health insurance  
519.15 coverage shall:

519.16 (1) request proposals for group health insurance coverage from a minimum of three  
519.17 sources at least every two years; and

519.18 (2) notify employees covered by the group health insurance coverage before the  
519.19 effective date of the changes in the group coverage policy contract.

519.20 (b) A charter school board or a cooperative of teachers that provides group health  
519.21 insurance coverage must establish and publish on its Web site the policy for ~~the purchase~~  
519.22 ~~of purchasing~~ group health insurance coverage. A charter school board policy must  
519.23 include a sealed proposal process, which requires all proposals to be opened at the same  
519.24 time. Upon ~~the openings of~~ opening the proposals ~~in accordance with~~ according to the  
519.25 school or cooperative policy, the proposals become public data under chapter 13.

519.26 Nothing in this subdivision supersedes the right of an exclusive representative to negotiate  
519.27 ~~over~~ the terms and conditions of employment.

519.28 Subd. 6. **Leave to teach in a charter school.** If a teacher employed by a district  
519.29 makes a written request for an extended leave of absence to teach at a charter school, the  
519.30 district must grant the leave. The district must grant a leave not to exceed a total of five  
519.31 years. Any request to extend the leave shall be granted only at the discretion of the school  
519.32 board. The district may require ~~that a teacher to make~~ the request for a leave or extension  
519.33 of leave ~~be made~~ before February 1 in the school year preceding the school year in which  
519.34 the teacher intends to leave, or February 1 of the calendar year in which the teacher's leave  
519.35 is scheduled to terminate. Except as otherwise provided in this subdivision and ~~except~~  
519.36 ~~for~~ section 122A.46, subdivision 7, governing employment in another district, the leave

520.1 is governed by section 122A.46, including, but not limited to, reinstatement, notice of  
 520.2 intention to return, seniority, salary, and insurance.

520.3 During a leave, the teacher may continue to aggregate benefits and credits in the  
 520.4 Teachers' Retirement Association account under chapters 354 and 354A, consistent with  
 520.5 subdivision 4.

520.6 Sec. 10. Minnesota Statutes 2015 Supplement, section 124E.13, is amended to read:

520.7 **124E.13 FACILITIES.**

520.8 Subdivision 1. **Leased space.** A charter school may lease space from: an  
 520.9 independent or special school board; other public organization; private, nonprofit,  
 520.10 nonsectarian organization; private property owner; or a sectarian organization if the  
 520.11 leased space is constructed as a school facility. The ~~department~~ commissioner must  
 520.12 review and approve or disapprove leases in a timely manner ~~for purposes of determining~~  
 520.13 to determine eligibility for lease aid under section 124E.22.

520.14 Subd. 2. **Related party lease costs.** (a) A charter school ~~is prohibited from entering~~  
 520.15 must not enter into a lease of real property with a related party unless the lessor is a  
 520.16 nonprofit corporation under chapter 317A or a cooperative under chapter 308A, and the  
 520.17 lease cost is reasonable under section 124E.22, paragraph (a), clause (1).

520.18 (b) A ~~lease of real property to be used for a charter school, not excluded in related~~  
 520.19 party permitted to enter into a lease under paragraph (a); must contain include the  
 520.20 following statement in the lease: "This lease is subject to Minnesota Statutes, section  
 520.21 124E.13, subdivision 2."

520.22 (c) If a charter school ~~enters into as lessee a lease with~~ leases space from a related  
 520.23 party and the charter school subsequently closes, the commissioner has the right to recover  
 520.24 from the ~~lessor~~ related party any lease payments in excess of those that are reasonable  
 520.25 under section 124E.22, paragraph (a), clause (1).

520.26 Subd. 3. **Affiliated nonprofit building corporation.** (a) An affiliated nonprofit  
 520.27 building corporation may purchase, expand, or renovate an existing facility to serve as a  
 520.28 school or may construct a new school facility. A charter school may organize an affiliated  
 520.29 nonprofit building corporation ~~(1) to purchase, expand, or renovate an existing facility to~~  
 520.30 ~~serve as a school or (2) to construct a new school facility~~ if the charter school:

520.31 (i) ~~(1) has been in operation~~ operated for at least six consecutive years;

520.32 (ii) ~~(2)~~ (2) as of June 30, has a net positive unreserved general fund balance in the  
 520.33 preceding three fiscal years;

520.34 (iii) ~~(3)~~ (3) has long-range strategic and financial plans that include enrollment  
 520.35 projections for at least five years;

521.1 ~~(iv)~~ (4) completes a feasibility study of facility options that outlines the benefits  
 521.2 and costs of ~~the options~~ each option; and

521.3 ~~(v)~~ (5) has a plan for ~~purchase, renovation, or new construction~~ which that describes  
 521.4 project parameters and budget.

521.5 (b) An affiliated nonprofit building corporation under this subdivision must:

521.6 (1) be incorporated under section 317A;

521.7 (2) comply with applicable Internal Revenue Service regulations, including  
 521.8 regulations for "supporting organizations" as defined by the Internal Revenue Service;

521.9 (3) post on the school Web site the name, mailing address, bylaws, minutes of board  
 521.10 meetings, and the names of the current board of directors of the affiliated nonprofit  
 521.11 building corporation;

521.12 (4) submit to the commissioner a copy of its annual audit by December 31 of each  
 521.13 year; and

521.14 (5) comply with government data practices law under chapter 13.

521.15 (c) An affiliated nonprofit building corporation must not serve as the leasing agent  
 521.16 for property or facilities it does not own. A charter school that leases a facility from an  
 521.17 affiliated nonprofit building corporation that does not own the leased facility is ineligible  
 521.18 to receive charter school lease aid. The state is immune from liability resulting from a  
 521.19 contract between a charter school and an affiliated nonprofit building corporation.

521.20 ~~(d) Once an affiliated nonprofit building corporation is incorporated under this~~  
 521.21 ~~subdivision, The board of directors of the charter school must ensure the affiliated~~  
 521.22 ~~nonprofit building corporation complies with all applicable legal requirements. The charter~~  
 521.23 ~~school's authorizer of the school must oversee the efforts of the school's board of directors~~  
 521.24 ~~of the charter school to ensure the affiliated nonprofit building corporation complies~~  
 521.25 ~~with all legal requirements governing the affiliated nonprofit building corporation legal~~  
 521.26 ~~compliance of the affiliated building corporation. A school's board of directors that~~  
 521.27 ~~fails to ensure the affiliated nonprofit building corporation's compliance violates its~~  
 521.28 ~~responsibilities and an authorizer must factor the~~ consider that ~~failure into the authorizer's~~  
 521.29 ~~evaluation of when evaluating the charter school.~~

521.30 Subd. 4. **Positive review and comment.** If the amount of a purchase agreement or  
 521.31 construction contract exceeds the review and comment threshold, a charter school or its  
 521.32 affiliated nonprofit building corporation must receive a positive review and comment from  
 521.33 the commissioner before initiating any purchase agreement or construction contract ~~that~~  
 521.34 ~~requires an expenditure in excess of the threshold specified in section 123B.71, subdivision~~  
 521.35 ~~8, for school districts that do not have a capital loan outstanding. Without a positive~~  
 521.36 review and comment from the commissioner, a purchase agreement or construction

522.1 contract ~~finalized before a positive review and comment~~ under this subdivision is null and  
 522.2 void. For purposes of this subdivision, "review and comment threshold" means the dollar  
 522.3 amount specified in section 123B.71, subdivision 8, applicable to a school entity that is  
 522.4 not a recipient of a maximum effort capital loan.

522.5 Sec. 11. Minnesota Statutes 2015 Supplement, section 124E.15, is amended to read:

522.6 **124E.15 TRANSPORTATION.**

522.7 (a) A charter school must comply with all pupil transportation requirements in  
 522.8 section 123B.88, subdivision 1. A charter school must not require parents to surrender  
 522.9 their rights to pupil transportation under section 123B.88, subdivision 2.

522.10 (b) ~~A charter school after its first fiscal year of operation by March 1 of each fiscal~~  
 522.11 ~~year and A charter school by July 1 of its first fiscal year of operation~~ must notify the  
 522.12 district in which the school is located and the ~~Department of Education~~ commissioner by  
 522.13 July 1 of its first fiscal year of operation if it will provide its own transportation or use the  
 522.14 transportation services of the district in which it is located ~~for the fiscal year.~~ For each  
 522.15 subsequent year of operation, a charter school must give that district and the commissioner  
 522.16 notice by March 1 for the following fiscal year.

522.17 (c) If a charter school elects to provide transportation for pupils, the charter school  
 522.18 must provide the transportation ~~must be provided by the charter school~~ within the district  
 522.19 in which the charter school is located. The state must pay transportation aid to the charter  
 522.20 school according to section 124E.23.

522.21 (d) For pupils who reside outside the district in which the charter school is located,  
 522.22 the charter school is not required to provide or pay for transportation between the pupil's  
 522.23 residence and the border of the district in which the charter school is located. The charter  
 522.24 school may reimburse a parent ~~may be reimbursed by the charter school~~ for costs of  
 522.25 transportation from the pupil's residence to the border of the district in which the charter  
 522.26 school is located if the pupil is from a family whose income is at or below the poverty  
 522.27 level, as determined by the federal government. The reimbursement may not exceed  
 522.28 the pupil's actual cost of transportation or 15 cents per mile traveled, whichever is less.  
 522.29 Reimbursement may not be paid for more than 250 miles per week.

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

522.32 (d) (e) If a charter school does not elect to provide transportation, the district in which  
 522.33 the school is located must provide transportation for pupils enrolled at the school ~~must~~  
 522.34 ~~be provided by the district in which the school is located,~~ according to sections 123B.88,  
 522.35 subdivision 6, governing transporting nonresident pupils, and 124D.03, subdivision 8, for

523.1 a pupil residing in the same district in which the charter school is located. The district in  
523.2 which the charter school is located may provide transportation ~~may be provided by the~~  
523.3 ~~district in which the school is located~~, according to sections 123B.88, subdivision 6, and  
523.4 124D.03, subdivision 8, governing open enrollment transportation, for a pupil residing  
523.5 in a different district. If the district provides the transportation, the scheduling of routes,  
523.6 manner and method of transportation, control and discipline of the pupils, and any other  
523.7 matter relating to the transportation of pupils under this paragraph ~~shall be~~ is within the  
523.8 sole discretion, control, and management of the district.

523.9 (f) The charter school must provide the parent or guardian with information about  
523.10 transportation when a pupil enrolls.

523.11 Sec. 12. Minnesota Statutes 2015 Supplement, section 124E.16, is amended to read:

523.12 **124E.16 REPORTS.**

523.13 Subdivision 1. **Audit report.** (a) A charter school is subject to the same financial  
523.14 audits, audit procedures, and audit requirements as a district, except as required under  
523.15 this subdivision. Audits must be conducted in compliance with generally accepted  
523.16 governmental auditing standards, the federal Single Audit Act, if applicable, and section  
523.17 6.65 governing auditing procedures. A charter school is subject to and must comply  
523.18 with sections 15.054; 118A.01; 118A.02; 118A.03; 118A.04; 118A.05; 118A.06;  
523.19 governing government property and financial investments; and sections 471.38; 471.391;  
523.20 471.392; and 471.425 governing municipal contracting. The audit must comply with the  
523.21 requirements of sections 123B.75 to 123B.83 governing school district finance, except  
523.22 ~~to the extent deviations are necessary because of the program at the school when the~~  
523.23 commissioner and authorizer approve a deviation made necessary because of school  
523.24 program finances. ~~Deviations must be approved by the commissioner and authorizer.~~ The  
523.25 ~~Department of Education~~ commissioner, state auditor, legislative auditor, or authorizer  
523.26 may conduct financial, program, or compliance audits. A charter school ~~determined to be~~  
523.27 in statutory operating debt under sections 123B.81 to 123B.83 must submit a plan under  
523.28 section 123B.81, subdivision 4.

523.29 (b) The charter school must submit an audit report to the commissioner and its  
523.30 authorizer annually by December 31 ~~each year~~.

523.31 (c) The charter school, with the assistance of the auditor conducting the audit,  
523.32 must include with the report, as supplemental information;: (1) a copy of management  
523.33 agreements with a charter management organization or an educational management  
523.34 organization and (2) service agreements or contracts over the lesser of \$100,000 or ten  
523.35 percent of the school's most recent annual audited expenditures. The agreements must

524.1 detail the terms of the agreement, including the services provided and the annual costs for  
524.2 those services. If the entity that provides the professional services to the charter school is  
524.3 exempt from taxation under section 501 of the Internal Revenue Code of 1986, that entity  
524.4 must file with the commissioner by February 15 a copy of the annual return required under  
524.5 section 6033 of the Internal Revenue Code of 1986.

524.6 (d) A charter school independent audit report shall include audited financial data  
524.7 of an affiliated building corporation under section 124E.13, subdivision 3, or other  
524.8 component unit.

524.9 (e) If the audit report finds that a material weakness exists in the financial reporting  
524.10 systems of a charter school, the charter school must submit a written report to the  
524.11 commissioner explaining how the charter school will resolve that material weakness ~~will~~  
524.12 ~~be resolved~~. An auditor, as a condition of providing financial services to a charter school,  
524.13 must agree to make available information about a charter school's financial audit to the  
524.14 commissioner and authorizer upon request.

524.15 Subd. 2. **Annual public reports.** (a) A charter school must publish an annual report  
524.16 approved by the board of directors. The annual report must at least include information  
524.17 on school enrollment, student attrition, governance and management, staffing, finances,  
524.18 academic performance, innovative practices and implementation, and future plans. A  
524.19 charter school may combine this report with the reporting required under section 120B.11  
524.20 governing the world's best workforce. A charter school must post the annual report on  
524.21 the school's official Web site. A charter school also must ~~also~~ distribute the annual report  
524.22 by publication, mail, or electronic means to its authorizer, school employees, and parents  
524.23 and legal guardians of students enrolled in the charter school. The reports are public  
524.24 data under chapter 13.

524.25 (b) The commissioner shall establish specifications for an authorizer's annual public  
524.26 report that is part of the system to evaluate authorizer performance under section 124E.05,  
524.27 subdivision 5. The report shall at least include key indicators of school academic,  
524.28 operational, and financial performance.

524.29 Sec. 13. Minnesota Statutes 2015 Supplement, section 124E.17, is amended to read:

524.30 **124E.17 DISSEMINATION OF INFORMATION.**

524.31 Subdivision 1. **Charter school information.** (a) ~~Authorizers and the department~~  
524.32 ~~must disseminate information to the public on how to form and operate a charter school.~~  
524.33 Charter schools must disseminate information about how to use the charter school  
524.34 ~~offerings of a charter school~~ to targeted groups, among others. Targeted groups include

525.1 low-income families and communities, students of color, and students who are at risk  
525.2 of academic failure.

525.3 (b) Authorizers and the commissioner must disseminate information to the public  
525.4 on how to form and operate a charter school. Authorizers, operators, and the ~~department~~  
525.5 commissioner also may disseminate information to interested stakeholders about the  
525.6 successful best practices in teaching and learning demonstrated by charter schools.

525.7 Subd. 2. **Financial information.** Upon request of an individual, the charter school  
525.8 must ~~also~~ make available in a timely fashion financial statements showing all operations  
525.9 and transactions affecting the school's income, surplus, and deficit during the school's  
525.10 last annual accounting period; and a balance sheet summarizing assets and liabilities  
525.11 on the closing date of the accounting period. A charter school also must include that  
525.12 same information about its authorizer in other school materials that it makes available  
525.13 to the public.

525.14 Sec. 14. Minnesota Statutes 2015 Supplement, section 124E.22, is amended to read:

525.15 **124E.22 BUILDING LEASE AID.**

525.16 (a) When a charter school finds it economically advantageous to rent or lease a  
525.17 building or land for any instructional ~~purposes~~ purpose and it determines that the total  
525.18 operating capital revenue under section 126C.10, subdivision 13, is insufficient for this  
525.19 purpose, it may apply to the commissioner for building lease aid ~~for this purpose~~. The  
525.20 commissioner must review and either approve or deny a lease aid application using the  
525.21 following criteria:

525.22 (1) the reasonableness of the price based on current market values;

525.23 (2) the extent to which the lease conforms to applicable state laws and rules; and

525.24 (3) the appropriateness of the proposed lease in the context of the space needs and  
525.25 financial circumstances of the charter school. The commissioner must approve aid only  
525.26 for a facility lease that has (i) a sum certain annual cost and (ii) a closure clause to relieve  
525.27 the charter school of its lease obligations at the time the charter contract is terminated or  
525.28 not renewed; ~~2~~. The closure clause under item (ii) must not be constructed or construed to  
525.29 relieve the charter school of its lease obligations in effect before the charter contract is  
525.30 terminated or not renewed.

525.31 (b) A charter school must not use the building lease aid it receives for custodial,  
525.32 maintenance service, utility, or other operating costs.

525.33 ~~(b)~~ (c) The amount of annual building lease aid for a charter school shall not exceed  
525.34 the lesser of (1) 90 percent of the approved cost or (2) the product of the pupil units served  
525.35 for the current school year times \$1,314.

526.1 Sec. 15. Minnesota Statutes 2015 Supplement, section 124E.24, is amended to read:

526.2 **124E.24 OTHER AID, GRANTS, AND REVENUE.**

526.3 (a) A charter school is eligible to receive other aids, grants, and revenue according to  
526.4 chapters 120A to 129C, as though it were a district.

526.5 (b) Notwithstanding paragraph (a), a charter school may not receive aid, a grant, or  
526.6 revenue if a levy is required to obtain the money, or if the aid, grant, or revenue replaces levy  
526.7 revenue that is not general education revenue, except as otherwise provided in this chapter.

526.8 (c) Federal aid received by the state must be paid to the school, if it qualifies for  
526.9 the aid, as though it were a school district.

526.10 (d) A charter school may receive money from any source for capital facilities needs.  
526.11 In the year-end report to the commissioner of education, the charter school shall report the  
526.12 total amount of funds it received from grants and other outside sources.

526.13 Sec. 16. Minnesota Statutes 2015 Supplement, section 124E.25, is amended to read:

526.14 **124E.25 PAYMENT OF AID TO CHARTER SCHOOLS.**

526.15 Subdivision 1. **Payments.** ~~(a)~~ Notwithstanding section 127A.45, subdivision 3, if the  
526.16 current year aid payment percentage under section 127A.45, subdivision 2, paragraph (d), is  
526.17 90 or greater, aid payments for the current fiscal year to a charter school shall be of an equal  
526.18 amount on each of the 24 payment dates. Notwithstanding section 127A.45, subdivision  
526.19 3, if the current year aid payment percentage under section 127A.45, subdivision 2,  
526.20 paragraph (d), is less than 90, aid payments for the current fiscal year to a charter school  
526.21 shall be of an equal amount on each of the 16 payment dates in July through February.

526.22 Subd. 1a. **School closures; payments.** ~~(b)~~ ~~(a)~~ Notwithstanding ~~paragraph (a)~~  
526.23 subdivision 1 and section 127A.45, for a charter school ceasing operation on or ~~prior~~  
526.24 ~~to~~ before June 30 ~~of a school year~~, for the payment periods occurring after the school  
526.25 ceases serving students, the commissioner shall withhold the estimated state aid owed  
526.26 the school. The charter school board of directors and authorizer must submit to the  
526.27 commissioner a closure plan under chapter 308A or 317A, and financial information about  
526.28 the school's liabilities and assets. After receiving the closure plan, financial information,  
526.29 an audit of pupil counts, ~~documentation of~~ and documented lease expenditures; from  
526.30 the charter school and monitoring ~~of~~ special education expenditures, the commissioner  
526.31 may release cash withheld and may continue regular payments up to the current year  
526.32 payment percentages if further amounts are owed. If, based on audits and monitoring,  
526.33 the school received state aid in excess of the amount owed, the commissioner shall retain  
526.34 aid withheld sufficient to eliminate the aid overpayment.

527.1 (b) For a charter school ceasing operations prior to, before or at the end of, a  
 527.2 school year, notwithstanding section 127A.45, subdivision 3, the commissioner may  
 527.3 make preliminary final payments may be made after receiving the school submits the  
 527.4 closure plan, an audit of pupil counts, monitoring of special education expenditures,  
 527.5 documentation of documented lease expenditures, and school submission of Uniform  
 527.6 Financial Accounting and Reporting Standards (UFARS) financial data and the  
 527.7 commissioner monitors special education expenditures for the final year of operation. The  
 527.8 commissioner may make the final payment may be made upon receipt of after receiving  
 527.9 audited financial statements under section 123B.77, subdivision 3.

527.10 (c) Notwithstanding sections 317A.701 to 317A.791, upon closure of after closing  
 527.11 a charter school and satisfaction of satisfying creditors, remaining cash and investment  
 527.12 balances remaining shall be returned by the commissioner to the state general fund.

527.13 **Subd. 2. Requirements.** (a) In order To receive state aid payments under this  
 527.14 section, a charter school in its first three years of operation must submit to the commissioner  
 527.15 a school calendar in the form and manner requested by the department commissioner and  
 527.16 a quarterly report to the Department of Education. The quarterly report must list each  
 527.17 student by grade, show the student's start and end dates, if any applicable, with the charter  
 527.18 school; and, for any student participating in a learning year program, the report must list the  
 527.19 hours and times of learning year activities. The charter school must submit the report must  
 527.20 be submitted to the commissioner not more than two weeks after the end of the calendar  
 527.21 quarter to the department. The department commissioner must develop a Web-based  
 527.22 reporting form for charter schools to use when submitting quarterly enrollment reports.

527.23 (b) To receive state aid payments under this section, a charter school in its fourth and  
 527.24 subsequent year of operation must submit a school calendar and enrollment information  
 527.25 to the department commissioner in the form and manner requested by the department  
 527.26 commissioner.

527.27 (b) (c) A charter school must have a valid, signed contract under section 124E.10,  
 527.28 subdivision 1, on file at with the Department of Education commissioner at least 15 days  
 527.29 prior to before the date of first payment of state aid for the fiscal year.

527.30 (e) (d) The commissioner shall compute state aid entitlements shall be computed  
 527.31 for a charter school only for the portion of a school year for which it has a valid, signed  
 527.32 contract under section 124E.10, subdivision 1.

527.33 **Subd. 3. Aid reductions.** (a) The commissioner may reduce a charter school's  
 527.34 state aid under section 127A.42 or 127A.43 if the charter school board fails to correct a  
 527.35 violation under this chapter.

528.1 (b) The commissioner may reduce a charter school's state aid by an amount not  
528.2 to exceed 60 percent of the charter school's basic revenue for the period of time ~~that a~~  
528.3 ~~violation of law occurs~~ was violated.

528.4 Subd. 4. **Aid withholding.** (a) If a charter school fails to comply with the  
528.5 commissioner's directive to return, for cause, federal or state funds administered by the  
528.6 department, the commissioner may withhold an amount of state aid sufficient to satisfy  
528.7 the directive.

528.8 (b) ~~If, within the timeline under section 471.425, after receiving an undisputed~~  
528.9 ~~invoice for goods and services, a charter school fails to pay the state of Minnesota, a school~~  
528.10 ~~district, intermediate school district, or service cooperative after receiving an undisputed~~  
528.11 ~~invoice for goods and services within the timeline under section 471.425, the commissioner~~  
528.12 may withhold an amount of state aid sufficient to satisfy the claim and shall distribute the  
528.13 withheld aid to the interested state agency, school district, intermediate school district, or  
528.14 service cooperative. An interested state agency, school district, intermediate school district,  
528.15 or education cooperative shall notify the commissioner when a charter school fails to pay  
528.16 an undisputed invoice within 75 business days of when it received the original invoice.

528.17 Sec. 17. Minnesota Statutes 2015 Supplement, section 124E.26, is amended to read:

528.18 **124E.26 USE OF STATE MONEY.**

528.19 ~~Money received from the state may not be used~~ A charter school may not use state  
528.20 money to purchase land or buildings. The charter school may own land and buildings if  
528.21 obtained through nonstate sources.

528.22 Sec. 18. **SUPERSEDING ACTS.**

528.23 Any amendments or repeals enacted in the 2016 session of the legislature to sections  
528.24 also amended or repealed in this article of this act supersede the amendments in this article  
528.25 of this act regardless of order of enactment.

528.26 **ARTICLE 27**

528.27 **GENERAL EDUCATION**

528.28 Section 1. Minnesota Statutes 2015 Supplement, section 120A.41, is amended to read:

528.29 **120A.41 LENGTH OF SCHOOL YEAR; HOURS OF INSTRUCTION.**

528.30 A school board's annual school calendar must include at least 425 hours of  
528.31 instruction for a kindergarten student without a disability, 935 hours of instruction for a  
528.32 student in grades 1 through 6, and 1,020 hours of instruction for a student in grades 7

529.1 through 12, not including summer school. The school calendar for all-day kindergarten  
529.2 must include at least 850 hours of instruction for the school year. The school calendar for  
529.3 a prekindergarten student under section 124D.151, if offered by the district, must include  
529.4 at least 350 hours of instruction for the school year. A school board's annual calendar  
529.5 must include at least 165 days of instruction for a student in grades 1 through 11 unless a  
529.6 four-day week schedule has been approved by the commissioner under section 124D.126.

529.7 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and  
529.8 later.

529.9 Sec. 2. Minnesota Statutes 2014, section 123A.24, subdivision 2, is amended to read:

529.10 Subd. 2. **Cooperative unit defined.** For the purposes of this section, a cooperative  
529.11 unit is:

529.12 (1) an education district organized under sections 123A.15 to 123A.19;

529.13 (2) a cooperative vocational center organized under section 123A.22;

529.14 (3) an intermediate district organized under chapter 136D;

529.15 (4) a service cooperative organized under section 123A.21; ~~or~~

529.16 (5) a regional management information center organized under section 123A.23 or  
529.17 as a joint powers district according to section 471.59; or

529.18 (6) a special education cooperative organized under section 471.59.

529.19 Sec. 3. Minnesota Statutes 2014, section 124D.111, is amended by adding a  
529.20 subdivision to read:

529.21 Subd. 2a. **Federal child and adult food program; criteria and notice.** The  
529.22 commissioner must post on the department's Web site eligibility criteria and application  
529.23 information for nonprofit organizations interested in applying to the commissioner for  
529.24 approval as a multisite sponsoring organization under the federal child and adult care  
529.25 food program. The posted criteria and information must inform interested nonprofit  
529.26 organizations about:

529.27 (1) the criteria the commissioner uses to approve or disapprove an application,  
529.28 including how an applicant demonstrates financial viability for the Minnesota program,  
529.29 among other criteria;

529.30 (2) the commissioner's process and time line for notifying an applicant when  
529.31 its application is approved or disapproved and, if the application is disapproved, the  
529.32 explanation the commissioner provides to the applicant; and

529.33 (3) any appeal or other recourse available to a disapproved applicant.

530.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

530.2 Sec. 4. Minnesota Statutes 2014, section 124D.1158, subdivision 3, is amended to read:

530.3 Subd. 3. **Program reimbursement.** Each school year, the state must reimburse  
530.4 each participating school 30 cents for each reduced-price breakfast, 55 cents for each fully  
530.5 paid breakfast served to students in grades 1 to 12, and \$1.30 for each fully paid breakfast  
530.6 served to a prekindergarten student enrolled in an approved voluntary prekindergarten  
530.7 program under section 124D.151 or a kindergarten student.

530.8 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and  
530.9 later.

530.10 Sec. 5. Minnesota Statutes 2014, section 124D.1158, subdivision 4, is amended to read:

530.11 Subd. 4. **No fees.** A school that receives school breakfast aid under this section  
530.12 must make breakfast available without charge to all participating students in grades 1  
530.13 to 12 who qualify for free or reduced-price meals and to all prekindergarten students  
530.14 enrolled in an approved voluntary prekindergarten program under section 124D.151 and  
530.15 all kindergarten students.

530.16 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and  
530.17 later.

530.18 Sec. 6. **[124D.151] VOLUNTARY PREKINDERGARTEN PROGRAM.**

530.19 Subdivision 1. **Establishment; purpose.** A district, a charter school, a group of  
530.20 districts, a group of charter schools, or a group of districts and charter schools may  
530.21 establish a voluntary prekindergarten program. The purpose of a voluntary prekindergarten  
530.22 program is to prepare children for success as they enter kindergarten in the following year.

530.23 Subd. 2. **Program requirements.** (a) A voluntary prekindergarten program  
530.24 provider must:

530.25 (1) provide instruction through play-based learning to foster children's social and  
530.26 emotional development, cognitive development, physical and motor development, and  
530.27 language and literacy skills, including the native language and literacy skills of English  
530.28 learners, to the extent practicable;

530.29 (2) measure each child's cognitive and social skills using a formative measure  
530.30 aligned to the state's early learning standards when the child enters and again before the  
530.31 child leaves the program, screening and progress monitoring measures, and others from  
530.32 the state-approved menu of kindergarten entry profile measures;

- 531.1 (3) provide comprehensive program content including the implementation of  
531.2 curriculum, assessment, and instructional strategies aligned with the state early learning  
531.3 standards, and kindergarten through grade 3 academic standards;
- 531.4 (4) provide instructional content and activities that are of sufficient length and  
531.5 intensity to address learning needs including offering a program with at least 350 hours of  
531.6 instruction per school year for a prekindergarten student;
- 531.7 (5) provide voluntary prekindergarten instructional staff salaries comparable to the  
531.8 salaries of local kindergarten through grade 12 instructional staff;
- 531.9 (6) coordinate appropriate kindergarten transition with families, community-based  
531.10 prekindergarten programs, and school district kindergarten programs;
- 531.11 (7) involve parents in program planning and transition planning by implementing  
531.12 parent engagement strategies that include culturally and linguistically responsive activities  
531.13 in prekindergarten through third grade that are aligned with early childhood family  
531.14 education under section 124D.13;
- 531.15 (8) coordinate with relevant community-based services, including health and social  
531.16 service agencies, to ensure children have access to comprehensive services;
- 531.17 (9) coordinate with all relevant school district programs and services including early  
531.18 childhood special education, homeless students, and English learners;
- 531.19 (10) ensure staff-to-child ratios of one-to-ten and a maximum group size of 20  
531.20 children;
- 531.21 (11) provide high-quality coordinated professional development, training, and  
531.22 coaching for both school district and community-based early learning providers that  
531.23 is informed by a measure of adult-child interactions and enables teachers to be highly  
531.24 knowledgeable in early childhood curriculum content, assessment, native and English  
531.25 language development programs, and instruction; and
- 531.26 (12) implement strategies that support the alignment of professional development,  
531.27 instruction, assessments, and prekindergarten through grade 3 curricula.
- 531.28 (b) A voluntary prekindergarten program must have teachers knowledgeable in  
531.29 early childhood curriculum content, assessment, native and English language programs,  
531.30 and instruction.
- 531.31 (c) Districts and charter schools must include their strategy for implementing and  
531.32 measuring the impact of their voluntary prekindergarten program under section 120B.11  
531.33 and provide results in their world's best workforce annual summary to the commissioner  
531.34 of education.
- 531.35 Subd. 3. **Mixed delivery of services.** A district or charter school may contract  
531.36 with a charter school, Head Start or child care centers, family child care programs

532.1 licensed under section 245A.03, or a community-based organization to provide eligible  
532.2 children with developmentally appropriate services that meet the program requirements in  
532.3 subdivision 2. Components of a mixed-delivery plan include strategies for recruitment,  
532.4 contracting, and monitoring of fiscal compliance and program quality.

532.5 Subd. 4. **Eligibility.** A child who is four years of age as of September 1 in the  
532.6 calendar year in which the school year commences is eligible to participate in a voluntary  
532.7 prekindergarten program free of charge. Each eligible child must complete a health and  
532.8 developmental screening within 90 days of program enrollment under sections 121A.16 to  
532.9 121A.19, and provide documentation of required immunizations under section 121A.15.

532.10 Subd. 5. **Application process; priority for high poverty schools.** (a) To qualify  
532.11 for program approval for fiscal year 2017, a district or charter school must submit an  
532.12 application to the commissioner by July 1, 2016. To qualify for program approval for  
532.13 fiscal year 2018 and later, a district or charter school must submit an application to the  
532.14 commissioner by January 30 of the fiscal year prior to the fiscal year in which the program  
532.15 will be implemented. The application must include:

532.16 (1) a description of the proposed program, including the number of hours per week  
532.17 the program will be offered at each school site or mixed-delivery location;

532.18 (2) an estimate of the number of eligible children to be served in the program at each  
532.19 school site or mixed-delivery location; and

532.20 (3) a statement of assurances signed by the superintendent or charter school director  
532.21 that the proposed program meets the requirements of subdivision 2.

532.22 (b) The commissioner must review all applications submitted for fiscal year 2017 by  
532.23 August 1, 2016, and must review all applications submitted for fiscal year 2018 and later  
532.24 by March 1 of the fiscal year in which the applications are received and determine whether  
532.25 each application meets the requirements of paragraph (a).

532.26 (c) The commissioner must divide all applications for new or expanded programs  
532.27 meeting the requirements of paragraph (a) into four groups as follows: the Minneapolis and  
532.28 St. Paul school districts; other school districts located in the metropolitan equity region as  
532.29 defined in section 126C.10, subdivision 28; school districts located in the rural equity region  
532.30 as defined in section 126C.10, subdivision 28; and charter schools. Within each group, the  
532.31 applications must be ordered by rank using a sliding scale based on the following criteria:

532.32 (1) concentration of kindergarten students eligible for free or reduced-price lunches  
532.33 by school site on October 1 of the previous school year. For school district programs to be  
532.34 operated at locations that do not have free and reduced-price lunch concentration data for  
532.35 kindergarten programs for October 1 of the previous school year, including mixed-delivery

533.1 programs, the school district average concentration of kindergarten students eligible for  
533.2 free or reduced-price lunches must be used for the rank ordering;

533.3 (2) presence or absence of a three- or four-star Parent Aware rated program within  
533.4 the school district or close proximity of the district. School sites with the highest  
533.5 concentration of kindergarten students eligible for free or reduced-price lunches that  
533.6 do not have a three- or four-star Parent Aware program within the district or close  
533.7 proximity of the district shall receive the highest priority, and school sites with the lowest  
533.8 concentration of kindergarten students eligible for free or reduced-price lunches that have  
533.9 a three- or four-star Parent Aware rated program within the district or close proximity of  
533.10 the district shall receive the lowest priority.

533.11 (d) The aid available for the program as specified in subdivision 6, paragraph (b),  
533.12 must initially be allocated among the four groups based on each group's percentage share  
533.13 of the statewide kindergarten enrollment on October 1 of the previous school year. Within  
533.14 each group, the available aid must be allocated among school sites in priority order until  
533.15 that region's share of the aid limit is reached. If the aid limit is not reached for all groups,  
533.16 the remaining amount must be allocated to the highest priority school sites, as designated  
533.17 under this section, not funded in the initial allocation on a statewide basis.

533.18 (e) Once a school site is approved for aid under this subdivision, it shall remain  
533.19 eligible for aid if it continues to meet program requirements, regardless of changes in the  
533.20 concentration of students eligible for free or reduced-price lunches.

533.21 (f) If the total aid entitlement approved based on applications submitted under  
533.22 paragraph (a) is less than the aid entitlement limit under subdivision 6, paragraph (b),  
533.23 the commissioner must notify all school districts and charter schools of the amount that  
533.24 remains available within 30 days of the initial application deadline under paragraph (a),  
533.25 and complete a second round of allocations based on applications received within 60 days  
533.26 of the initial application deadline.

533.27 (g) Procedures for approving applications submitted under paragraph (f) shall be the  
533.28 same as specified in paragraphs (a) to (d), except that the allocations shall be made to the  
533.29 highest priority school sites not funded in the initial allocation on a statewide basis.

533.30 Subd. 6. **Program and aid entitlement limits.** (a) Notwithstanding section  
533.31 126C.05, subdivision 1, paragraph (d), the pupil units for a voluntary prekindergarten  
533.32 program for an eligible school district or charter school must not exceed 60 percent of the  
533.33 kindergarten pupil units for that school district or charter school under section 126C.05,  
533.34 subdivision 1, paragraph (e).

533.35 (b) In reviewing applications under subdivision 5, the commissioner must limit the  
533.36 estimated state aid entitlement approved under this section to \$27,092,000 for fiscal year

534.1 2017, \$27,239,000 for fiscal year 2018, and \$26,399,000 for fiscal year 2019 and later. If  
534.2 the actual state aid entitlement based on final data exceeds the limit in any year, the aid of  
534.3 the participating districts must be prorated so as not to exceed the limit.

534.4 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and  
534.5 later.

534.6 Sec. 7. Minnesota Statutes 2015 Supplement, section 124D.59, subdivision 2, is  
534.7 amended to read:

534.8 Subd. 2. **English learner.** (a) "English learner" means a pupil in kindergarten  
534.9 through grade 12 or a prekindergarten student enrolled in an approved voluntary  
534.10 prekindergarten program under section 124D.151 who meets the requirements under  
534.11 subdivision 2a or the following requirements:

534.12 (1) the pupil, as declared by a parent or guardian first learned a language other than  
534.13 English, comes from a home where the language usually spoken is other than English, or  
534.14 usually speaks a language other than English; and

534.15 (2) the pupil is determined by a valid assessment measuring the pupil's English  
534.16 language proficiency and by developmentally appropriate measures, which might include  
534.17 observations, teacher judgment, parent recommendations, or developmentally appropriate  
534.18 assessment instruments, to lack the necessary English skills to participate fully in  
534.19 academic classes taught in English.

534.20 (b) A pupil enrolled in a Minnesota public school in any grade 4 through 12 who in  
534.21 the previous school year took a commissioner-provided assessment measuring the pupil's  
534.22 emerging academic English, shall be counted as an English learner in calculating English  
534.23 learner pupil units under section 126C.05, subdivision 17, and shall generate state English  
534.24 learner aid under section 124D.65, subdivision 5, if the pupil scored below the state cutoff  
534.25 score or is otherwise counted as a nonproficient participant on the assessment measuring  
534.26 the pupil's emerging academic English, or, in the judgment of the pupil's classroom  
534.27 teachers, consistent with section 124D.61, clause (1), the pupil is unable to demonstrate  
534.28 academic language proficiency in English, including oral academic language, sufficient to  
534.29 successfully and fully participate in the general core curriculum in the regular classroom.

534.30 (c) Notwithstanding paragraphs (a) and (b), a pupil in ~~kindergarten~~ prekindergarten  
534.31 under section 124D.151, through grade 12 shall not be counted as an English learner in  
534.32 calculating English learner pupil units under section 126C.05, subdivision 17, and shall  
534.33 not generate state English learner aid under section 124D.65, subdivision 5, if:

534.34 (1) the pupil is not enrolled during the current fiscal year in an educational program  
534.35 for English learners under sections 124D.58 to 124D.64; or

535.1 (2) the pupil has generated seven or more years of average daily membership in  
535.2 Minnesota public schools since July 1, 1996.

535.3 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and  
535.4 later.

535.5 Sec. 8. Minnesota Statutes 2014, section 124D.68, subdivision 2, is amended to read:

535.6 Subd. 2. **Eligible pupils.** (a) A pupil under the age of 21 or who meets the  
535.7 requirements of section 120A.20, subdivision 1, paragraph (c), is eligible to participate in  
535.8 the graduation incentives program, if the pupil:

535.9 (1) performs substantially below the performance level for pupils of the same age  
535.10 in a locally determined achievement test;

535.11 (2) is behind in satisfactorily completing coursework or obtaining credits for  
535.12 graduation;

535.13 (3) is pregnant or is a parent;

535.14 (4) has been assessed as chemically dependent;

535.15 (5) has been excluded or expelled according to sections 121A.40 to 121A.56;

535.16 (6) has been referred by a school district for enrollment in an eligible program or  
535.17 a program pursuant to section 124D.69;

535.18 (7) is a victim of physical or sexual abuse;

535.19 (8) has experienced mental health problems;

535.20 (9) has experienced homelessness sometime within six months before requesting a  
535.21 transfer to an eligible program;

535.22 (10) speaks English as a second language or is an English learner; or

535.23 (11) has withdrawn from school or has been chronically truant; or

535.24 (12) is being treated in a hospital in the seven-county metropolitan area for cancer or  
535.25 other life threatening illness or is the sibling of an eligible pupil who is being currently  
535.26 treated, and resides with the pupil's family at least 60 miles beyond the outside boundary  
535.27 of the seven-county metropolitan area.

535.28 (b) For the 2016-2017 school year only, a pupil otherwise qualifying under  
535.29 paragraph (a) who is at least 21 years of age and not yet 22 years of age, is an English  
535.30 learner with an interrupted formal education according to section 124D.59, subdivision 2a,  
535.31 and was in an early middle college program during the previous school year is eligible to  
535.32 participate in the graduation incentives program under section 124D.68 and in concurrent  
535.33 enrollment courses offered under section 124D.09, subdivision 10, and is funded in the  
535.34 same manner as other pupils under this section.

536.1 Sec. 9. Minnesota Statutes 2015 Supplement, section 126C.05, subdivision 1, is  
536.2 amended to read:

536.3 Subdivision 1. **Pupil unit.** Pupil units for each Minnesota resident pupil under the  
536.4 age of 21 or who meets the requirements of section 120A.20, subdivision 1, paragraph  
536.5 (c), in average daily membership enrolled in the district of residence, in another district  
536.6 under sections 123A.05 to 123A.08, 124D.03, 124D.08, or 124D.68; in a charter school  
536.7 under chapter 124E; or for whom the resident district pays tuition under section 123A.18,  
536.8 123A.22, 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04,  
536.9 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65, shall be counted according to this  
536.10 subdivision.

536.11 (a) A prekindergarten pupil with a disability who is enrolled in a program approved  
536.12 by the commissioner and has an individualized education program is counted as the ratio  
536.13 of the number of hours of assessment and education service to 825 times 1.0 with a  
536.14 minimum average daily membership of 0.28, but not more than 1.0 pupil unit.

536.15 (b) A prekindergarten pupil who is assessed but determined not to be disabled is  
536.16 counted as the ratio of the number of hours of assessment service to 825 times 1.0.

536.17 (c) A kindergarten pupil with a disability who is enrolled in a program approved  
536.18 by the commissioner is counted as the ratio of the number of hours of assessment and  
536.19 education services required in the fiscal year by the pupil's individualized education  
536.20 program to 875, but not more than one.

536.21 (d) A prekindergarten pupil who is not included in paragraph (a) or (b) and is  
536.22 enrolled in an approved voluntary prekindergarten program under section 124D.151 is  
536.23 counted as the ratio of the number of hours of instruction to 850 times 1.0, but not more  
536.24 than 0.6 pupil units.

536.25 ~~(d)~~ (e) A kindergarten pupil who is not included in paragraph (c) is counted as 1.0  
536.26 pupil unit if the pupil is enrolled in a free all-day, every day kindergarten program available  
536.27 to all kindergarten pupils at the pupil's school that meets the minimum hours requirement in  
536.28 section 120A.41, or is counted as .55 pupil unit, if the pupil is not enrolled in a free all-day,  
536.29 every day kindergarten program available to all kindergarten pupils at the pupil's school.

536.30 ~~(e)~~ (f) A pupil who is in any of grades 1 to 6 is counted as 1.0 pupil unit.

536.31 ~~(f)~~ (g) A pupil who is in any of grades 7 to 12 is counted as 1.2 pupil units.

536.32 ~~(g)~~ (h) A pupil who is in the postsecondary enrollment options program is counted  
536.33 as 1.2 pupil units.

536.34 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and  
536.35 later.

537.1 Sec. 10. Minnesota Statutes 2014, section 126C.05, subdivision 3, is amended to read:

537.2 Subd. 3. **Compensation revenue pupil units.** Compensation revenue pupil units  
537.3 for fiscal year 1998 and thereafter must be computed according to this subdivision.

537.4 (a) The compensation revenue concentration percentage for each building in a  
537.5 district equals the product of 100 times the ratio of:

537.6 (1) the sum of the number of pupils enrolled in the building eligible to receive free  
537.7 lunch plus one-half of the pupils eligible to receive reduced priced lunch on October  
537.8 1 of the previous fiscal year; to

537.9 (2) the number of pupils enrolled in the building on October 1 of the previous fiscal  
537.10 year.

537.11 (b) The compensation revenue pupil weighting factor for a building equals the  
537.12 lesser of one or the quotient obtained by dividing the building's compensation revenue  
537.13 concentration percentage by 80.0.

537.14 (c) The compensation revenue pupil units for a building equals the product of:

537.15 (1) the sum of the number of pupils enrolled in the building eligible to receive free  
537.16 lunch and one-half of the pupils eligible to receive reduced priced lunch on October 1  
537.17 of the previous fiscal year; times

537.18 (2) the compensation revenue pupil weighting factor for the building; times

537.19 (3) .60.

537.20 (d) Notwithstanding paragraphs (a) to (c), for voluntary prekindergarten programs  
537.21 under section 124D.151, charter schools<sub>2</sub>, and contracted alternative programs in the  
537.22 first year of operation, compensation revenue pupil units shall be computed using data  
537.23 for the current fiscal year. If the voluntary prekindergarten program, charter school<sub>2</sub>, or  
537.24 contracted alternative program begins operation after October 1, compensatory revenue  
537.25 pupil units shall be computed based on pupils enrolled on an alternate date determined by  
537.26 the commissioner, and the compensation revenue pupil units shall be prorated based on  
537.27 the ratio of the number of days of student instruction to 170 days.

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

537.30 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and  
537.31 later.

537.32 Sec. 11. Minnesota Statutes 2014, section 126C.10, subdivision 2d, is amended to read:

537.33 Subd. 2d. **Declining enrollment revenue.** (a) A school district's declining  
537.34 enrollment revenue equals the greater of zero or the product of: (1) 28 percent of the

538.1 formula allowance for that year and (2) the difference between the adjusted pupil units for  
538.2 the preceding year and the adjusted pupil units for the current year.

538.3 (b) Notwithstanding paragraph (a), for fiscal years 2015, 2016, and 2017 only, a pupil  
538.4 enrolled at the Crosswinds school shall not generate declining enrollment revenue for the  
538.5 district or charter school in which the pupil was last counted in average daily membership.

538.6 (c) Notwithstanding paragraph (a), for fiscal years 2017, 2018, and 2019 only,  
538.7 prekindergarten pupil units under section 126C.05, subdivision 1, paragraph (d), must be  
538.8 excluded from the calculation of declining enrollment revenue.

538.9 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and  
538.10 later.

538.11 Sec. 12. Minnesota Statutes 2015 Supplement, section 126C.10, subdivision 13a,  
538.12 is amended to read:

538.13 Subd. 13a. **Operating capital levy.** To obtain operating capital revenue, a district  
538.14 may levy an amount not more than the product of its operating capital revenue for the  
538.15 fiscal year times the lesser of one or the ratio of its adjusted net tax capacity per adjusted  
538.16 pupil unit to the operating capital equalizing factor. The operating capital equalizing factor  
538.17 equals ~~\$14,500 for fiscal years 2015 and 2016, \$14,740~~ \$15,740 for fiscal year 2017,  
538.18 ~~\$17,473~~ \$19,972 for fiscal year 2018, and ~~\$20,510~~ \$22,912 for fiscal year 2019 and later.

538.19 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and  
538.20 later.

538.21 Sec. 13. Minnesota Statutes 2014, section 126C.10, subdivision 24, is amended to read:

538.22 Subd. 24. **Equity revenue.** (a) A school district qualifies for equity revenue if:

538.23 (1) the school district's adjusted pupil unit amount of basic revenue, transition  
538.24 revenue, and referendum revenue is less than the value of the school district at or  
538.25 immediately above the 95th percentile of school districts in its equity region for those  
538.26 revenue categories; and

538.27 (2) the school district's administrative offices are not located in a city of the first  
538.28 class on July 1, 1999.

538.29 (b) Equity revenue for a qualifying district that receives referendum revenue under  
538.30 section 126C.17, subdivision 4, equals the product of (1) the district's adjusted pupil  
538.31 units for that year; times (2) the sum of (i) \$14, plus (ii) \$80, times the school district's  
538.32 equity index computed under subdivision 27.

539.1 (c) Equity revenue for a qualifying district that does not receive referendum revenue  
539.2 under section 126C.17, subdivision 4, equals the product of the district's adjusted pupil  
539.3 units for that year times \$14.

539.4 (d) A school district's equity revenue is increased by the greater of zero or an amount  
539.5 equal to the district's adjusted pupil units times the difference between ten percent of the  
539.6 statewide average amount of referendum revenue per adjusted pupil unit for that year and  
539.7 the district's referendum revenue per adjusted pupil unit. A school district's revenue under  
539.8 this paragraph must not exceed \$100,000 for that year.

539.9 (e) A school district's equity revenue for a school district located in the metro equity  
539.10 region equals the amount computed in paragraphs (b), (c), and (d) multiplied by 1.25.

539.11 (f) For fiscal years 2017, 2018, and 2019 for a school district not included in  
539.12 paragraph (e) a district's equity revenue equals the amount computed in paragraphs (b),  
539.13 (c), and (d) multiplied by 1.16. For fiscal year 2020 and later for a school district not  
539.14 included in paragraph (e) a district's equity revenue equals the amount computed in  
539.15 paragraphs (b), (c), and (d) multiplied by 1.25.

539.16 (g) A school district's additional equity revenue equals \$50 times its adjusted pupil  
539.17 units.

539.18 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2017  
539.19 and later.

539.20 Sec. 14. Minnesota Statutes 2014, section 127A.353, subdivision 4, is amended to read:

539.21 Subd. 4. **Duties; powers.** (a) The school trust lands director shall:

539.22 (1) take an oath of office before assuming any duties as the director;

539.23 (2) evaluate the school trust land asset position;

539.24 (3) determine the estimated current and potential market value of school trust lands;

539.25 (4) advise the governor, Executive Council, commissioner of natural resources,

539.26 and the Legislative Permanent School Fund Commission on the management of school  
539.27 trust lands, including:

539.28 (i) Department of Natural Resources school trust land management plans;

539.29 (ii) leases of school trust lands;

539.30 (iii) royalty agreements on school trust lands;

539.31 (iv) land sales and exchanges;

539.32 (v) cost certification; and

539.33 (vi) revenue generating options;

539.34 (5) propose to the Legislative Permanent School Fund Commission legislative  
539.35 changes that will improve the asset allocation of the school trust lands;

- 540.1 (6) develop a ten-year strategic plan and a 25-year framework for management of  
 540.2 school trust lands, in conjunction with the commissioner of natural resources, that is  
 540.3 updated every five years and implemented by the commissioner, with goals to:
- 540.4 (i) retain core real estate assets;
  - 540.5 (ii) increase the value of the real estate assets and the cash flow from those assets;
  - 540.6 (iii) rebalance the portfolio in assets with high performance potential and the  
 540.7 strategic disposal of selected assets;
  - 540.8 (iv) establish priorities for management actions; and
  - 540.9 (v) balance revenue enhancement and resource stewardship;
- 540.10 (7) submit to the Legislative Permanent School Fund Commission for review an  
 540.11 annual budget and management plan for the director; and
- 540.12 (8) keep the beneficiaries, governor, legislature, and the public informed about the  
 540.13 work of the director by reporting to the Legislative Permanent School Fund Commission  
 540.14 in a public meeting at least once during each calendar quarter.
- 540.15 (b) In carrying out the duties under paragraph (a), the school trust lands director  
 540.16 shall have the authority to:
- 540.17 (1) direct and control money appropriated to the director;
  - 540.18 (2) establish job descriptions and employ up to five employees in the unclassified  
 540.19 service, within the limitations of money appropriated to the director;
  - 540.20 (3) enter into interdepartmental agreements with any other state agency; ~~and~~
  - 540.21 (4) enter into joint powers agreements under chapter 471;
  - 540.22 (5) evaluate and initiate real estate development projects on school trust lands with  
 540.23 the advice of the Legislative Permanent School Fund Commission in order to generate  
 540.24 long-term economic return to the permanent school fund;
  - 540.25 (6) serve as temporary trustee of school trust land for school trust lands subject to  
 540.26 proposed or active eminent domain proceedings; and
  - 540.27 ~~(4)~~ (7) submit recommendations on strategies for school trust land leases, sales, or  
 540.28 exchanges to the commissioner of natural resources and the Legislative Permanent School  
 540.29 Fund Commission.

540.30 **EFFECTIVE DATE.** This section is effective July 1, 2016.

540.31 Sec. 15. Minnesota Statutes 2014, section 127A.51, is amended to read:

540.32 **127A.51 STATEWIDE AVERAGE REVENUE.**

540.33 By ~~October~~ December 1 of each year the commissioner must estimate the statewide  
 540.34 average adjusted general revenue per adjusted pupil unit and the disparity in adjusted

541.1 general revenue among pupils and districts by computing the ratio of the 95th percentile  
 541.2 to the fifth percentile of adjusted general revenue. The commissioner must provide that  
 541.3 information to all districts.

541.4 If the disparity in adjusted general revenue as measured by the ratio of the 95th  
 541.5 percentile to the fifth percentile increases in any year, the commissioner shall recommend  
 541.6 to the legislature options for change in the general education formula that will limit the  
 541.7 disparity in adjusted general revenue to no more than the disparity for the previous  
 541.8 school year. The commissioner must submit the recommended options to the education  
 541.9 committees of the legislature by ~~January 15~~ February 1.

541.10 For purposes of this section and section 126C.10, adjusted general revenue means  
 541.11 the sum of basic revenue under section 126C.10, subdivision 2; referendum revenue under  
 541.12 section 126C.17; local optional revenue under section 126C.10, subdivision 2e; and equity  
 541.13 revenue under section 126C.10, subdivisions 24a and 24b.

541.14 Sec. 16. Laws 2015, First Special Session chapter 3, article 1, section 24, is amended  
 541.15 to read:

541.16 Sec. 24. **COMPENSATORY REVENUE; INTERMEDIATE DISTRICT.**

541.17 For the ~~2015-2016~~ 2016-2017 school year only, for an intermediate district formed  
 541.18 under Minnesota Statutes, section 136D.41, the department must calculate compensatory  
 541.19 revenue based on the October 1, ~~2014~~ 2015, enrollment counts for the ~~South~~ SouthWest  
 541.20 Metro Educational Cooperative.

541.21 Sec. 17. Laws 2015, First Special Session chapter 3, article 1, section 27, subdivision  
 541.22 2, is amended to read:

541.23 Subd. 2. **General education aid.** For general education aid under Minnesota  
 541.24 Statutes, section 126C.13, subdivision 4:

541.25		<del>6,624,310,000</del>		
541.26	\$	<u>6,649,435,000</u>	.....	2016
541.27		<del>6,761,574,000</del>		
541.28	\$	<u>6,815,372,000</u>	.....	2017

541.29 The 2016 appropriation includes \$622,908,000 for 2015 and ~~\$6,001,405,000~~  
 541.30 6,026,524,000 for 2016.

541.31 The 2017 appropriation includes ~~\$638,812,000~~ \$641,412,000 for 2016 and  
 541.32 ~~\$6,122,762,000~~ \$6,173,962,000 for 2017.

541.33 Sec. 18. Laws 2015, First Special Session chapter 3, article 7, section 7, subdivision 2,  
 541.34 is amended to read:

542.1 Subd. 2. **School lunch.** For school lunch aid according to Minnesota Statutes,  
 542.2 section 124D.111, and Code of Federal Regulations, title 7, section 210.17:

542.3		<del>15,661,000</del>		
542.4	\$	<u>16,251,000</u>	.....	2016
542.5		<del>15,818,000</del>		
542.6	\$	<u>16,775,000</u>	.....	2017

542.7 Sec. 19. Laws 2015, First Special Session chapter 3, article 7, section 7, subdivision 3,  
 542.8 is amended to read:

542.9 Subd. 3. **School breakfast.** For traditional school breakfast aid under Minnesota  
 542.10 Statutes, section 124D.1158:

542.11		<del>9,731,000</del>		
542.12	\$	<u>9,457,000</u>	.....	2016
542.13		<del>10,361,000</del>		
542.14	\$	<u>10,365,000</u>	.....	2017

542.15 Sec. 20. **VOLUNTARY BOUNDARY ALIGNMENT; MOORHEAD AND**  
 542.16 **DILWORTH-GLYNDON-FELTON.**

542.17 Subdivision 1. **Boundary realignment allowed.** The school boards of Independent  
 542.18 School Districts Nos. 152, Moorhead, and 2164, Dilworth-Glyndon-Felton, may realign  
 542.19 their shared district boundaries according to the provisions of this section.

542.20 Subd. 2. **Plan to establish new boundaries.** (a) The school boards of Independent  
 542.21 School Districts Nos. 152, Moorhead, and 2164, Dilworth-Glyndon-Felton, may jointly  
 542.22 develop a plan to realign their shared school district boundaries over a period of years.

542.23 (b) The plan must specify and identify each group of parcels that will be transferred  
 542.24 and the method used to determine the year during which each set of parcels is transferred.  
 542.25 The method of transfer may include an analysis of the relative tax base of the parcels to  
 542.26 be transferred and may make the transfers of parcels effective upon the relationship in  
 542.27 relative tax bases.

542.28 (c) The written plan must be adopted by each school board after the board has  
 542.29 allowed public testimony on the plan.

542.30 (d) The plan must be filed with both the county auditor and the commissioner of  
 542.31 education.

542.32 (e) After adopting the plan, each school board must publish notice of the plan  
 542.33 realigning district boundaries. The notice must include a general description of the area  
 542.34 that will be affected by the proposed boundary alignment and the method by which the

543.1 boundaries will be realigned. The notice must also be mailed to each property owner of  
543.2 record in the area proposed for realignment.

543.3 Subd. 3. **Bonded debt.** As of the effective date of each exchange of parcels between  
543.4 the two school districts, for the next and subsequent tax years, the taxable property in the  
543.5 newly aligned parcel is taxable for a portion of the bonded debt of the school district to  
543.6 which the property is attached and is not taxable for the bonded debt from the school  
543.7 district from which the property is detached.

543.8 Subd. 4. **County auditor notified.** After adoption of the plan, each school board  
543.9 must provide a copy of the plan to the county auditor. The county auditor may request  
543.10 any other necessary information from the school districts to effect the transfer of parcels  
543.11 between the school districts. Each year, the school districts must notify the county auditor  
543.12 of what block of parcels, if any, will be transferred between the two school districts. The  
543.13 county auditor must notify each affected property owner of the boundary change.

543.14 Subd. 5. **Report to commissioner of education.** Upon adoption of the plan, the  
543.15 school boards must submit a copy of the plan to the commissioner of education. The  
543.16 districts must also provide any additional information necessary for computing school  
543.17 aids and levies to the commissioner of education in the form and manner requested by  
543.18 the department.

543.19 **EFFECTIVE DATE.** This section is effective the day after the school boards of  
543.20 Independent School Districts Nos. 152, Moorhead, and 2164, Dilworth-Glyndon-Felton,  
543.21 and their respective chief clerical officers timely comply with Minnesota Statutes, section  
543.22 645.021, subdivisions 2 and 3.

543.23 Sec. 21. **GLENVILLE-EMMONS SCHOOL DISTRICT; OPERATING**  
543.24 **REFERENDUM ADJUSTMENT.**

543.25 Subdivision 1. **Year first effective.** Notwithstanding any law to the contrary, the  
543.26 operating referendum approved by the voters of Independent School District No. 2886,  
543.27 Glenville-Emmons, in April 2015, is first effective for fiscal year 2017 and may run for  
543.28 the number of years stated on the ballot. The total referendum authority for fiscal year  
543.29 2017, including any board-approved authority, may not exceed the amount approved  
543.30 by the voters.

543.31 Subd. 2. **Documentation and process.** The board of Independent School District  
543.32 No. 2886, Glenville-Emmons, must submit to the commissioner of education the following:

543.33 (1) a unanimously adopted written resolution of the board at a public meeting  
543.34 authorizing the operating referendum to begin in fiscal year 2017;

544.1 (2) documentation showing that the district's approved plan to eliminate its statutory  
 544.2 operating debt is being followed; and

544.3 (3) any other information requested by the commissioner.

544.4 Subd. 3. **Levy adjustment.** Independent School District No. 2886,  
 544.5 Glenville-Emmons, may certify the levy to accompany the fiscal year 2017 operating  
 544.6 referendum over a three-year period beginning with taxes payable in 2017.

544.7 Sec. 22. **EQUITY AID; FISCAL YEAR 2017.**

544.8 For fiscal year 2017 only, the entire amount of the equity revenue adjustment under  
 544.9 section 13 is paid through state aid.

## 544.10 **ARTICLE 28**

### 544.11 **CHARTER SCHOOLS**

544.12 Section 1. Minnesota Statutes 2015 Supplement, section 124E.05, subdivision 1, is  
 544.13 amended to read:

544.14 Subdivision 1. **Eligible authorizers.** The following organizations may authorize  
 544.15 one or more charter schools:

544.16 (1) a school board, intermediate school district school board, or education district  
 544.17 organized under sections 123A.15 to 123A.19;

544.18 (2) a charitable organization under section 501(c)(3) of the Internal Revenue Code  
 544.19 of 1986, excluding a nonpublic sectarian or religious institution; any person other than a  
 544.20 natural person that directly or indirectly, through one or more intermediaries, controls,  
 544.21 is controlled by, or is under common control with the nonpublic sectarian or religious  
 544.22 institution; and any other charitable organization under this clause that in the federal IRS  
 544.23 Form 1023, Part IV, describes activities indicating a religious purpose, that:

544.24 ~~(i) is a member of the Minnesota Council of Nonprofits or the Minnesota Council on~~  
 544.25 ~~Foundations;~~

544.26 ~~(ii)~~ is registered with the attorney general's office; and

544.27 ~~(iii)~~ (ii) is incorporated in the state of Minnesota and has been operating continuously  
 544.28 for at least five years but does not operate a charter school;

544.29 (3) a Minnesota private college, notwithstanding clause (2), that grants two- or  
 544.30 four-year degrees and is registered with the Minnesota Office of Higher Education under  
 544.31 chapter 136A; community college, state university, or technical college governed by the  
 544.32 Board of Trustees of the Minnesota State Colleges and Universities; or the University  
 544.33 of Minnesota;

545.1 (4) a nonprofit corporation subject to chapter 317A, described in section 317A.905,  
545.2 and exempt from federal income tax under section 501(c)(6) of the Internal Revenue Code  
545.3 of 1986, may authorize one or more charter schools if the charter school has operated  
545.4 for at least three years under a different authorizer and if the nonprofit corporation has  
545.5 existed for at least 25 years; or

545.6 (5) single-purpose authorizers formed as charitable, nonsectarian organizations  
545.7 under section 501(c)(3) of the Internal Revenue Code of 1986 and incorporated in the state  
545.8 of Minnesota under chapter 317A as a corporation with no members or under section  
545.9 322B.975 as a nonprofit limited liability company for the sole purpose of chartering schools.

545.10 Sec. 2. Minnesota Statutes 2015 Supplement, section 124E.05, subdivision 4, is  
545.11 amended to read:

545.12 Subd. 4. **Application content.** (a) An applicant must include in its application to  
545.13 the commissioner to be an approved authorizer at least the following:

545.14 (1) how chartering schools is a way for the organization to carry out its mission;

545.15 ~~(2) a description of the capacity of the organization to serve as an authorizer,~~  
545.16 ~~including the personnel who will perform the authorizing duties, their qualifications, the~~  
545.17 ~~amount of time they will be assigned to this responsibility, and the financial resources~~  
545.18 ~~allocated by the organization to this responsibility;~~

545.19 (2) a description of the capacity of the organization to serve as an authorizer,  
545.20 including the positions allocated to authorizing duties, the qualifications for those  
545.21 positions, the full-time equivalencies of those positions, and the financial resources  
545.22 available to fund the positions;

545.23 (3) a description of the application and review process the authorizer will use to  
545.24 make decisions regarding the granting of charters;

545.25 (4) a description of the type of contract it will arrange with the schools it charters  
545.26 that meets the provisions of section 124E.10;

545.27 (5) the process to be used for providing ongoing oversight of the school consistent  
545.28 with the contract expectations specified in clause (4) that assures that the schools chartered  
545.29 are complying with both the provisions of applicable law and rules, and with the contract;

545.30 (6) a description of the criteria and process the authorizer will use to grant expanded  
545.31 applications under section 124E.06, subdivision 5;

545.32 (7) the process for making decisions regarding the renewal or termination of  
545.33 the school's charter based on evidence that demonstrates the academic, organizational,  
545.34 and financial competency of the school, including its success in increasing student  
545.35 achievement and meeting the goals of the charter school agreement; and

546.1 (8) an assurance specifying that the organization is committed to serving as an  
546.2 authorizer for the full five-year term.

546.3 (b) Notwithstanding paragraph (a), an authorizer that is a school district may satisfy  
546.4 the requirements of paragraph (a), clauses (1) and (2), and any requirement governing a  
546.5 conflict of interest between an authorizer and its charter schools or ongoing evaluation or  
546.6 continuing education of an administrator or other professional support staff by submitting  
546.7 to the commissioner a written promise to comply with the requirements.

546.8 **EFFECTIVE DATE.** This section is effective January 1, 2017.

546.9 Sec. 3. Minnesota Statutes 2015 Supplement, section 124E.05, subdivision 5, is  
546.10 amended to read:

546.11 Subd. 5. **Review by commissioner.** (a) The commissioner shall review an  
546.12 authorizer's performance every five years in a manner and form determined by the  
546.13 commissioner, subject to paragraphs (b) and (c), and may review an authorizer's  
546.14 performance more frequently at the commissioner's own initiative or at the request of a  
546.15 charter school operator, charter school board member, or other interested party. The  
546.16 commissioner, after completing the review, shall transmit a report with findings to the  
546.17 authorizer.

546.18 (b) Consistent with this subdivision, the commissioner must:

546.19 (1) use criteria appropriate to the authorizer and the schools it charters to review  
546.20 the authorizer's performance; and

546.21 (2) consult with authorizers, charter school operators, and other charter school  
546.22 stakeholders in developing review criteria under this paragraph.

546.23 (c) The commissioner's form must use existing department data on the authorizer to  
546.24 minimize duplicate reporting to the extent practicable. When reviewing an authorizer's  
546.25 performance under this subdivision, the commissioner must not:

546.26 (1) fail to credit;

546.27 (2) withhold points; or

546.28 (3) otherwise penalize an authorizer for failing to charter additional schools or for  
546.29 the absence of complaints against the authorizer's current portfolio of charter schools.

546.30 **EFFECTIVE DATE.** This section is effective the day following final enactment.

546.31 Sec. 4. Minnesota Statutes 2015 Supplement, section 124E.05, subdivision 7, is  
546.32 amended to read:

547.1 Subd. 7. **Withdrawal.** If the governing board of an approved authorizer votes to  
547.2 withdraw as an approved authorizer for a reason unrelated to any cause under section  
547.3 124E.10, subdivision 4, the authorizer must notify all its chartered schools and the  
547.4 commissioner in writing by ~~July 15~~ March 1 of its intent to withdraw as an authorizer on  
547.5 June 30 in the next calendar year, regardless of when the authorizer's five-year term of  
547.6 approval ends. The commissioner may approve the transfer of a charter school to a new  
547.7 authorizer under ~~this subdivision after the new authorizer submits an affidavit to the~~  
547.8 ~~commissioner~~ section 124E.10, subdivision 5.

547.9 Sec. 5. Minnesota Statutes 2015 Supplement, section 124E.10, subdivision 1, is  
547.10 amended to read:

547.11 Subdivision 1. **Contents.** (a) The authorization for a charter school must be in the  
547.12 form of a written contract signed by the authorizer and the board of directors of the charter  
547.13 school. The contract must be completed within 45 business days of the commissioner's  
547.14 approval of the authorizer's affidavit. The authorizer shall submit to the commissioner a  
547.15 copy of the signed charter contract within ten business days of its execution. The contract  
547.16 for a charter school must be in writing and contain at least the following:

547.17 (1) a declaration that the charter school will carry out the primary purpose in section  
547.18 124E.01, subdivision 1, and how the school will report its implementation of the primary  
547.19 purpose;

547.20 (2) a declaration of the additional purpose or purposes in section 124E.01,  
547.21 subdivision 1, that the school intends to carry out and how the school will report its  
547.22 implementation of those purposes;

547.23 (3) a description of the school program and the specific academic and nonacademic  
547.24 outcomes that pupils must achieve;

547.25 (4) a statement of admission policies and procedures;

547.26 (5) a governance, management, and administration plan for the school;

547.27 (6) signed agreements from charter school board members to comply with all  
547.28 federal and state laws governing organizational, programmatic, and financial requirements  
547.29 applicable to charter schools;

547.30 (7) the criteria, processes, and procedures that the authorizer will use to monitor and  
547.31 evaluate the fiscal, operational, and academic performance consistent with subdivision  
547.32 3, paragraphs (a) and (b);

547.33 (8) for contract renewal, the formal written performance evaluation of the school  
547.34 that is a prerequisite for reviewing a charter contract under subdivision 3;

548.1 (9) types and amounts of insurance liability coverage to be obtained by the charter  
548.2 school, consistent with section 124E.03, subdivision 2, paragraph (d);

548.3 (10) consistent with section 124E.09, paragraph (d), a provision to indemnify and  
548.4 hold harmless the authorizer and its officers, agents, and employees from any suit, claim,  
548.5 or liability arising from any operation of the charter school, and the commissioner and  
548.6 department officers, agents, and employees notwithstanding section 3.736;

548.7 (11) the term of the initial contract, which may be up to five years plus ~~an additional~~  
548.8 a preoperational planning year period, and up to five years for a renewed contract or a  
548.9 contract with a new authorizer after a transfer of authorizers, if warranted by the school's  
548.10 academic, financial, and operational performance;

548.11 (12) how the board of directors or the operators of the charter school will provide  
548.12 special instruction and services for children with a disability under sections 125A.03  
548.13 to 125A.24, and 125A.65, a description of the financial parameters within which the  
548.14 charter school will operate to provide the special instruction and services to children  
548.15 with a disability;

548.16 (13) the specific conditions for contract renewal that identify performance of all  
548.17 students under the primary purpose of section 124E.01, subdivision 1, as the most  
548.18 important factor in determining contract renewal;

548.19 (14) the additional purposes under section 124E.01, subdivision 1, and related  
548.20 performance obligations under clause (7) contained in the charter contract as additional  
548.21 factors in determining contract renewal; and

548.22 (15) the plan for an orderly closing of the school under chapter 317A, whether  
548.23 the closure is a termination for cause, a voluntary termination, or a nonrenewal of the  
548.24 contract, that includes establishing the responsibilities of the school board of directors  
548.25 and the authorizer and notifying the commissioner, authorizer, school district in which the  
548.26 charter school is located, and parents of enrolled students about the closure, information  
548.27 and assistance sufficient to enable the student to re-enroll in another school, the transfer  
548.28 of student records under section 124E.03, subdivision 5, paragraph (b), and procedures  
548.29 for closing financial operations.

548.30 (b) A charter school must design its programs to at least meet the outcomes adopted  
548.31 by the commissioner for public school students, including world's best workforce goals  
548.32 under section 120B.11, subdivision 1. In the absence of the commissioner's requirements,  
548.33 the school must meet the outcomes contained in the contract with the authorizer. The  
548.34 achievement levels of the outcomes contained in the contract may exceed the achievement  
548.35 levels of any outcomes adopted by the commissioner for public school students.

549.1 Sec. 6. Minnesota Statutes 2015 Supplement, section 124E.10, subdivision 5, is  
549.2 amended to read:

549.3 Subd. 5. **Mutual nonrenewal.** If the authorizer and the charter school board of  
549.4 directors mutually agree not to renew the contract, or if the governing board of an approved  
549.5 authorizer votes to withdraw as an approved authorizer for a reason unrelated to any cause  
549.6 under subdivision 4, a change in authorizers is allowed. The authorizer and the school  
549.7 board must jointly submit a written and signed letter of their intent to the commissioner to  
549.8 mutually not renew the contract. The authorizer that is a party to the existing contract must  
549.9 inform the proposed authorizer about the fiscal, operational, and student performance status  
549.10 of the school, ~~as well as any~~ including unmet contract outcomes and other outstanding  
549.11 contractual obligations that exist. The charter contract between the proposed authorizer  
549.12 and the school must identify and provide a plan to address any outstanding obligations from  
549.13 the previous contract. The proposed contract must be submitted at least 105 business days  
549.14 before the end of the existing charter contract. The commissioner shall have 30 business  
549.15 days to review and make a determination. The proposed authorizer and the school shall  
549.16 have 15 business days to respond to the determination and address any issues identified by  
549.17 the commissioner. A final determination by the commissioner shall be made no later than  
549.18 45 business days before the end of the current charter contract. If no change in authorizer  
549.19 is approved, the school and the current authorizer may withdraw their letter of nonrenewal  
549.20 and enter into a new contract. If the transfer of authorizers is not approved and the current  
549.21 authorizer and the school do not withdraw their letter and enter into a new contract, the  
549.22 school must be dissolved according to applicable law and the terms of the contract.

549.23 Sec. 7. Minnesota Statutes 2015 Supplement, section 124E.16, subdivision 2, is  
549.24 amended to read:

549.25 Subd. 2. **Annual public reports.** (a) A charter school must publish an annual report  
549.26 approved by the board of directors. The annual report must at least include information  
549.27 on school enrollment, student attrition, governance and management, staffing, finances,  
549.28 academic performance, innovative practices and implementation, and future plans. A  
549.29 charter school may combine this report with the reporting required under section 120B.11.  
549.30 A charter school must post the annual report on the school's official Web site. A charter  
549.31 school must also distribute the annual report by publication, mail, or electronic means to  
549.32 its authorizer, school employees, and parents and legal guardians of students enrolled in  
549.33 the charter school. The reports are public data under chapter 13.

549.34 (b) ~~The commissioner shall establish specifications for~~ An authorizer must submit an  
549.35 authorizer's annual public report that in a manner specified by the commissioner by January

550.1 15 for the previous school year ending June 30 that shall at least include key indicators of  
550.2 school academic, operational, and financial performance. The report is part of the system  
550.3 to evaluate authorizer performance under section 124E.05, subdivision 5. The report shall  
550.4 at least include key indicators of school academic, operational, and financial performance.

550.5 Sec. 8. Minnesota Statutes 2014, section 127A.45, subdivision 6a, is amended to read:

550.6 Subd. 6a. **Cash flow adjustment.** The board of directors of any charter school  
550.7 serving fewer than 200 students where the percent of students eligible for special  
550.8 education services equals at least 90 percent of the charter school's total enrollment  
550.9 eligible special education charter school under section 124E.21, subdivision 2, may  
550.10 request that the commissioner of education accelerate the school's cash flow under this  
550.11 section. The commissioner must approve a properly submitted request within 30 days of  
550.12 its receipt. The commissioner must accelerate the school's regular special education aid  
550.13 payments according to the schedule in the school's request and modify the payments to the  
550.14 school under subdivision 3 accordingly. A school must not receive current payments of  
550.15 regular special education aid exceeding 90 percent of its estimated aid entitlement for the  
550.16 fiscal year. The commissioner must delay the special education aid payments to all other  
550.17 school districts and charter schools in proportion to each district or charter school's total  
550.18 share of regular special education aid such that the overall aid payment savings from the  
550.19 aid payment shift remains unchanged for any fiscal year.

550.20 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and  
550.21 later.

550.22 Sec. 9. Laws 2015, First Special Session chapter 3, article 4, section 4, the effective  
550.23 date, is amended to read:

550.24 **EFFECTIVE DATE.** This section is effective the day following final enactment  
550.25 except the provision under paragraph (g) allowing prekindergarten deaf or hard-of-hearing  
550.26 pupils to enroll in a charter school is effective only if the commissioner of education  
550.27 determines there is no added cost attributable to the pupil for the 2016-2017 school year  
550.28 and later.

550.29 **EFFECTIVE DATE.** This section is effective the day following final enactment.

550.30 Sec. 10. Laws 2015, First Special Session chapter 3, article 4, section 9, subdivision 2,  
550.31 is amended to read:

551.1 Subd. 2. **Charter school building lease aid.** For building lease aid under Minnesota  
 551.2 Statutes, section ~~124D.11~~, subdivision 4 124E.22:

551.3		<del>66,787,000</del>		
551.4	\$	<u>63,540,000</u>	.....	2016
551.5		<del>73,603,000</del>		
551.6	\$	<u>70,132,000</u>	.....	2017

551.7 The 2016 appropriation includes \$6,032,000 for 2015 and ~~\$60,755,000~~ \$57,508,000  
 551.8 for 2016.

551.9 The 2017 appropriation includes ~~\$6,750,000~~ \$6,389,000 for 2016 and ~~\$66,853,000~~  
 551.10 \$63,743,000 for 2017.

551.11 **ARTICLE 29**

551.12 **SPECIAL EDUCATION**

551.13 Section 1. Minnesota Statutes 2015 Supplement, section 120B.125, is amended to read:

551.14 **120B.125 PLANNING FOR STUDENTS' SUCCESSFUL TRANSITION**  
 551.15 **TO POSTSECONDARY EDUCATION AND EMPLOYMENT; PERSONAL**  
 551.16 **LEARNING PLANS.**

551.17 (a) Consistent with sections 120B.13, 120B.131, 120B.132, 120B.14, 120B.15,  
 551.18 120B.30, subdivision 1, paragraph (c), 125A.08, and other related sections, school  
 551.19 districts, beginning in the 2013-2014 school year, must assist all students by no later  
 551.20 than grade 9 to explore their educational, college, and career interests, aptitudes, and  
 551.21 aspirations and develop a plan for a smooth and successful transition to postsecondary  
 551.22 education or employment. All students' plans must:

551.23 (1) provide a comprehensive plan to prepare for and complete a career and college  
 551.24 ready curriculum by meeting state and local academic standards and developing career and  
 551.25 employment-related skills such as team work, collaboration, creativity, communication,  
 551.26 critical thinking, and good work habits;

551.27 (2) emphasize academic rigor and high expectations;

551.28 (3) help students identify interests, aptitudes, aspirations, and personal learning  
 551.29 styles that may affect their career and college ready goals and postsecondary education  
 551.30 and employment choices;

551.31 (4) set appropriate career and college ready goals with timelines that identify  
 551.32 effective means for achieving those goals;

551.33 (5) help students access education and career options;

552.1 (6) integrate strong academic content into career-focused courses and applied and  
552.2 experiential learning opportunities and integrate relevant career-focused courses and  
552.3 applied and experiential learning opportunities into strong academic content;

552.4 (7) help identify and access appropriate counseling and other supports and assistance  
552.5 that enable students to complete required coursework, prepare for postsecondary education  
552.6 and careers, and obtain information about postsecondary education costs and eligibility  
552.7 for financial aid and scholarship;

552.8 (8) help identify collaborative partnerships among prekindergarten through grade  
552.9 12 schools, postsecondary institutions, economic development agencies, and local and  
552.10 regional employers that support students' transition to postsecondary education and  
552.11 employment and provide students with applied and experiential learning opportunities; and

552.12 (9) be reviewed and revised at least annually by the student, the student's parent or  
552.13 guardian, and the school or district to ensure that the student's course-taking schedule keeps  
552.14 the student making adequate progress to meet state and local academic standards and high  
552.15 school graduation requirements and with a reasonable chance to succeed with employment  
552.16 or postsecondary education without the need to first complete remedial course work.

552.17 (b) A school district may develop grade-level curricula or provide instruction that  
552.18 introduces students to various careers, but must not require any curriculum, instruction,  
552.19 or employment-related activity that obligates an elementary or secondary student to  
552.20 involuntarily select or pursue a career, career interest, employment goals, or related job  
552.21 training.

552.22 (c) Educators must possess the knowledge and skills to effectively teach all English  
552.23 learners in their classrooms. School districts must provide appropriate curriculum,  
552.24 targeted materials, professional development opportunities for educators, and sufficient  
552.25 resources to enable English learners to become career and college ready.

552.26 (d) When assisting students in developing a plan for a smooth and successful  
552.27 transition to postsecondary education and employment, districts must recognize the unique  
552.28 possibilities of each student and ensure that the contents of each student's plan reflect the  
552.29 student's unique talents, skills, and abilities as the student grows, develops, and learns.

552.30 (e) If a student with a disability has an individualized education program (IEP) or  
552.31 standardized written plan that meets the plan components of this section, the IEP satisfies  
552.32 the requirement and no additional transition plan is needed.

552.33 Sec. 2. Minnesota Statutes 2014, section 122A.31, subdivision 3, is amended to read:

552.34 Subd. 3. **Qualified interpreters.** The Department of Education ~~and the resource~~  
552.35 ~~center.~~ state specialist for deaf and hard-of-hearing ~~hard-of-hearing~~ shall work with

553.1 existing interpreter/transliterators training programs, other training/educational institutions,  
553.2 and the regional service centers to ensure that ongoing staff development training for  
553.3 educational interpreters/transliterators is provided throughout the state.

553.4 Sec. 3. Minnesota Statutes 2014, section 124D.15, subdivision 15, is amended to read:

553.5 Subd. 15. **Eligibility.** A child is eligible to participate in a school readiness program  
553.6 if the child:

553.7 (1) is at least three years old on September 1;

553.8 (2) has completed health and developmental screening within 90 days of program  
553.9 enrollment under sections 121A.16 to 121A.19; and

553.10 (3) has one or more of the following risk factors:

553.11 (i) qualifies for free or reduced-price lunch;

553.12 (ii) is an English learner;

553.13 (iii) is homeless;

553.14 (iv) has an individualized education program (IEP) or ~~an individual interagency~~  
553.15 ~~intervention plan (HHP)~~ standardized written plan;

553.16 (v) is identified, through health and developmental screenings under sections  
553.17 121A.16 to 121A.19, with a potential risk factor that may influence learning; or

553.18 (vi) is defined as ~~at-risk~~ at risk by the school district.

553.19 Sec. 4. Minnesota Statutes 2015 Supplement, section 125A.08, is amended to read:

553.20 **125A.08 INDIVIDUALIZED EDUCATION PROGRAMS.**

553.21 (a) At the beginning of each school year, each school district shall have in effect, for  
553.22 each child with a disability, an individualized education program.

553.23 (b) As defined in this section, every district must ensure the following:

553.24 (1) all students with disabilities are provided the special instruction and services  
553.25 which are appropriate to their needs. Where the individualized education program team  
553.26 has determined appropriate goals and objectives based on the student's needs, including  
553.27 the extent to which the student can be included in the least restrictive environment,  
553.28 and where there are essentially equivalent and effective instruction, related services, or  
553.29 assistive technology devices available to meet the student's needs, cost to the district may  
553.30 be among the factors considered by the team in choosing how to provide the appropriate  
553.31 services, instruction, or devices that are to be made part of the student's individualized  
553.32 education program. The individualized education program team shall consider and  
553.33 may authorize services covered by medical assistance according to section 256B.0625,  
553.34 subdivision 26. Before a school district evaluation team makes a determination of other

554.1 health disability under Minnesota Rules, part 3525.1335, subparts 1 and 2, item A, subitem  
554.2 (1), the evaluation team must seek written documentation of the student's medically  
554.3 diagnosed chronic or acute health condition signed by a licensed physician or a licensed  
554.4 health care provider acting within the scope of the provider's practice. The student's  
554.5 needs and the special education instruction and services to be provided must be agreed  
554.6 upon through the development of an individualized education program. The program  
554.7 must address the student's need to develop skills to live and work as independently  
554.8 as possible within the community. The individualized education program team must  
554.9 consider positive behavioral interventions, strategies, and supports that address behavior  
554.10 needs for children. During grade 9, the program must address the student's needs for  
554.11 transition from secondary services to postsecondary education and training, employment,  
554.12 community participation, recreation, and leisure and home living. In developing the  
554.13 program, districts must inform parents of the full range of transitional goals and related  
554.14 services that should be considered. The program must include a statement of the needed  
554.15 transition services, including a statement of the interagency responsibilities or linkages or  
554.16 both before secondary services are concluded. If the individualized education program  
554.17 meets the plan components in section 120B.125, the individualized education program  
554.18 satisfies the requirement and no additional transition plan is needed;

554.19 (2) children with a disability under age five and their families are provided special  
554.20 instruction and services appropriate to the child's level of functioning and needs;

554.21 (3) children with a disability and their parents or guardians are guaranteed procedural  
554.22 safeguards and the right to participate in decisions involving identification, assessment  
554.23 including assistive technology assessment, and educational placement of children with a  
554.24 disability;

554.25 (4) eligibility and needs of children with a disability are determined by an initial  
554.26 evaluation or reevaluation, which may be completed using existing data under United  
554.27 States Code, title 20, section 33, et seq.;

554.28 (5) to the maximum extent appropriate, children with a disability, including those  
554.29 in public or private institutions or other care facilities, are educated with children who  
554.30 are not disabled, and that special classes, separate schooling, or other removal of children  
554.31 with a disability from the regular educational environment occurs only when and to the  
554.32 extent that the nature or severity of the disability is such that education in regular classes  
554.33 with the use of supplementary services cannot be achieved satisfactorily;

554.34 (6) in accordance with recognized professional standards, testing and evaluation  
554.35 materials, and procedures used for the purposes of classification and placement of children

555.1 with a disability are selected and administered so as not to be racially or culturally  
555.2 discriminatory; and

555.3 (7) the rights of the child are protected when the parents or guardians are not known  
555.4 or not available, or the child is a ward of the state.

555.5 (c) For all paraprofessionals employed to work in programs whose role in part is  
555.6 to provide direct support to students with disabilities, the school board in each district  
555.7 shall ensure that:

555.8 (1) before or beginning at the time of employment, each paraprofessional must  
555.9 develop sufficient knowledge and skills in emergency procedures, building orientation,  
555.10 roles and responsibilities, confidentiality, vulnerability, and reportability, among other  
555.11 things, to begin meeting the needs, especially disability-specific and behavioral needs, of  
555.12 the students with whom the paraprofessional works;

555.13 (2) annual training opportunities are required to enable the paraprofessional to  
555.14 continue to further develop the knowledge and skills that are specific to the students with  
555.15 whom the paraprofessional works, including understanding disabilities, the unique and  
555.16 individual needs of each student according to the student's disability and how the disability  
555.17 affects the student's education and behavior, following lesson plans, and implementing  
555.18 follow-up instructional procedures and activities; and

555.19 (3) a districtwide process obligates each paraprofessional to work under the ongoing  
555.20 direction of a licensed teacher and, where appropriate and possible, the supervision of a  
555.21 school nurse.

555.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

555.23 Sec. 5. Minnesota Statutes 2015 Supplement, section 125A.083, is amended to read:

555.24 **125A.083 STUDENT INFORMATION SYSTEMS; TRANSFERRING**  
555.25 **RECORDS.**

555.26 (a) To efficiently and effectively meet federal and state compliance and  
555.27 accountability requirements using an online case management reporting system, beginning  
555.28 July 1, 2018, a school ~~districts~~ district may contract only for a student information system  
555.29 that is Schools Interoperability Framework compliant ~~and compatible with the~~.

555.30 (b) Beginning on July 1 of the fiscal year following the year that the commissioner  
555.31 of education certifies to the legislature under paragraph (c) that a compatible compliant  
555.32 system exists, a school district must use an online system for compliance reporting  
555.33 under section 125A.085 beginning in the 2018-2019 school year and later. A district's  
555.34 information system under this section must facilitate the seamless transfer of student

556.1 records for a student with disabilities who transfers between school districts, including  
556.2 records containing the student's evaluation report, service plan, and other due process  
556.3 forms and information, regardless of what information system any one district uses.

556.4 (c) As a part of the annual report required under section 125A.085, paragraph (f), the  
556.5 commissioner must specify whether a compatible compliant system exists and if so, list  
556.6 each vendor's systems that meet the criteria in paragraph (b).

556.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.

556.8 Sec. 6. Minnesota Statutes 2014, section 125A.091, subdivision 11, is amended to read:

556.9 Subd. 11. **Facilitated team meeting.** A facilitated team meeting is an IEP, IFSP, or  
556.10 ~~HP~~ multiagency team meeting led by an impartial state-provided facilitator to promote  
556.11 effective communication and assist a team in developing an individualized education  
556.12 program.

556.13 Sec. 7. Minnesota Statutes 2015 Supplement, section 125A.0942, subdivision 3,  
556.14 is amended to read:

556.15 Subd. 3. **Physical holding or seclusion.** (a) Physical holding or seclusion may be  
556.16 used only in an emergency. A school that uses physical holding or seclusion shall meet the  
556.17 following requirements:

556.18 (1) physical holding or seclusion is the least intrusive intervention that effectively  
556.19 responds to the emergency;

556.20 (2) physical holding or seclusion is not used to discipline a noncompliant child;

556.21 (3) physical holding or seclusion ends when the threat of harm ends and the staff  
556.22 determines the child can safely return to the classroom or activity;

556.23 (4) staff directly observes the child while physical holding or seclusion is being used;

556.24 (5) each time physical holding or seclusion is used, the staff person who implements  
556.25 or oversees the physical holding or seclusion documents, as soon as possible after the  
556.26 incident concludes, the following information:

556.27 (i) a description of the incident that led to the physical holding or seclusion;

556.28 (ii) why a less restrictive measure failed or was determined by staff to be  
556.29 inappropriate or impractical;

556.30 (iii) the time the physical holding or seclusion began and the time the child was  
556.31 released; and

556.32 (iv) a brief record of the child's behavioral and physical status;

556.33 (6) the room used for seclusion must:

556.34 (i) be at least six feet by five feet;

- 557.1 (ii) be well lit, well ventilated, adequately heated, and clean;
- 557.2 (iii) have a window that allows staff to directly observe a child in seclusion;
- 557.3 (iv) have tamperproof fixtures, electrical switches located immediately outside the
- 557.4 door, and secure ceilings;
- 557.5 (v) have doors that open out and are unlocked, locked with keyless locks that
- 557.6 have immediate release mechanisms, or locked with locks that have immediate release
- 557.7 mechanisms connected with a fire and emergency system; and
- 557.8 (vi) not contain objects that a child may use to injure the child or others; and
- 557.9 (7) before using a room for seclusion, a school must:
- 557.10 (i) receive written notice from local authorities that the room and the locking
- 557.11 mechanisms comply with applicable building, fire, and safety codes; and
- 557.12 (ii) register the room with the commissioner, who may view that room; and
- 557.13 ~~(8) until August 1, 2015, a school district may use prone restraints with children~~
- 557.14 ~~age five or older if:~~
- 557.15 ~~(i) the district has provided to the department a list of staff who have had specific~~
- 557.16 ~~training on the use of prone restraints;~~
- 557.17 ~~(ii) the district provides information on the type of training that was provided and~~
- 557.18 ~~by whom;~~
- 557.19 ~~(iii) only staff who received specific training use prone restraints;~~
- 557.20 ~~(iv) each incident of the use of prone restraints is reported to the department within~~
- 557.21 ~~five working days on a form provided by the department; and~~
- 557.22 ~~(v) the district, before using prone restraints, must review any known medical or~~
- 557.23 ~~psychological limitations that contraindicate the use of prone restraints.~~
- 557.24 ~~The department must collect data on districts' use of prone restraints and publish the~~
- 557.25 ~~data in a readily accessible format on the department's Web site on a quarterly basis.~~
- 557.26 (b) By February 1, 2015, and annually thereafter, stakeholders may, as necessary,
- 557.27 recommend to the commissioner specific and measurable implementation and outcome
- 557.28 goals for reducing the use of restrictive procedures and the commissioner must submit to
- 557.29 the legislature a report on districts' progress in reducing the use of restrictive procedures
- 557.30 that recommends how to further reduce these procedures and eliminate the use of
- 557.31 ~~prone restraints~~ seclusion. The statewide plan includes the following components:
- 557.32 measurable goals; the resources, training, technical assistance, mental health services,
- 557.33 and collaborative efforts needed to significantly reduce districts' use of ~~prone restraints~~
- 557.34 seclusion; and recommendations to clarify and improve the law governing districts' use
- 557.35 of restrictive procedures. The commissioner must consult with interested stakeholders
- 557.36 when preparing the report, including representatives of advocacy organizations, special

558.1 education directors, teachers, paraprofessionals, intermediate school districts, school  
558.2 boards, day treatment providers, county social services, state human services department  
558.3 staff, mental health professionals, and autism experts. ~~By June 30~~ Beginning with the  
558.4 2016-2017 school year, in a form and manner determined by the commissioner, districts  
558.5 must report data quarterly to the department by January 15, April 15, July 15, and October  
558.6 15 about individual students who have been secluded. By July 15 each year, districts  
558.7 must report summary data on their use of restrictive procedures to the department for  
558.8 the prior school year, July 1 through June 30, in a form and manner determined by the  
558.9 commissioner. The summary data must include information about the use of restrictive  
558.10 procedures, including use of reasonable force under section 121A.582.

558.11 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and  
558.12 later.

558.13 Sec. 8. Minnesota Statutes 2014, section 125A.0942, subdivision 4, is amended to read:

558.14 Subd. 4. **Prohibitions.** The following actions or procedures are prohibited:

558.15 (1) engaging in conduct prohibited under section 121A.58;

558.16 (2) requiring a child to assume and maintain a specified physical position, activity,  
558.17 or posture that induces physical pain;

558.18 (3) totally or partially restricting a child's senses as punishment;

558.19 (4) presenting an intense sound, light, or other sensory stimuli using smell, taste,  
558.20 substance, or spray as punishment;

558.21 (5) denying or restricting a child's access to equipment and devices such as walkers,  
558.22 wheelchairs, hearing aids, and communication boards that facilitate the child's functioning,  
558.23 except when temporarily removing the equipment or device is needed to prevent injury  
558.24 to the child or others or serious damage to the equipment or device, in which case the  
558.25 equipment or device shall be returned to the child as soon as possible;

558.26 (6) interacting with a child in a manner that constitutes sexual abuse, neglect, or  
558.27 physical abuse under section 626.556;

558.28 (7) withholding regularly scheduled meals or water;

558.29 (8) denying access to bathroom facilities; ~~and~~

558.30 (9) physical holding that restricts or impairs a child's ability to breathe, restricts or  
558.31 impairs a child's ability to communicate distress, places pressure or weight on a child's  
558.32 head, throat, neck, chest, lungs, sternum, diaphragm, back, or abdomen, or results in  
558.33 straddling a child's torso; and

558.34 (10) prone restraint.

559.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

559.2 Sec. 9. Minnesota Statutes 2015 Supplement, section 125A.11, subdivision 1, is  
559.3 amended to read:

559.4 Subdivision 1. **Nonresident tuition rate; other costs.** (a) For fiscal year 2015 and  
559.5 later, when a school district provides special instruction and services for a pupil with  
559.6 a disability as defined in section 125A.02 outside the district of residence, excluding  
559.7 a pupil for whom an adjustment to special education aid is calculated according to  
559.8 section 127A.47, subdivision 7, paragraphs (b) to (d), special education aid paid to the  
559.9 resident district must be reduced by an amount equal to (1) the actual cost of providing  
559.10 special instruction and services to the pupil, including a proportionate amount for special  
559.11 transportation ~~and unreimbursed building lease and debt service costs for facilities~~  
559.12 ~~used primarily for special education~~, plus (2) the amount of general education revenue,  
559.13 excluding local optional revenue, plus local optional aid and referendum equalization aid  
559.14 attributable to that pupil, calculated using the resident district's average general education  
559.15 revenue and referendum equalization aid per adjusted pupil unit excluding basic skills  
559.16 revenue, elementary sparsity revenue and secondary sparsity revenue, minus (3) the  
559.17 amount of special education aid for children with a disability under section 125A.76  
559.18 received on behalf of that child, minus (4) if the pupil receives special instruction and  
559.19 services outside the regular classroom for more than 60 percent of the school day, the  
559.20 amount of general education revenue and referendum equalization aid, excluding portions  
559.21 attributable to district and school administration, district support services, operations and  
559.22 maintenance, capital expenditures, and pupil transportation, attributable to that pupil  
559.23 for the portion of time the pupil receives special instruction and services outside of the  
559.24 regular classroom, calculated using the resident district's average general education  
559.25 revenue and referendum equalization aid per adjusted pupil unit excluding basic skills  
559.26 revenue, elementary sparsity revenue and secondary sparsity revenue and the serving  
559.27 district's basic skills revenue, elementary sparsity revenue and secondary sparsity revenue  
559.28 per adjusted pupil unit. Notwithstanding clauses (1) and (4), for pupils served by a  
559.29 cooperative unit without a fiscal agent school district, the general education revenue and  
559.30 referendum equalization aid attributable to a pupil must be calculated using the resident  
559.31 district's average general education revenue and referendum equalization aid excluding  
559.32 compensatory revenue, elementary sparsity revenue, and secondary sparsity revenue.  
559.33 Special education aid paid to the district or cooperative providing special instruction and  
559.34 services for the pupil must be increased by the amount of the reduction in the aid paid  
559.35 to the resident district. ~~Amounts paid to cooperatives under this subdivision and section~~

560.1 ~~127A.47, subdivision 7, shall be recognized and reported as revenues and expenditures on~~  
560.2 ~~the resident school district's books of account under sections 123B.75 and 123B.76. If~~  
560.3 ~~the resident district's special education aid is insufficient to make the full adjustment, the~~  
560.4 ~~remaining adjustment shall be made to other state aid due to the district.~~

560.5 (b) Notwithstanding paragraph (a), when a charter school receiving special education  
560.6 aid under section 124E.21, subdivision 3, provides special instruction and services for  
560.7 a pupil with a disability as defined in section 125A.02, excluding a pupil for whom an  
560.8 adjustment to special education aid is calculated according to section 127A.46, subdivision  
560.9 7, paragraphs (b) to (e), special education aid paid to the resident district must be reduced  
560.10 by an amount equal to that calculated under paragraph (a) as if the charter school received  
560.11 aid under section 124E.21, subdivision 1. Notwithstanding paragraph (a), special education  
560.12 aid paid to the charter school providing special instruction and services for the pupil must  
560.13 not be increased by the amount of the reduction in the aid paid to the resident district.

560.14 (c) Notwithstanding paragraph (a) and section 127A.47, subdivision 7, paragraphs  
560.15 (b) to (d);

560.16 (1) an intermediate district or a special education cooperative may recover  
560.17 unreimbursed costs of serving pupils with a disability, including building lease, debt  
560.18 service, and indirect costs necessary for the general operation of the organization, by  
560.19 billing membership fees and nonmember access fees to the resident district;

560.20 (2) a charter school where more than 30 percent of enrolled students receive special  
560.21 education and related services, a site approved under section 125A.515, an intermediate  
560.22 district, or a special education cooperative, or a school district that served as the applicant  
560.23 agency for a group of school districts for federal special education aids for fiscal year 2006  
560.24 may apply to the commissioner for authority to charge the resident district an additional  
560.25 amount to recover any remaining unreimbursed costs of serving pupils with a disability;

560.26 (3) the billing under clause (1) or application under clause (2) must include a  
560.27 description of the costs and the calculations used to determine the unreimbursed portion to  
560.28 be charged to the resident district. Amounts approved by the commissioner under this  
560.29 paragraph clause (2) must be included in the tuition billings or aid adjustments under  
560.30 paragraph (a), or section 127A.47, subdivision 7, paragraphs (b) to (d), as applicable.

560.31 (d) For purposes of this subdivision and section 127A.47, subdivision 7, paragraph  
560.32 (b), "general education revenue and referendum equalization aid" means the sum of the  
560.33 general education revenue according to section 126C.10, subdivision 1, excluding the  
560.34 local optional levy according to section 126C.10, subdivision 2e, paragraph (c), plus the  
560.35 referendum equalization aid according to section 126C.17, subdivision 7.

561.1 Sec. 10. Minnesota Statutes 2015 Supplement, section 125A.21, subdivision 3, is  
561.2 amended to read:

561.3 Subd. 3. **Use of reimbursements.** ~~Of the reimbursements received, districts may~~  
561.4 School districts must reserve third-party revenue and must spend the reimbursements  
561.5 received only to:

561.6 (1) retain an amount sufficient to compensate the district for its administrative costs  
561.7 of obtaining reimbursements;

561.8 (2) regularly obtain from education- and health-related entities training and other  
561.9 appropriate technical assistance designed to improve the district's ability to access  
561.10 third-party payments for individualized education program or individualized family  
561.11 service plan health-related services; or

561.12 (3) reallocate reimbursements for the benefit of students with individualized  
561.13 education programs or individualized family service plans in the district.

561.14 Sec. 11. Minnesota Statutes 2015 Supplement, section 125A.63, subdivision 4, is  
561.15 amended to read:

561.16 Subd. 4. **Advisory committees.** (a) The commissioner shall establish advisory  
561.17 committees for the deaf and hard-of-hearing and for the blind and visually impaired. The  
561.18 advisory committees shall develop recommendations and submit an annual report to the  
561.19 commissioner on the form and in the manner prescribed by the commissioner.

561.20 (b) The advisory committees for the deaf and hard of hearing and for the blind and  
561.21 visually impaired shall meet periodically at least four times per year ~~and~~. The committees  
561.22 must each review, approve, and submit an annual a biennial report to the commissioner,  
561.23 the education policy and finance committees of the legislature, and the Commission of  
561.24 Deaf, DeafBlind, and Hard-of-Hearing Minnesotans. The reports must, at least:

561.25 (1) identify and report the aggregate, data-based education outcomes for children  
561.26 with the primary disability classification of deaf and hard of hearing or of blind and  
561.27 visually impaired, consistent with the commissioner's child count reporting practices, the  
561.28 commissioner's state and local outcome data reporting system by district and region, and  
561.29 the school performance report cards under section 120B.36, subdivision 1; and

561.30 (2) describe the implementation of a data-based plan for improving the education  
561.31 outcomes of deaf and hard of hearing or blind and visually impaired children that is  
561.32 premised on evidence-based best practices, and provide a cost estimate for ongoing  
561.33 implementation of the plan.

562.1 Sec. 12. Minnesota Statutes 2015 Supplement, section 125A.76, subdivision 2c,  
562.2 is amended to read:

562.3 Subd. 2c. **Special education aid.** (a) For fiscal year 2014 and fiscal year 2015, a  
562.4 district's special education aid equals the sum of the district's special education aid under  
562.5 subdivision 5, the district's cross subsidy reduction aid under subdivision 2b, and the  
562.6 district's excess cost aid under section 125A.79, subdivision 7.

562.7 (b) For fiscal year 2016 and later, a district's special education aid equals the sum of  
562.8 the district's special education initial aid under subdivision 2a and the district's excess cost  
562.9 aid under section 125A.79, subdivision 5.

562.10 (c) Notwithstanding paragraph (b), for fiscal year 2016, the special education aid for  
562.11 a school district must not exceed the sum of the special education aid the district would  
562.12 have received for fiscal year 2016 under Minnesota Statutes 2012, sections 125A.76  
562.13 and 125A.79, as adjusted according to Minnesota Statutes 2012, sections 125A.11 and  
562.14 127A.47, subdivision 7, and the product of the district's average daily membership served  
562.15 and the special education aid increase limit.

562.16 (d) Notwithstanding paragraph (b), for fiscal year 2017 and later, the special education  
562.17 aid for a school district must not exceed the sum of: (i) the product of the district's average  
562.18 daily membership served and the special education aid increase limit and (ii) the product  
562.19 of the sum of the special education aid the district would have received for fiscal year 2016  
562.20 under Minnesota Statutes 2012, sections 125A.76 and 125A.79, as adjusted according  
562.21 to Minnesota Statutes 2012, sections 125A.11 and 127A.47, subdivision 7, the ratio of  
562.22 the district's average daily membership served for the current fiscal year to the district's  
562.23 average daily membership served for fiscal year 2016, and the program growth factor.

562.24 (e) Notwithstanding paragraph (b), for fiscal year 2016 and later the special  
562.25 education aid for a school district, not including a charter school or cooperative unit as  
562.26 defined in section 123A.24, must not be less than the lesser of (1) the district's nonfederal  
562.27 special education expenditures for that fiscal year or (2) the product of the sum of the  
562.28 special education aid the district would have received for fiscal year 2016 under Minnesota  
562.29 Statutes 2012, sections 125A.76 and 125A.79, as adjusted according to Minnesota Statutes  
562.30 2012, sections 125A.11 and 127A.47, subdivision 7, the ratio of the district's adjusted  
562.31 daily membership for the current fiscal year to the district's average daily membership for  
562.32 fiscal year 2016, and the program growth factor.

562.33 (f) Notwithstanding subdivision 2a and section 125A.79, a charter school in its first  
562.34 year of operation shall generate special education aid based on current year data. A newly  
562.35 formed cooperative unit as defined in section 123A.24 may apply to the commissioner  
562.36 for approval to generate special education aid for its first year of operation based on

563.1 current year data, with an offsetting adjustment to the prior year data used to calculate aid  
563.2 for programs at participating school districts or previous cooperatives that were replaced  
563.3 by the new cooperative.

563.4 (g) The department shall establish procedures through the uniform financial  
563.5 accounting and reporting system to identify and track all revenues generated from  
563.6 third-party billings as special education revenue at the school district level; include revenue  
563.7 generated from third-party billings as special education revenue in the annual cross-subsidy  
563.8 report; and exclude third-party revenue from calculation of excess cost aid to the districts.

563.9 Sec. 13. Minnesota Statutes 2015 Supplement, section 125A.79, subdivision 1, is  
563.10 amended to read:

563.11 Subdivision 1. **Definitions.** For the purposes of this section, the definitions in this  
563.12 subdivision apply.

563.13 (a) "Unreimbursed old formula special education expenditures" means:

563.14 (1) old formula special education expenditures for the prior fiscal year; minus

563.15 (2) for fiscal years 2014 and 2015, the sum of the special education aid under section  
563.16 125A.76, subdivision 5, for the prior fiscal year and the cross subsidy reduction aid under  
563.17 section 125A.76, subdivision 2b, and for fiscal year 2016 and later, the special education  
563.18 initial aid under section 125A.76, subdivision 2a; minus

563.19 (3) for fiscal year 2016 and later, the amount of general education revenue, excluding  
563.20 local optional revenue, plus local optional aid and referendum equalization aid for the  
563.21 prior fiscal year attributable to pupils receiving special instruction and services outside the  
563.22 regular classroom for more than 60 percent of the school day for the portion of time the  
563.23 pupils receive special instruction and services outside the regular classroom, excluding  
563.24 portions attributable to district and school administration, district support services,  
563.25 operations and maintenance, capital expenditures, and pupil transportation.

563.26 (b) "Unreimbursed nonfederal special education expenditures" means:

563.27 (1) nonfederal special education expenditures for the prior fiscal year; minus

563.28 (2) special education initial aid under section 125A.76, subdivision 2a; minus

563.29 (3) the amount of general education revenue, excluding local optional revenue, plus  
563.30 local optional aid, and referendum equalization aid for the prior fiscal year attributable  
563.31 to pupils receiving special instruction and services outside the regular classroom for  
563.32 more than 60 percent of the school day for the portion of time the pupils receive special  
563.33 instruction and services outside of the regular classroom, excluding portions attributable to  
563.34 district and school administration, district support services, operations and maintenance,  
563.35 capital expenditures, and pupil transportation.

564.1 (c) "General revenue" for a school district means the sum of the general education  
564.2 revenue according to section 126C.10, subdivision 1, excluding transportation sparsity  
564.3 revenue, local optional revenue, and total operating capital revenue. "General revenue"  
564.4 for a charter school means the sum of the general education revenue according to section  
564.5 124E.20, subdivision 1, and transportation revenue according to section 124E.23,  
564.6 excluding referendum equalization aid, transportation sparsity revenue, and operating  
564.7 capital revenue.

564.8 Sec. 14. Minnesota Statutes 2015 Supplement, section 127A.47, subdivision 7, is  
564.9 amended to read:

564.10 Subd. 7. **Alternative attendance programs.** (a) The general education aid and  
564.11 special education aid for districts must be adjusted for each pupil attending a nonresident  
564.12 district under sections 123A.05 to 123A.08, 124D.03, 124D.08, and 124D.68. The  
564.13 adjustments must be made according to this subdivision.

564.14 (b) For purposes of this subdivision, the "unreimbursed cost of providing special  
564.15 education and services" means the difference between: (1) the actual cost of providing  
564.16 special instruction and services, including special transportation and unreimbursed  
564.17 building lease and debt service costs for facilities used primarily for special education, for  
564.18 a pupil with a disability, as defined in section 125A.02, or a pupil, as defined in section  
564.19 125A.51, who is enrolled in a program listed in this subdivision, minus (2) if the pupil  
564.20 receives special instruction and services outside the regular classroom for more than  
564.21 60 percent of the school day, the amount of general education revenue, excluding local  
564.22 optional revenue, plus local optional aid and referendum equalization aid as defined in  
564.23 section 125A.11, subdivision 1, paragraph (d), attributable to that pupil for the portion of  
564.24 time the pupil receives special instruction and services outside of the regular classroom,  
564.25 excluding portions attributable to district and school administration, district support  
564.26 services, operations and maintenance, capital expenditures, and pupil transportation,  
564.27 minus (3) special education aid under section 125A.76 attributable to that pupil, that is  
564.28 received by the district providing special instruction and services. For purposes of this  
564.29 paragraph, general education revenue and referendum equalization aid attributable to a  
564.30 pupil must be calculated using the serving district's average general education revenue  
564.31 and referendum equalization aid per adjusted pupil unit.

564.32 (c) For fiscal year 2015 and later, special education aid paid to a resident district  
564.33 must be reduced by an amount equal to 90 percent of the unreimbursed cost of providing  
564.34 special education and services.

565.1 (d) Notwithstanding paragraph (c), special education aid paid to a resident district  
565.2 must be reduced by an amount equal to 100 percent of the unreimbursed cost of special  
565.3 education and services provided to students at an intermediate district, cooperative, or  
565.4 charter school where the percent of students eligible for special education services is at  
565.5 least 70 percent of the charter school's total enrollment.

565.6 (e) Notwithstanding paragraph (c), special education aid paid to a resident district  
565.7 must be reduced under paragraph (d) for students at a charter school receiving special  
565.8 education aid under section 124E.21, subdivision 3, calculated as if the charter school  
565.9 received special education aid under section 124E.21, subdivision 1.

565.10 (f) Special education aid paid to the district or cooperative providing special  
565.11 instruction and services for the pupil, or to the fiscal agent district for a cooperative, must  
565.12 be increased by the amount of the reduction in the aid paid to the resident district under  
565.13 paragraphs (c) and (d). If the resident district's special education aid is insufficient to make  
565.14 the full adjustment under paragraphs (c), (d), and (e), the remaining adjustment shall be  
565.15 made to other state aids due to the district.

565.16 (g) Notwithstanding paragraph (a), general education aid paid to the resident district  
565.17 of a nonspecial education student for whom an eligible special education charter school  
565.18 receives general education aid under section 124E.20, subdivision 1, paragraph (c), must  
565.19 be reduced by an amount equal to the difference between the general education aid  
565.20 attributable to the student under section 124E.20, subdivision 1, paragraph (c), and the  
565.21 general education aid that the student would have generated for the charter school under  
565.22 section 124E.20, subdivision 1, paragraph (a). For purposes of this paragraph, "nonspecial  
565.23 education student" means a student who does not meet the definition of pupil with a  
565.24 disability as defined in section 125A.02 or the definition of a pupil in section 125A.51.

565.25 (h) An area learning center operated by a service cooperative, intermediate district,  
565.26 education district, or a joint powers cooperative may elect through the action of the  
565.27 constituent boards to charge the resident district tuition for pupils rather than to have the  
565.28 general education revenue paid to a fiscal agent school district. Except as provided in  
565.29 paragraph (f), the district of residence must pay tuition equal to at least 90 and no more  
565.30 than 100 percent of the district average general education revenue per pupil unit minus  
565.31 an amount equal to the product of the formula allowance according to section 126C.10,  
565.32 subdivision 2, times .0466, calculated without compensatory revenue, local optional  
565.33 revenue, and transportation sparsity revenue, times the number of pupil units for pupils  
565.34 attending the area learning center.

566.1 Sec. 15. Laws 2015, First Special Session chapter 3, article 5, section 30, subdivision  
 566.2 2, is amended to read:

566.3 Subd. 2. **Special education; regular.** For special education aid under Minnesota  
 566.4 Statutes, section 125A.75:

566.5		<del>1,170,929,000</del>		
566.6	\$	<u>1,183,619,000</u>	.....	2016
566.7		<del>1,229,706,000</del>		
566.8	\$	<u>1,247,107,000</u>	.....	2017

566.9 The 2016 appropriation includes \$137,932,000 for 2015 and ~~\$1,032,997,000~~  
 566.10 \$1,045,687,000 for 2016.

566.11 The 2017 appropriation includes ~~\$145,355,000~~ \$147,202,000 for 2016 and  
 566.12 ~~\$1,084,351,000~~ \$1,099,905,000 for 2017.

566.13 Sec. 16. **REDUCING STATE-GENERATED SPECIAL EDUCATION**  
 566.14 **PAPERWORK.**

566.15 Notwithstanding other law to the contrary in fiscal years 2017 and 2018, the  
 566.16 commissioner of education must use existing budgetary resources to identify and remove  
 566.17 25 percent of the paperwork burden on Minnesota special education teachers that results  
 566.18 from state but not federally mandated special education compliance reporting requirements.

566.19 **EFFECTIVE DATE.** This section is effective the day following final enactment.

566.20 Sec. 17. **APPROPRIATION CANCELED.**

566.21 \$1,686,000 on June 30, 2016, is transferred from the information and  
 566.22 telecommunications technology systems and services account under Minnesota Statutes,  
 566.23 section 16E.21, to the general fund. This represents the amount the Department of  
 566.24 Education transferred to that account in fiscal year 2015 after determining that the special  
 566.25 education paperwork reduction activities authorized in an appropriation under Laws 2013,  
 566.26 chapter 116, article 5, section 31, subdivision 8, were not feasible based on a onetime  
 566.27 appropriation.

566.28 **EFFECTIVE DATE.** This section is effective the day following final enactment.

566.29 **ARTICLE 30**  
 566.30 **FACILITIES AND TECHNOLOGY**

566.31 Section 1. Minnesota Statutes 2014, section 123B.52, subdivision 1, is amended to read:

567.1           Subdivision 1. **Contracts.** A contract for work or labor, or for the purchase of  
567.2 furniture, fixtures, or other property, except books registered under the copyright laws and  
567.3 information systems software, or for the construction or repair of school houses, the  
567.4 estimated cost or value of which shall exceed that specified in section 471.345, subdivision  
567.5 3, must not be made by the school board without first advertising for bids or proposals by  
567.6 two weeks' published notice in the official newspaper. This notice must state the time and  
567.7 place of receiving bids and contain a brief description of the subject matter.

567.8           Additional publication in the official newspaper or elsewhere may be made as the  
567.9 board shall deem necessary.

567.10           After taking into consideration conformity with the specifications, terms of delivery,  
567.11 and other conditions imposed in the call for bids, every such contract for which a call for  
567.12 bids has been issued must be awarded to the lowest responsible bidder, be duly executed  
567.13 in writing, and be otherwise conditioned as required by law. The person to whom the  
567.14 contract is awarded shall give a sufficient bond to the board for its faithful performance.  
567.15 Notwithstanding section 574.26 or any other law to the contrary, on a contract limited to the  
567.16 purchase of a finished tangible product, a board may require, at its discretion, a performance  
567.17 bond of a contractor in the amount the board considers necessary. A record must be kept of  
567.18 all bids, with names of bidders and amount of bids, and with the successful bid indicated  
567.19 thereon. A bid containing an alteration or erasure of any price contained in the bid which  
567.20 is used in determining the lowest responsible bid must be rejected unless the alteration or  
567.21 erasure is corrected as provided in this section. An alteration or erasure may be crossed out  
567.22 and the correction thereof printed in ink or typewritten adjacent thereto and initialed in ink  
567.23 by the person signing the bid. In the case of identical low bids from two or more bidders,  
567.24 the board may, at its discretion, utilize negotiated procurement methods with the tied low  
567.25 bidders for that particular transaction, so long as the price paid does not exceed the low tied  
567.26 bid price. In the case where only a single bid is received, the board may, at its discretion,  
567.27 negotiate a mutually agreeable contract with the bidder so long as the price paid does not  
567.28 exceed the original bid. If no satisfactory bid is received, the board may readvertise.  
567.29 Standard requirement price contracts established for supplies or services to be purchased  
567.30 by the district must be established by competitive bids. Such standard requirement price  
567.31 contracts may contain escalation clauses and may provide for a negotiated price increase  
567.32 or decrease based upon a demonstrable industrywide or regional increase or decrease in  
567.33 the vendor's costs. Either party to the contract may request that the other party demonstrate  
567.34 such increase or decrease. The term of such contracts must not exceed two years with an  
567.35 option on the part of the district to renew for an additional two years. Contracts for the  
567.36 purchase of perishable food items, except milk for school lunches and vocational training

568.1 programs, in any amount may be made by direct negotiation by obtaining two or more  
568.2 written quotations for the purchase or sale, when possible, without advertising for bids or  
568.3 otherwise complying with the requirements of this section or section 471.345, subdivision  
568.4 3. All quotations obtained shall be kept on file for a period of at least one year after receipt.

568.5 Every contract made without compliance with the provisions of this section shall be  
568.6 void. Except in the case of the destruction of buildings or injury thereto, where the public  
568.7 interest would suffer by delay, contracts for repairs may be made without advertising  
568.8 for bids.

568.9 Sec. 2. Minnesota Statutes 2015 Supplement, section 123B.53, subdivision 1, is  
568.10 amended to read:

568.11 Subdivision 1. **Definitions.** (a) For purposes of this section, the eligible debt service  
568.12 revenue of a district is defined as follows:

568.13 (1) the amount needed to produce between five and six percent in excess of the  
568.14 amount needed to meet when due the principal and interest payments on the obligations  
568.15 of the district for eligible projects according to subdivision 2, including the amounts  
568.16 necessary for repayment of ~~energy loans according to section 216C.37 or sections 298.292~~  
568.17 ~~to 298.298~~, debt service loans, capital loans, and lease purchase payments under section  
568.18 126C.40, subdivision 2, excluding long-term facilities maintenance levies under section  
568.19 123B.595, minus

568.20 (2) the amount of debt service excess levy reduction for that school year calculated  
568.21 according to the procedure established by the commissioner.

568.22 (b) The obligations in this paragraph are excluded from eligible debt service revenue:

568.23 (1) obligations under section 123B.61;

568.24 (2) the part of debt service principal and interest paid from the taconite environmental  
568.25 protection fund or Douglas J. Johnson economic protection trust, excluding the portion of  
568.26 taconite payments from the Iron Range school consolidation and cooperatively operated  
568.27 school account under section 298.28, subdivision 7a;

568.28 (3) obligations issued under Laws 1991, chapter 265, article 5, section 18, as  
568.29 amended by Laws 1992, chapter 499, article 5, section 24;

568.30 (4) obligations under section 123B.62; and

568.31 (5) obligations equalized under section 123B.535.

568.32 (c) For purposes of this section, if a preexisting school district reorganized under  
568.33 sections 123A.35 to 123A.43, 123A.46, and 123A.48 is solely responsible for retirement  
568.34 of the preexisting district's bonded indebtedness, capital loans or debt service loans, debt  
568.35 service equalization aid must be computed separately for each of the preexisting districts.

569.1 (d) For purposes of this section, the adjusted net tax capacity determined according  
569.2 to sections 127A.48 and 273.1325 shall be adjusted to include the tax capacity of property  
569.3 generally exempted from ad valorem taxes under section 272.02, subdivision 64.

569.4 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and  
569.5 later.

569.6 Sec. 3. Minnesota Statutes 2014, section 123B.53, subdivision 5, is amended to read:

569.7 Subd. 5. **Equalized debt service levy.** (a) The equalized debt service levy of a  
569.8 district equals the sum of the first tier equalized debt service levy and the second tier  
569.9 equalized debt service levy.

569.10 (b) A district's first tier equalized debt service levy equals the district's first tier debt  
569.11 service equalization revenue times the lesser of one or the ratio of:

569.12 (1) the quotient derived by dividing the adjusted net tax capacity of the district for  
569.13 the year before the year the levy is certified by the adjusted pupil units in the district for  
569.14 the school year ending in the year prior to the year the levy is certified; to

569.15 (2) \$3,400 in fiscal year 2016 ~~and~~, \$4,430 in fiscal year 2017, and the greater of  
569.16 \$4,430 or 55.33 percent of the initial equalizing factor in fiscal year 2018 and later.

569.17 (c) A district's second tier equalized debt service levy equals the district's second tier  
569.18 debt service equalization revenue times the lesser of one or the ratio of:

569.19 (1) the quotient derived by dividing the adjusted net tax capacity of the district for  
569.20 the year before the year the levy is certified by the adjusted pupil units in the district for  
569.21 the school year ending in the year prior to the year the levy is certified; to

569.22 (2) \$8,000 in fiscal years 2016 and 2017, and the greater of \$8,000 or 100 percent of  
569.23 the initial equalizing factor in fiscal year 2018 and later.

569.24 (d) For the purposes of this subdivision, the initial equalizing factor equals the  
569.25 quotient derived by dividing the total adjusted net tax capacity of all school districts in the  
569.26 state for the year before the year the levy is certified by the total number of adjusted pupil  
569.27 units in all school districts in the state in the year before the year the levy is certified.

569.28 Sec. 4. Minnesota Statutes 2014, section 123B.571, subdivision 2, is amended to read:

569.29 Subd. 2. **Radon testing.** A school district may include radon testing as a part of  
569.30 its ~~health and safety~~ ten-year facility plan ~~under section 123B.595, subdivision 4.~~ If a  
569.31 school district receives authority to use ~~health and safety~~ long-term facilities maintenance  
569.32 revenue to conduct radon testing, the district shall conduct the testing according to the  
569.33 radon testing plan developed by the commissioners of health and education.

570.1 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and  
570.2 later.

570.3 Sec. 5. **[123B.572] SOLAR PANEL FIRE SAFETY.**

570.4 A solar photovoltaic system installed at a school must comply with chapter 690 of  
570.5 the most current edition of NFPA 70, the National Electrical Code, adopted under the  
570.6 authority given in section 326B.32, subdivision 2.

570.7 Sec. 6. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 1, is  
570.8 amended to read:

570.9 Subdivision 1. **Long-term facilities maintenance revenue.** (a) For fiscal year  
570.10 2017 only, long-term facilities maintenance revenue equals the greater of (1) the sum of  
570.11 (i) \$193 times the district's adjusted pupil units times the lesser of one or the ratio of the  
570.12 district's average building age to 35 years, plus the cost approved by the commissioner  
570.13 for indoor air quality, fire alarm and suppression, and asbestos abatement projects under  
570.14 section 123B.57, subdivision 6, with an estimated cost of \$100,000 or more per site,  
570.15 plus (ii) for a school district with an approved voluntary prekindergarten program under  
570.16 section 124D.151, the cost approved by the commissioner for remodeling existing  
570.17 instructional space to accommodate prekindergarten instruction, or (2) the sum of (i) the  
570.18 amount the district would have qualified for under Minnesota Statutes 2014, section  
570.19 123B.57, Minnesota Statutes 2014, section 123B.59, and Minnesota Statutes 2014, section  
570.20 123B.591-, and (ii) for a school district with an approved voluntary prekindergarten  
570.21 program under section 124D.151, the cost approved by the commissioner for remodeling  
570.22 existing instructional space to accommodate prekindergarten instruction.

570.23 (b) For fiscal year 2018 only, long-term facilities maintenance revenue equals the  
570.24 greater of (1) the sum of (i) \$292 times the district's adjusted pupil units times the lesser  
570.25 of one or the ratio of the district's average building age to 35 years, plus (ii) the cost  
570.26 approved by the commissioner for indoor air quality, fire alarm and suppression, and  
570.27 asbestos abatement projects under section 123B.57, subdivision 6, with an estimated cost  
570.28 of \$100,000 or more per site, plus (iii) for a school district with an approved voluntary  
570.29 prekindergarten program under section 124D.151, the cost approved by the commissioner  
570.30 for remodeling existing instructional space to accommodate prekindergarten instruction,  
570.31 or (2) the sum of (i) the amount the district would have qualified for under Minnesota  
570.32 Statutes 2014, section 123B.57, Minnesota Statutes 2014, section 123B.59, and Minnesota  
570.33 Statutes 2014, section 123B.591-, and (ii) for a school district with an approved voluntary

571.1 prekindergarten program under section 124D.151, the cost approved by the commissioner  
 571.2 for remodeling existing instructional space to accommodate prekindergarten instruction.

571.3 (c) For fiscal year 2019 and later, long-term facilities maintenance revenue equals  
 571.4 the greater of (1) the sum of (i) \$380 times the district's adjusted pupil units times the  
 571.5 lesser of one or the ratio of the district's average building age to 35 years, plus (ii) the cost  
 571.6 approved by the commissioner for indoor air quality, fire alarm and suppression, and  
 571.7 asbestos abatement projects under section 123B.57, subdivision 6, with an estimated cost  
 571.8 of \$100,000 or more per site, plus (iii) for a school district with an approved voluntary  
 571.9 prekindergarten program under section 124D.151, the cost approved by the commissioner  
 571.10 for remodeling existing instructional space to accommodate prekindergarten instruction,  
 571.11 or (2) the sum of (i) the amount the district would have qualified for under Minnesota  
 571.12 Statutes 2014, section 123B.57, Minnesota Statutes 2014, section 123B.59, and Minnesota  
 571.13 Statutes 2014, section 123B.591-, and (ii) for a school district with an approved voluntary  
 571.14 prekindergarten program under section 124D.151, the cost approved by the commissioner  
 571.15 for remodeling existing instructional space to accommodate prekindergarten instruction.

571.16 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and  
 571.17 later.

571.18 Sec. 7. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 4, is  
 571.19 amended to read:

571.20 Subd. 4. **Facilities plans.** (a) To qualify for revenue under this section, a school  
 571.21 district or intermediate district, not including a charter school, must have a ten-year facility  
 571.22 plan adopted by the school board and approved by the commissioner. The plan must include  
 571.23 provisions for implementing a health and safety program that complies with health, safety,  
 571.24 and environmental regulations and best practices, including indoor air quality management.

571.25 (b) The district must annually update the plan, ~~biennially~~ submit a ~~facility~~  
 571.26 ~~maintenance~~ the plan to the commissioner for approval by July 31, and indicate whether  
 571.27 the district will issue bonds to finance the plan or levy for the costs.

571.28 (c) For school districts issuing bonds to finance the plan, the plan must include a  
 571.29 debt service schedule demonstrating that the debt service revenue required to pay the  
 571.30 principal and interest on the bonds each year will not exceed the projected long-term  
 571.31 facilities revenue for that year.

571.32 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and  
 571.33 later.

572.1 Sec. 8. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 7, is  
572.2 amended to read:

572.3 Subd. 7. **Long-term facilities maintenance equalization revenue.** (a) For fiscal  
572.4 year 2017 only, a district's long-term facilities maintenance equalization revenue equals  
572.5 the lesser of (1) \$193 times the adjusted pupil units or (2) the district's revenue under  
572.6 subdivision 1.

572.7 (b) For fiscal year 2018 only, a district's long-term facilities maintenance  
572.8 equalization revenue equals the lesser of (1) \$292 times the adjusted pupil units or (2)  
572.9 the district's revenue under subdivision 1.

572.10 (c) For fiscal year 2019 and later, a district's long-term facilities maintenance  
572.11 equalization revenue equals the lesser of (1) \$380 times the adjusted pupil units or (2)  
572.12 the district's revenue under subdivision 1.

572.13 (d) Notwithstanding paragraphs (a) to (c), a district's long-term facilities maintenance  
572.14 equalization revenue must not be less than the lesser of the district's long-term facilities  
572.15 maintenance revenue or the amount of aid the district received for fiscal year 2015 under  
572.16 section 123B.59, subdivision 6.

572.17 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and  
572.18 later.

572.19 Sec. 9. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 8, is  
572.20 amended to read:

572.21 Subd. 8. **Long-term facilities maintenance equalized levy.** (a) For fiscal year 2017  
572.22 and later, a district's long-term facilities maintenance equalized levy equals the district's  
572.23 long-term facilities maintenance equalization revenue minus the greater of:

572.24 (1) the lesser of the district's long-term facilities maintenance equalization revenue  
572.25 or the amount of aid the district received for fiscal year 2015 under Minnesota Statutes  
572.26 2014, section 123B.59, subdivision 6; or

572.27 (2) the district's long-term facilities maintenance equalization revenue times the  
572.28 greater of (i) zero or (ii) one minus the ratio of its adjusted net tax capacity per adjusted  
572.29 pupil unit in the year preceding the year the levy is certified to 123 percent of the state  
572.30 average adjusted net tax capacity per adjusted pupil unit for all school districts in the  
572.31 year preceding the year the levy is certified.

572.32 (b) For purposes of this subdivision, "adjusted net tax capacity" means the value  
572.33 described in section 126C.01, subdivision 2, paragraph (b).

573.1 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and  
573.2 later.

573.3 Sec. 10. Minnesota Statutes 2015 Supplement, section 123B.595, is amended by  
573.4 adding a subdivision to read:

573.5 Subd. 8a. **Long-term facilities maintenance unequalized levy.** For fiscal year  
573.6 2017 and later, a district's long-term facilities maintenance unequalized levy equals the  
573.7 difference between the district's revenue under subdivision 1 and the district's equalization  
573.8 revenue under subdivision 7.

573.9 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and  
573.10 later.

573.11 Sec. 11. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 9,  
573.12 is amended to read:

573.13 Subd. 9. **Long-term facilities maintenance equalized aid.** For fiscal year 2017  
573.14 and later, a district's long-term facilities maintenance equalized aid equals its long-term  
573.15 facilities maintenance equalization revenue minus its long-term facilities maintenance  
573.16 equalized levy times the ratio of the actual equalized amount levied to the permitted  
573.17 equalized levy.

573.18 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and  
573.19 later.

573.20 Sec. 12. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 10,  
573.21 is amended to read:

573.22 Subd. 10. **Allowed uses for long-term facilities maintenance revenue.** (a) A  
573.23 district may use revenue under this section for any of the following:

573.24 (1) deferred capital expenditures and maintenance projects necessary to prevent  
573.25 further erosion of facilities;

573.26 (2) increasing accessibility of school facilities; ~~or~~

573.27 (3) health and safety capital projects under section 123B.57; or

573.28 (4) by board resolution, to transfer money from the general fund reserve for long-term  
573.29 facilities maintenance to the debt redemption fund to pay the amounts needed to meet,  
573.30 when due, principal and interest on general obligation bonds issued under subdivision 5.

573.31 (b) A charter school may use revenue under this section for any purpose related  
573.32 to the school.

574.1 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and  
574.2 later.

574.3 Sec. 13. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 11,  
574.4 is amended to read:

574.5 Subd. 11. **Restrictions on long-term facilities maintenance revenue.**

574.6 Notwithstanding subdivision ~~11~~ 10, long-term facilities maintenance revenue may not  
574.7 be used:

574.8 (1) for the construction of new facilities, remodeling of existing facilities, or the  
574.9 purchase of portable classrooms;

574.10 (2) to finance a lease purchase agreement, installment purchase agreement, or other  
574.11 deferred payments agreement;

574.12 (3) for energy-efficiency projects under section 123B.65, for a building or property  
574.13 or part of a building or property used for postsecondary instruction or administration, or  
574.14 for a purpose unrelated to elementary and secondary education; or

574.15 (4) for violence prevention and facility security, ergonomics, or emergency  
574.16 communication devices.

574.17 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and  
574.18 later.

574.19 Sec. 14. Minnesota Statutes 2014, section 123B.60, subdivision 1, is amended to read:

574.20 Subdivision 1. **Bonds.** When a building owned by a district is substantially damaged  
574.21 by an act of God or other means beyond the control of the district, the district may issue  
574.22 general obligation bonds without an election to provide money immediately to carry  
574.23 out its adopted ~~health and safety~~ long-term facilities maintenance program. Each year  
574.24 the district must pledge an attributable share of its ~~health and safety~~ long-term facilities  
574.25 maintenance revenue to the repayment of principal and interest on the bonds. The pledged  
574.26 revenue must be ~~transferred to~~ recognized in the debt redemption fund of the district. The  
574.27 district must submit to the department the repayment schedule for any bonds issued under  
574.28 this section. The district must deposit in the debt redemption fund all proceeds received  
574.29 for specific costs for which the bonds were issued, including but not limited to:

574.30 (1) insurance proceeds;

574.31 (2) restitution proceeds; and

574.32 (3) proceeds of litigation or settlement of a lawsuit.

574.33 Before bonds are issued, the district must submit ~~a combined~~ an amended  
574.34 application to the commissioner for ~~health and safety~~ long-term facilities maintenance

575.1 revenue, according to section ~~123B.57~~, and requesting review and comment, according  
575.2 to section ~~123B.71~~, subdivisions 8, 9, 11, and 12 123B.595. The commissioner shall  
575.3 complete all procedures concerning the combined application within 20 days of receiving  
575.4 the application. The publication provisions of section 123B.71, subdivision 12, do not  
575.5 apply to bonds issued under this section.

575.6 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and  
575.7 later.

575.8 Sec. 15. Minnesota Statutes 2014, section 123B.71, subdivision 8, is amended to read:

575.9 Subd. 8. **Review and comment.** A school district, a special education cooperative,  
575.10 or a cooperative unit of government, as defined in section 123A.24, subdivision 2,  
575.11 must not initiate an installment contract for purchase or a lease agreement, hold a  
575.12 referendum for bonds, nor solicit bids for new construction, expansion, or remodeling of  
575.13 an educational facility that requires an expenditure in excess of \$500,000 per school site if  
575.14 it has a capital loan outstanding, or \$2,000,000 per school site if it does not have a capital  
575.15 loan outstanding, prior to review and comment by the commissioner. A facility addition,  
575.16 maintenance project, or remodeling project funded only with general education revenue,  
575.17 ~~deferred maintenance revenue, alternative facilities bonding and levy program revenue,~~  
575.18 lease levy proceeds, capital facilities bond proceeds, or health and safety long-term  
575.19 facilities maintenance revenue is exempt from this provision. A capital project under  
575.20 section 123B.63 addressing only technology is exempt from this provision if the district  
575.21 submits a school board resolution stating that funds approved by the voters will be used  
575.22 only as authorized in section 126C.10, subdivision 14. A school board shall not separate  
575.23 portions of a single project into components to avoid the requirements of this subdivision.

575.24 **EFFECTIVE DATE.** This section is effective the day following final enactment  
575.25 and applies to review and comments for projects funded with revenue for fiscal year  
575.26 2017 and later.

575.27 Sec. 16. Minnesota Statutes 2014, section 123B.79, subdivision 5, is amended to read:

575.28 Subd. 5. **Deficits; exception.** For the purposes of this section, a permanent transfer  
575.29 includes creating a deficit in a nonoperating fund for a period past the end of the current  
575.30 fiscal year which is covered by moneys in an operating fund. ~~However,~~ A deficit in the  
575.31 capital expenditure fund reserve for operating capital account pursuant to section 123B.78,  
575.32 subdivision 5, does not constitute a permanent transfer.

576.1 Sec. 17. Minnesota Statutes 2014, section 123B.79, subdivision 8, is amended to read:

576.2 Subd. 8. **Account transfer for reorganizing districts.** A district that has  
576.3 reorganized according to sections 123A.35 to 123A.43, 123A.46, or 123A.48, or has  
576.4 conducted a successful referendum on the question of combination under section  
576.5 123A.37, subdivision 2, or consolidation under section 123A.48, subdivision 15, or has  
576.6 been assigned an identification number by the commissioner under section 123A.48,  
576.7 subdivision 16, may make permanent transfers between any of the funds or accounts in  
576.8 the newly created or enlarged district with the exception of the debt redemption fund,  
576.9 building construction fund, food service fund, and health and safety long-term facilities  
576.10 maintenance account of the ~~capital expenditure~~ general fund. Fund transfers under this  
576.11 section may be made for up to one year prior to the effective date of combination or  
576.12 consolidation by the consolidating boards and during the year following the effective date  
576.13 of reorganization by the consolidated board. The newly formed board of the combined  
576.14 district may adopt a resolution on or before August 30 of the year of the reorganization  
576.15 authorizing a transfer among accounts or funds of the previous independent school  
576.16 districts which transfer or transfers shall be reported in the affected districts' audited  
576.17 financial statements for the year immediately preceding the consolidation.

576.18 Sec. 18. Minnesota Statutes 2014, section 123B.79, subdivision 9, is amended to read:

576.19 Subd. 9. **Elimination of reserve accounts.** ~~A school board shall eliminate all~~  
576.20 ~~reserve accounts established in the school district's general fund under Minnesota Statutes~~  
576.21 ~~before July 1, 2006, for which no specific authority remains in statute as of June 30, 2007.~~  
576.22 Any balance in the district's reserved for bus purchases account for deferred maintenance  
576.23 as of June 30, 2007 2016, shall be transferred to the reserved account for ~~operating capital~~  
576.24 long-term facilities maintenance in the school district's general fund. ~~Any balance in~~  
576.25 ~~other reserved accounts established in the school district's general fund under Minnesota~~  
576.26 ~~Statutes before July 1, 2006, for which no specific authority remains in statute as of June~~  
576.27 ~~30, 2007, shall be transferred to the school district's unreserved general fund balance.~~  
576.28 ~~A school board may, upon adoption of a resolution by the school board, establish a~~  
576.29 ~~designated account for any program for which a reserved account has been eliminated.~~  
576.30 Any balance in the district's reserved account for health and safety as of June 30, 2019,  
576.31 shall be transferred to the unassigned fund balance account in the district's general fund.  
576.32 Any balance in the district's reserved account for alternative facilities as of June 30, 2016,  
576.33 shall be transferred to the reserved account for long-term facilities maintenance in the  
576.34 district's building construction fund.

577.1 **EFFECTIVE DATE.** This section is effective July 1, 2016, for fiscal year 2017  
577.2 and later.

577.3 Sec. 19. Minnesota Statutes 2014, section 126C.40, subdivision 5, is amended to read:

577.4 Subd. 5. **Energy conservation.** ~~For loans approved before March 1, 1998, the~~  
577.5 ~~district may annually include as revenue under section 123B.53, without the approval of a~~  
577.6 ~~majority of the voters in the district, an amount sufficient to repay the annual principal and~~  
577.7 ~~interest of the loan made pursuant to sections 216C.37 and 298.292 to 298.298.~~ For energy  
577.8 loans approved after March 1, 1998, under sections 216C.37 and 298.292 to 298.298,  
577.9 school districts must annually transfer from the general fund to the debt redemption fund  
577.10 the amount sufficient to pay interest and principal on the loans.

577.11 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and  
577.12 later.

577.13 Sec. 20. Minnesota Statutes 2015 Supplement, section 126C.48, subdivision 8, is  
577.14 amended to read:

577.15 Subd. 8. **Taconite payment and other reductions.** (1) Reductions in levies  
577.16 pursuant to subdivision 1 must be made prior to the reductions in clause (2).

577.17 (2) Notwithstanding any other law to the contrary, districts that have revenue  
577.18 pursuant to sections 298.018; 298.225; 298.24 to 298.28, except an amount distributed  
577.19 under sections 298.26; 298.28, subdivision 4, paragraphs (c), clause (ii), and (d); 298.34 to  
577.20 298.39; 298.391 to 298.396; 298.405; 477A.15; and any law imposing a tax upon severed  
577.21 mineral values must reduce the levies authorized by this chapter and chapters 120B, 122A,  
577.22 123A, 123B, 124A, 124D, 125A, and 127A, excluding the student achievement levy  
577.23 under section 126C.13, subdivision 3b, by 95 percent of the sum of the previous year's  
577.24 revenue specified under this clause and the amount attributable to the same production  
577.25 year distributed to the cities and townships within the school district under section 298.28,  
577.26 subdivision 2, paragraph (c).

577.27 (3) The amount of any voter approved referendum, facilities down payment, and  
577.28 debt levies shall not be reduced by more than 50 percent under this subdivision, except  
577.29 that payments under section 298.28, subdivision 7a, may reduce the debt service levy by  
577.30 more than 50 percent. In administering this paragraph, the commissioner shall first reduce  
577.31 the nonvoter approved levies of a district; then, if any payments, severed mineral value  
577.32 tax revenue or recognized revenue under paragraph (2) remains, the commissioner shall  
577.33 reduce any voter approved referendum levies authorized under section 126C.17; then, if  
577.34 any payments, severed mineral value tax revenue or recognized revenue under paragraph

578.1 (2) remains, the commissioner shall reduce any voter approved facilities down payment  
 578.2 levies authorized under section 123B.63 and then, if any payments, severed mineral value  
 578.3 tax revenue or recognized revenue under paragraph (2) remains, the commissioner shall  
 578.4 reduce any voter approved debt levies.

578.5 (4) Before computing the reduction pursuant to this subdivision of the ~~health and~~  
 578.6 ~~safety~~ long-term facilities maintenance levy authorized by ~~sections 123B.57 and 126C.40,~~  
 578.7 ~~subdivision 5~~ section 123B.595, the commissioner shall ascertain from each affected  
 578.8 school district the amount it proposes to levy ~~under each section or subdivision~~. The  
 578.9 reduction shall be computed on the basis of the amount so ascertained.

578.10 (5) To the extent the levy reduction calculated under paragraph (2) exceeds the  
 578.11 limitation in paragraph (3), an amount equal to the excess must be distributed from the  
 578.12 school district's distribution under sections 298.225, 298.28, and 477A.15 in the following  
 578.13 year to the cities and townships within the school district in the proportion that their  
 578.14 taxable net tax capacity within the school district bears to the taxable net tax capacity of  
 578.15 the school district for property taxes payable in the year prior to distribution. No city or  
 578.16 township shall receive a distribution greater than its levy for taxes payable in the year prior  
 578.17 to distribution. The commissioner of revenue shall certify the distributions of cities and  
 578.18 towns under this paragraph to the county auditor by September 30 of the year preceding  
 578.19 distribution. The county auditor shall reduce the proposed and final levies of cities and  
 578.20 towns receiving distributions by the amount of their distribution. Distributions to the cities  
 578.21 and towns shall be made at the times provided under section 298.27.

578.22 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and  
 578.23 later.

578.24 Sec. 21. Minnesota Statutes 2014, section 126C.63, subdivision 7, is amended to read:

578.25 Subd. 7. **Required debt service levy.** "Required debt service levy" means the total  
 578.26 dollar amount needed to be included in the taxes levied by the district in any year for  
 578.27 payment of interest and principal falling due on its debts prior to collection of the next  
 578.28 ensuing year's debt service levy excluding levies for bonds issued after the later of (1)  
 578.29 November 30, 2016, or (2) three years after the date of the district's receipt of a capital  
 578.30 loan from the state, and excluding the debt service levy for obligations under sections  
 578.31 123B.595, 123B.61, and 123B.62.

578.32 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and  
 578.33 later.

579.1 Sec. 22. Laws 2011, First Special Session chapter 11, article 4, section 8, is amended to  
 579.2 read:

579.3 Sec. 8. **EARLY REPAYMENT.**

579.4 (a) A school district that received a maximum effort capital loan prior to January  
 579.5 1, 1997, may repay the full outstanding original principal on its capital loan prior to  
 579.6 July 1, 2012, and the liability of the district on the loan is satisfied and discharged and  
 579.7 interest on the loan ceases.

579.8 (b) A school district with an outstanding capital loan balance that received a  
 579.9 maximum effort capital loan prior to January 1, 2007, may repay to the commissioner of  
 579.10 education by November 30, 2016, the full outstanding original principal on its capital  
 579.11 loan and the liability of the district on the loan is satisfied and discharged and interest  
 579.12 on the loan ceases.

579.13 **EFFECTIVE DATE.** This section is effective the day following final enactment.

579.14 Sec. 23. Laws 2015, First Special Session chapter 3, article 6, section 13, subdivision  
 579.15 2, is amended to read:

579.16 Subd. 2. **Long-term maintenance equalization aid.** For long-term maintenance  
 579.17 equalization aid under Minnesota Statutes, section 123B.595:

579.18	\$	0	.....	2016
579.19		52,088,000		
579.20	\$	<u>52,844,000</u>	.....	2017

579.21 The 2017 appropriation includes \$0 for 2016 and ~~\$52,088,000~~ \$52,844,000 for 2017.

579.22 Sec. 24. **INTERNET BROADBAND EXPANSION FOR STUDENTS;**  
 579.23 **INNOVATIVE GRANTS.**

579.24 Subdivision 1. **Broadband Wi-Fi hot spots.** (a) A school district is eligible for a  
 579.25 broadband hot spot grant not to exceed \$50,000 to support wireless off-campus learning  
 579.26 through a student's use of a data card, USB modem, or other mobile broadband device  
 579.27 that enables the student to access learning materials available on the Internet through a  
 579.28 mobile broadband connection. A district's application for a grant under this subdivision  
 579.29 must describe its approach for identifying and prioritizing access for low-income students  
 579.30 and others otherwise unable to access the Internet and may include a description of local  
 579.31 or private matching grants or in-kind contributions.

579.32 (b) When evaluating applications, the commissioner may give priority to grant  
 579.33 applications that include local in-kind contributions. To the extent practicable, the

580.1 commissioner must distribute the grants to districts located throughout the state including  
 580.2 in urban areas, suburban areas, and in greater Minnesota.

580.3 (c) A school district may develop its application in cooperation with its community  
 580.4 education department, its adult basic education program provider, a public library, or  
 580.5 other community partner.

580.6 (d) A school district that qualifies for general education transportation sparsity  
 580.7 revenue under Minnesota Statutes, section 126C.10, may apply to the commissioner of  
 580.8 education for a school bus Internet access grant as a part of its grant application under  
 580.9 paragraph (a). The commissioner of education must prioritize grants to districts with the  
 580.10 longest bus routes. A school district that receives a grant under this subdivision may use  
 580.11 the grant to purchase or lease equipment designed to make Internet access available on  
 580.12 school buses, including routers and mobile Wi-Fi hot spots to connect to the Internet, and  
 580.13 may also purchase or lease one-to-one devices for students. The one-to-one devices may  
 580.14 be connected to the Internet through the Wi-Fi hot spot or otherwise contain content  
 580.15 for age-appropriate, self-directed learning.

580.16 Subd. 2. **Internet access for students.** Consistent with Minnesota Statutes, section  
 580.17 125B.15, all grant applications submitted under this section must demonstrate to the  
 580.18 commissioner's satisfaction that the Internet access provided through the grant proceeds  
 580.19 will include filtering technology or other effective methods to limit student access to  
 580.20 material that is reasonably believed to be obscene, child pornography, or material harmful  
 580.21 to minors under federal or state law.

580.22 Sec. 25. **APPROPRIATIONS.**

580.23 Subdivision 1. **Department of Education.** The sums indicated in this section are  
 580.24 appropriated from the general fund to the commissioner of education for the fiscal years  
 580.25 designated.

580.26 Subd. 2. **Broadband expansion grants.** For broadband expansion grants:

580.27 §            500,000     ..... 2017

580.28 This is a onetime appropriation. This appropriation is available until June 30, 2019.

580.29 Subd. 5. **Early repayment aid incentive.** (a) For incentive grants for a district that  
 580.30 repays the full outstanding original principal on its capital loan by November 30, 2016,  
 580.31 under Laws 2011, First Special Session chapter 11, article 4, section 8, as amended by  
 580.32 this act:

580.33 §            2,200,000     ..... 2017

581.1 (b) Of this amount, \$180,000 is for a grant to Independent School District No. 95,  
581.2 Cromwell; \$495,000 is for a grant to Independent School District No. 299, Caledonia;  
581.3 \$220,000 is for a grant to Independent School District No. 306, Laporte; \$150,000 is for  
581.4 a grant to Independent School District No. 362, Littlefork; \$650,000 is for a grant to  
581.5 Independent School District No. 682, Roseau; and \$505,000 is for a grant to Independent  
581.6 School District No. 2580, East Central.

581.7 (c) The grant may be used for any school-related purpose.

581.8 (d) The base appropriation for 2022 is zero.

581.9 Sec. 26. **REPEALER.**

581.10 Minnesota Statutes 2014, sections 123B.60, subdivision 2; and 123B.79,  
581.11 subdivisions 2 and 6, are repealed for fiscal year 2017 and later.

## 581.12 **ARTICLE 31**

### 581.13 **EARLY CHILDHOOD EDUCATION**

581.14 Section 1. Minnesota Statutes 2014, section 124D.135, subdivision 6, is amended to  
581.15 read:

581.16 Subd. 6. **Home visiting levy revenue.** (a) A district that is eligible to levy for  
581.17 early childhood family education under subdivision 3 and that enters into a collaborative  
581.18 agreement to provide education services and social services to families with young  
581.19 children ~~may levy an amount equal to \$1.60~~ is eligible for home visiting revenue.

581.20 (b) Total home visiting revenue for a district equals \$3 times the number of people  
581.21 under five years of age residing in the district on September 1 of the last school year. Levy  
581.22 Revenue under this subdivision must not be included as revenue under subdivision 1. The  
581.23 revenue must be used for home visiting programs under section 124D.13, subdivision 4.

581.24 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2018 and  
581.25 later.

581.26 Sec. 2. Minnesota Statutes 2014, section 124D.135, is amended by adding a  
581.27 subdivision to read:

581.28 Subd. 6a. **Home visiting levy.** To obtain home visiting revenue, a district may levy  
581.29 an amount not more than the product of its home visiting revenue for the fiscal year times  
581.30 the lesser of one or the ratio of its adjusted net tax capacity per adjusted pupil unit to the  
581.31 home visiting equalizing factor. The home visiting equalizing factor equals \$17,250 for  
581.32 fiscal year 2018 and later.

582.1 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2018 and  
582.2 later.

582.3 Sec. 3. Minnesota Statutes 2014, section 124D.135, is amended by adding a  
582.4 subdivision to read:

582.5 Subd. 6b. **Home visiting aid.** A district's home visiting aid equals its home visiting  
582.6 revenue minus its home visiting levy times the ratio of the actual amount levied to the  
582.7 permitted levy.

582.8 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2018 and  
582.9 later.

582.10 Sec. 4. Laws 2015, First Special Session chapter 3, article 9, section 8, subdivision 7,  
582.11 is amended to read:

582.12 Subd. 7. **Parent-child home program.** For a grant to the parent-child home  
582.13 program:

582.14 \$ 350,000 ..... 2016

582.15 ~~350,000~~

582.16 \$ 2,350,000 ..... 2017

582.17 The grant must be used for an evidence-based and research-validated early childhood  
582.18 literacy and school readiness program for children ages 16 months to four years at its  
582.19 existing suburban program location. The program must include urban and rural program  
582.20 locations for fiscal years 2016 and 2017.

582.21 The base appropriation for this program for fiscal year 2018 and later is \$350,000.  
582.22 The 2017 appropriation is available until June 30, 2019.

582.23 To the extent practicable, the parent-child home program is encouraged to expend  
582.24 the fiscal year 2017 appropriation equally over fiscal years 2017, 2018, and 2019.

582.25 Sec. 5. Laws 2015, First Special Session chapter 3, article 9, section 8, subdivision 9,  
582.26 is amended to read:

582.27 Subd. 9. **Quality Rating System.** For transfer to the commissioner of human  
582.28 services for the purposes of expanding the Quality Rating and Improvement System under  
582.29 Minnesota Statutes, section 124D.142, in greater Minnesota and increasing supports for  
582.30 providers participating in the Quality Rating and Improvement System:

582.31 \$ 1,200,000 ..... 2016

582.32 ~~2,300,000~~

582.33 \$ 4,300,000 ..... 2017

583.1 To the extent possible, the commissioner must direct at least \$2,000,000 of the 2017  
583.2 appropriation toward increasing access and providing training assistance to providers who  
583.3 are located in underserved or low-income neighborhoods.

583.4 Any balance in the first year does not cancel but is available in the second year. The  
583.5 base for this program in fiscal year 2018 and later is \$1,750,000.

583.6 **EFFECTIVE DATE.** This section is effective July 1, 2016.

583.7 Sec. 6. **APPROPRIATION.**

583.8 Subdivision 1. **Department of Education.** The sums indicated in this section are  
583.9 appropriated from the general fund to the commissioner of education for the fiscal year  
583.10 designated.

583.11 Subd. 2. **St. Cloud preschool pilot program.** For a grant to Independent School  
583.12 District No. 742, St. Cloud, to establish a preschool pilot program targeting low-income  
583.13 students and English learners.

583.14 \$ 430,000 ..... 2017

583.15 Funds appropriated in this section are to be used to create morning and afternoon  
583.16 preschool sections, serving at least 90 students from families with low income or  
583.17 from families where English is not the primary language spoken in the child's home  
583.18 environment. The funds appropriated under this section may be used to purchase  
583.19 developmentally appropriate furniture and materials, instructional materials, and  
583.20 curriculum materials; hire and train teachers and staff; and offset transportation costs.

583.21 Independent School District No. 742, St. Cloud, must submit an annual report by  
583.22 January 15 of 2017, 2018, and 2019, describing the activities undertaken and outcomes  
583.23 achieved with this grant. The 2019 report must contain recommendations for other  
583.24 districts interested in similar prekindergarten programs.

583.25 This is a onetime appropriation. The fiscal year 2017 appropriation is available  
583.26 until June 30, 2019.

583.27 **ARTICLE 32**

583.28 **SELF-SUFFICIENCY AND LIFELONG LEARNING**

583.29 Section 1. Minnesota Statutes 2014, section 124D.52, subdivision 1, is amended to read:

583.30 Subdivision 1. **Program requirements.** (a) An adult basic education program is  
583.31 a day or evening program offered by a district that is for people ~~over 16 years of age~~  
583.32 who do not attend an elementary or secondary school and are not subject to compulsory

584.1 attendance. The program offers academic and English language instruction necessary to  
584.2 earn a high school diploma or equivalency certificate.

584.3 (b) Notwithstanding any law to the contrary, a school board or the governing body of  
584.4 a consortium offering an adult basic education program may adopt a sliding fee schedule  
584.5 based on a family's income, but must waive the fee for participants who are under the age  
584.6 of 21 or unable to pay. The fees charged must be designed to enable individuals of all  
584.7 socioeconomic levels to participate in the program. A program may charge a security  
584.8 deposit to assure return of materials, supplies, and equipment.

584.9 (c) Each approved adult basic education program must develop a memorandum of  
584.10 understanding with the local workforce development centers located in the approved  
584.11 program's service delivery area. The memorandum of understanding must describe how  
584.12 the adult basic education program and the workforce development centers will cooperate  
584.13 and coordinate services to provide unduplicated, efficient, and effective services to clients.

584.14 (d) Adult basic education aid must be spent for adult basic education purposes as  
584.15 specified in sections 124D.518 to 124D.531.

584.16 (e) A state-approved adult basic education program must count and submit student  
584.17 contact hours for a program that offers high school credit toward an adult high school  
584.18 diploma according to student eligibility requirements and measures of student progress  
584.19 toward work-based competency and, where appropriate, English language proficiency  
584.20 requirements established by the commissioner and posted on the department Web site in  
584.21 a readily accessible location and format.

584.22 Sec. 2. Minnesota Statutes 2014, section 124D.52, subdivision 2, is amended to read:

584.23 Subd. 2. **Program approval.** (a) To receive aid under this section, a district, a  
584.24 ~~consortium of districts~~, the Department of Corrections, ~~or~~ a private nonprofit organization,  
584.25 or a consortium including districts, nonprofit organizations, or both must submit an  
584.26 application by June 1 describing the program, on a form provided by the department. The  
584.27 program must be approved by the commissioner according to the following criteria:

584.28 (1) how the needs of different levels of learning and English language proficiency  
584.29 will be met;

584.30 (2) for continuing programs, an evaluation of results;

584.31 (3) anticipated number and education level of participants;

584.32 (4) coordination with other resources and services;

584.33 (5) participation in a consortium, if any, and money available from other participants;

584.34 (6) management and program design;

584.35 (7) volunteer training and use of volunteers;

- 585.1 (8) staff development services;
- 585.2 (9) program sites and schedules;
- 585.3 (10) program expenditures that qualify for aid;
- 585.4 (11) program ability to provide data related to learner outcomes as required by
- 585.5 law; and
- 585.6 (12) a copy of the memorandum of understanding described in subdivision 1
- 585.7 submitted to the commissioner.
- 585.8 (b) Adult basic education programs may be approved under this subdivision for
- 585.9 up to five years. Five-year program approval must be granted to an applicant who has
- 585.10 demonstrated the capacity to:
- 585.11 (1) offer comprehensive learning opportunities and support service choices
- 585.12 appropriate for and accessible to adults at all basic skill and English language levels of need;
- 585.13 (2) provide a participatory and experiential learning approach based on the strengths,
- 585.14 interests, and needs of each adult, that enables adults with basic skill needs to:
- 585.15 (i) identify, plan for, and evaluate their own progress toward achieving their defined
- 585.16 educational and occupational goals;
- 585.17 (ii) master the basic academic reading, writing, and computational skills, as well
- 585.18 as the problem-solving, decision making, interpersonal effectiveness, and other life and
- 585.19 learning skills they need to function effectively in a changing society;
- 585.20 (iii) locate and be able to use the health, governmental, and social services and
- 585.21 resources they need to improve their own and their families' lives; and
- 585.22 (iv) continue their education, if they desire, to at least the level of secondary school
- 585.23 completion, with the ability to secure and benefit from continuing education that will
- 585.24 enable them to become more employable, productive, and responsible citizens;
- 585.25 (3) plan, coordinate, and develop cooperative agreements with community resources
- 585.26 to address the needs that the adults have for support services, such as transportation, English
- 585.27 language learning, flexible course scheduling, convenient class locations, and child care;
- 585.28 (4) collaborate with business, industry, labor unions, and employment-training
- 585.29 agencies, as well as with family and occupational education providers, to arrange for
- 585.30 resources and services through which adults can attain economic self-sufficiency;
- 585.31 (5) provide sensitive and well trained adult education personnel who participate in
- 585.32 local, regional, and statewide adult basic education staff development events to master
- 585.33 effective adult learning and teaching techniques;
- 585.34 (6) participate in regional adult basic education peer program reviews and evaluations;
- 585.35 (7) submit accurate and timely performance and fiscal reports;

586.1 (8) submit accurate and timely reports related to program outcomes and learner  
 586.2 follow-up information; and

586.3 (9) spend adult basic education aid on adult basic education purposes only, which  
 586.4 are specified in sections 124D.518 to 124D.531.

586.5 (c) The commissioner shall require each district to provide notification by February  
 586.6 1, ~~2001~~, of its intent to apply for funds under this section as a single district or as part of  
 586.7 ~~an identified~~ a consortium of districts. A district receiving funds under this section must  
 586.8 notify the commissioner by February 1 of its intent to change its application status for  
 586.9 applications due the following June 1.

586.10 Sec. 3. Minnesota Statutes 2014, section 124D.55, is amended to read:

586.11 **124D.55 GENERAL EDUCATION DEVELOPMENT (GED) TEST FEES.**

586.12 The commissioner shall pay 60 percent of the fee that is charged to an eligible  
 586.13 individual for the full battery of a general education development (GED) ~~test~~ tests, but not  
 586.14 more than \$40 for an eligible individual.

586.15 For fiscal year 2017 only, the commissioner shall pay 100 percent of the fee charged  
 586.16 to an eligible individual for the full battery of general education development (GED) tests,  
 586.17 but not more than the cost of one full battery of tests per year for any individual.

586.18 Sec. 4. Laws 2015, First Special Session chapter 3, article 11, section 3, subdivision 3,  
 586.19 is amended to read:

586.20 Subd. 3. **GED tests.** For payment of ~~60 percent of the costs of GED tests~~ test costs  
 586.21 under Minnesota Statutes, section 124D.55:

586.22	\$	125,000	.....	2016
586.23		<del>125,000</del>		
586.24	\$	<u>245,000</u>	.....	2017

586.25 The base appropriation for fiscal year 2018 and later is \$125,000.

586.26 Sec. 5. **APPROPRIATIONS.**

586.27 Subdivision 1. **Department of Education.** The sums indicated in this section are  
 586.28 appropriated from the general fund to the commissioner of education for the fiscal years  
 586.29 designated.

586.30 Subd. 2. **Adult basic education.** For a grant for additional adult basic aid:

586.31	\$	<u>400,000</u>	.....	<u>2017</u>
--------	----	----------------	-------	-------------

587.1 The International Education Center, the American Indian Opportunities  
587.2 Industrialization Center, and the Minnesota Office of Communication Service for the Deaf  
587.3 are eligible for additional adult basic education aid for innovative programs for fiscal year  
587.4 2017 only. The onetime aid for each organization equals \$400,000 times the ratio of the  
587.5 organization's number of students served for the previous fiscal year to the sum of the  
587.6 three organizations' number of students served for the previous fiscal year.

587.7 This is a onetime appropriation.

587.8 Subd. 3. **Adult basic education grants.** (a) For adult basic education grants:

587.9 \$ 400,000 ..... 2017

587.10 (b) Of this amount, \$150,000 is for grants to the International Institute of Minnesota  
587.11 to establish a college readiness academy. A college readiness academy is a partnership  
587.12 between ABE programs, with support from Minnesota State Colleges and Universities, to  
587.13 prepare ABE students to successfully enter college and complete credit-bearing courses  
587.14 needed for career-related credentials. The academy must include academic skill building  
587.15 for college success, integrated sector-specific academic training when applicable, and  
587.16 intensive navigation and educational support for the program participants.

587.17 (c) Of this amount, \$150,000 is for a grant to Summit Academy OIC to establish a  
587.18 contextualized GED or adult diploma program to prepare adults for successful GED  
587.19 or adult diploma completion and successful entry into credentialing programs leading  
587.20 to careers. The program must:

587.21 (1) provide program navigation and academic supports;

587.22 (2) be connected to an ABE consortium and partner with the Department of  
587.23 Employment and Economic Development; and

587.24 (3) provide instruction in one of the state's six demand sectors identified by the  
587.25 Department of Employment and Economic Development, serving participants in the  
587.26 top three ABE levels of ABE intermediate high, adult secondary education (ASE) low,  
587.27 or ASE high.

587.28 (d) Of this amount, \$100,000 is for grants to ABE programs to provide ABE  
587.29 navigating and advising support services. The programs must help ABE students:

587.30 (1) explore careers;

587.31 (2) develop personalized learning;

587.32 (3) plan for a postsecondary education and career;

587.33 (4) attain personal learning goals;

587.34 (5) complete a standard adult high school diploma under Minnesota Statutes, section  
587.35 124D.52, subdivisions 8 and 9, or complete a GED;

- 588.1 (6) develop time management and study skills;  
588.2 (7) develop critical academic and career-related skills needed to enroll in a  
588.3 postsecondary program without need for remediation;  
588.4 (8) navigate the registration process for a postsecondary program;  
588.5 (9) understand postsecondary program requirements and instruction expectations; and  
588.6 (10) resolve personal issues related to mental health, domestic abuse, chemical  
588.7 abuse, homelessness, and other issues that, if left unaddressed, are barriers to enrolling in  
588.8 and completing a postsecondary program.
- 588.9 (e) The commissioner must award ABE navigating and advising support services  
588.10 grants to up to eight ABE programs. The commissioner shall award grants to programs  
588.11 based on program capacity, need, and geographic balance of programs around the state.  
588.12 The commissioner shall give priority to ABE programs already providing navigating and  
588.13 advising support services. The commissioner shall allocate the grant funding based on the  
588.14 number of ABE program participants the program served in the prior year.
- 588.15 (f) This is a onetime appropriation and is available until June 30, 2019.

### ARTICLE 33

#### STATE AGENCIES

588.18 Section 1. Minnesota Statutes 2014, section 122A.21, as amended by Laws 2015, First  
588.19 Special Session chapter 3, article 2, section 17, is amended to read:

#### **122A.21 TEACHERS' AND ADMINISTRATORS' LICENSES; FEES.**

588.21 Subdivision 1. **Licensure applications.** Each application for the issuance, renewal,  
588.22 or extension of a license to teach, including applications for licensure via portfolio under  
588.23 subdivision 2, must be accompanied by a processing fee of \$57. ~~Each application for~~  
588.24 ~~issuing, renewing, or extending the license of a school administrator or supervisor must~~  
588.25 ~~be accompanied by a processing fee in the amount set by the Board of Teaching.~~ The  
588.26 processing fee for a teacher's license and for the licenses of supervisory personnel must be  
588.27 paid to the executive secretary of the appropriate board. The executive secretary of the  
588.28 board shall deposit the fees with the commissioner of management and budget. The fees  
588.29 as set by the board are nonrefundable for applicants not qualifying for a license. However,  
588.30 a fee must be refunded by the commissioner of management and budget in any case in  
588.31 which the applicant already holds a valid unexpired license. The board may waive or  
588.32 reduce fees for applicants who apply at the same time for more than one license.

589.1 Subd. 2. **Licensure via portfolio.** (a) An eligible candidate may use licensure via  
 589.2 portfolio to obtain ~~an initial licensure~~ a professional five-year teaching license or to add a  
 589.3 licensure field, consistent with applicable Board of Teaching licensure rules.

589.4 (b) A candidate for ~~initial licensure~~ a professional five-year teaching license must  
 589.5 submit to the Educator Licensing Division at the department one portfolio demonstrating  
 589.6 pedagogical competence and one portfolio demonstrating content competence.

589.7 (c) A candidate seeking to add a licensure field must submit to the Educator  
 589.8 Licensing Division at the department one portfolio demonstrating content competence.

589.9 (d) The Board of Teaching must notify a candidate who submits a portfolio under  
 589.10 paragraph (b) or (c) within 90 calendar days after the portfolio is received whether or not  
 589.11 the portfolio was approved. If the portfolio was not approved, the board must immediately  
 589.12 inform the candidate how to revise the portfolio to successfully demonstrate the requisite  
 589.13 competence. The candidate may resubmit a revised portfolio at any time and the Educator  
 589.14 Licensing Division at the department must approve or disapprove the portfolio within  
 589.15 60 calendar days of receiving it.

589.16 (e) A candidate must pay to the executive secretary of the Board of Teaching a  
 589.17 \$300 fee for the first portfolio submitted for review and a \$200 fee for any portfolio  
 589.18 submitted subsequently. ~~The fees must be paid to the executive secretary of the Board of~~  
 589.19 ~~Teaching.~~ The revenue generated from the fee must be deposited in an education licensure  
 589.20 portfolio account in the special revenue fund. The fees set by the Board of Teaching are  
 589.21 nonrefundable for applicants not qualifying for a license. The Board of Teaching may  
 589.22 waive or reduce fees for candidates based on financial need.

589.23 Sec. 2. Laws 2015, First Special Session chapter 3, article 12, section 4, subdivision 2,  
 589.24 is amended to read:

589.25 Subd. 2. **Department.** (a) For the Department of Education:

589.26		<del>21,246,000</del>		
589.27	\$	<u>21,276,000</u>	.....	2016
589.28		<del>21,973,000</del>		
589.29	\$	<u>26,384,000</u>	.....	2017

589.30 Of these amounts:

589.31 (1) ~~\$718,000 each year~~ \$748,000 in fiscal year 2016 and zero in fiscal year 2017 is  
 589.32 for the Board of Teaching. Any balance in the first year does not cancel, but is available  
 589.33 in the second year;

589.34 (2) \$228,000 in fiscal year 2016 and \$231,000 in fiscal year 2017 are for the Board  
 589.35 of School Administrators;

590.1 (3) \$1,000,000 each year is for Regional Centers of Excellence under Minnesota  
 590.2 Statutes, section 120B.115;

590.3 (4) \$500,000 each year is for the School Safety Technical Assistance Center under  
 590.4 Minnesota Statutes, section 127A.052;

590.5 (5) \$250,000 each year is for the School Finance Division to enhance financial  
 590.6 data analysis; and

590.7 (6) \$441,000 in fiscal year 2016 and \$720,000 in fiscal year 2017 is for implementing  
 590.8 Laws 2014, chapter 272, article 1, Minnesota's Learning for English Academic Proficiency  
 590.9 and Success Act, as amended;

590.10 (7) \$2,750,000 in fiscal year 2017 only is for implementation of schoolwide  
 590.11 Positive Behavioral Interventions and Supports (PBIS) in schools and districts throughout  
 590.12 Minnesota to reduce the use of restrictive procedures and increase use of positive  
 590.13 practices. This is a onetime appropriation; and

590.14 (8) \$1,000,000 in fiscal year 2017 only is for Department of Education information  
 590.15 technology enhancements and security. This is a onetime appropriation.

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

590.17 (c) None of the amounts appropriated under this subdivision may be used for  
 590.18 Minnesota's Washington, D.C. office.

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

590.22 (e) This appropriation includes funds for information technology project services and  
 590.23 support subject to the provisions of Minnesota Statutes, section 16E.0466. Any ongoing  
 590.24 information technology costs will be incorporated into the service level agreement and  
 590.25 will be paid to the Office of MN.IT Services by the Department of Education under the  
 590.26 rates and mechanism specified in that agreement.

590.27 (f) The agency's base budget in fiscal year 2018 is ~~\$21,973,000~~ \$22,121,000. The  
 590.28 agency's base budget in fiscal year 2019 is ~~\$21,948,000~~ \$22,096,000.

590.29 Subd. 3. Licensure by Portfolio. For licensure by portfolio:

590.30 \$ 34,000 ..... 2017

590.31 This appropriation is from the educator licensure portfolio account of the special  
 590.32 revenue fund.

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

590.34 Sec. 3. APPROPRIATIONS; BOARD OF TEACHING.

591.1 (a) The sums indicated in this section are appropriated from the general fund to the  
 591.2 Board of Teaching for the fiscal years designated:

591.3 \$ 1,018,000 ..... 2017

591.4 Of this amount, \$80,000 in fiscal year 2017 only is for a contract for an electronic  
 591.5 statewide school teacher and administrator job board. The job board must allow  
 591.6 school districts to post job openings for prekindergarten through grade 12 teaching and  
 591.7 administrative positions. Notwithstanding Minnesota Statutes, section 16E.0466, the  
 591.8 board is not required to consult with the Office of MN.IT Services nor transfer any of this  
 591.9 appropriation to the Office of MN.IT Services.

591.10 (b) This appropriation includes funds for information technology project services  
 591.11 and support subject to Minnesota Statutes, section 16E.0466. Any ongoing information  
 591.12 technology costs will be incorporated into an interagency agreement and will be paid to  
 591.13 the Office of MN.IT Services by the Board of Teaching under the mechanism specified  
 591.14 in that agreement.

591.15 (c) The board's base budget for fiscal year 2018 and later is \$968,000.

591.16 **ARTICLE 34**

591.17 **FORECAST ADJUSTMENTS**

591.18 **A. GENERAL EDUCATION**

591.19 Section 1. Laws 2015, First Special Session chapter 3, article 1, section 27, subdivision  
 591.20 4, is amended to read:

591.21 Subd. 4. **Abatement revenue.** For abatement aid under Minnesota Statutes, section  
 591.22 127A.49:

591.23 ~~2,740,000~~  
 591.24 \$ 3,051,000 ..... 2016

591.25 ~~2,932,000~~  
 591.26 \$ 3,425,000 ..... 2017

591.27 The 2016 appropriation includes \$278,000 for 2015 and ~~\$2,462,000~~ \$2,773,000  
 591.28 for 2016.

591.29 The 2017 appropriation includes ~~\$273,000~~ \$308,000 for 2016 and ~~\$2,659,000~~  
 591.30 \$3,117,000 for 2017.

591.31 Sec. 2. Laws 2015, First Special Session chapter 3, article 1, section 27, subdivision 5,  
 591.32 is amended to read:

592.1 Subd. 5. **Consolidation transition.** For districts consolidating under Minnesota  
 592.2 Statutes, section 123A.485:

592.3		<del>292,000</del>		
592.4	\$	<u>22,000</u>	.....	2016
592.5		<del>165,000</del>		
592.6	\$	<u>0</u>	.....	2017

592.7 The 2016 appropriation includes \$22,000 for 2015 and ~~\$270,000~~ \$0 for 2016.

592.8 The 2017 appropriation includes ~~\$30,000~~ \$0 for 2016 and ~~\$135,000~~ \$0 for 2017.

592.9 Sec. 3. Laws 2015, First Special Session chapter 3, article 1, section 27, subdivision 6,  
 592.10 is amended to read:

592.11 Subd. 6. **Nonpublic pupil education aid.** For nonpublic pupil education aid under  
 592.12 Minnesota Statutes, sections 123B.40 to 123B.43 and 123B.87:

592.13		<del>16,881,000</del>		
592.14	\$	<u>16,759,000</u>	.....	2016
592.15		<del>17,460,000</del>		
592.16	\$	<u>17,235,000</u>	.....	2017

592.17 The 2016 appropriation includes \$1,575,000 for 2015 and ~~\$15,306,000~~ \$15,184,000  
 592.18 for 2016.

592.19 The 2017 appropriation includes ~~\$1,700,000~~ \$1,687,000 for 2016 and ~~\$15,760,000~~  
 592.20 \$15,548,000 for 2017.

592.21 Sec. 4. Laws 2015, First Special Session chapter 3, article 1, section 27, subdivision 7,  
 592.22 is amended to read:

592.23 Subd. 7. **Nonpublic pupil transportation.** For nonpublic pupil transportation aid  
 592.24 under Minnesota Statutes, section 123B.92, subdivision 9:

592.25		<del>17,654,000</del>		
592.26	\$	<u>17,673,000</u>	.....	2016
592.27		<del>17,792,000</del>		
592.28	\$	<u>18,103,000</u>	.....	2017

592.29 The 2016 appropriation includes \$1,816,000 for 2015 and ~~\$15,838,000~~ \$15,857,000  
 592.30 for 2016.

592.31 The 2017 appropriation includes ~~\$1,759,000~~ \$1,761,000 for 2016 and ~~\$16,033,000~~  
 592.32 \$16,342,000 for 2017.

592.33 Sec. 5. Laws 2015, First Special Session chapter 3, article 1, section 27, subdivision 9,  
 592.34 is amended to read:

593.1 Subd. 9. **Career and technical aid.** For career and technical aid under Minnesota  
 593.2 Statutes, section 124D.4531, subdivision 1b:

593.3 ~~5,420,000~~  
 593.4 \$ 5,922,000 ..... 2016  
 593.5 ~~4,405,000~~  
 593.6 \$ 4,262,000 ..... 2017

593.7 The 2016 appropriation includes \$574,000 for 2015 and ~~\$4,846,000~~ \$5,348,000  
 593.8 for 2016.

593.9 The 2017 appropriation includes ~~\$538,000~~ \$517,000 for 2016 and ~~\$3,867,000~~  
 593.10 \$3,745,000 for 2017.

593.11 **B. EDUCATION EXCELLENCE**

593.12 Sec. 6. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision 4,  
 593.13 is amended to read:

593.14 Subd. 4. **Literacy incentive aid.** For literacy incentive aid under Minnesota  
 593.15 Statutes, section 124D.98:

593.16 ~~44,552,000~~  
 593.17 \$ 44,538,000 ..... 2016  
 593.18 ~~45,508,000~~  
 593.19 \$ 45,855,000 ..... 2017

593.20 The 2016 appropriation includes \$4,683,000 for 2015 and ~~\$39,869,000~~ \$39,855,000  
 593.21 for 2016.

593.22 The 2017 appropriation includes ~~\$4,429,000~~ \$4,428,000 for 2016 and ~~\$41,079,000~~  
 593.23 \$41,427,000 for 2017.

593.24 Sec. 7. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision 5,  
 593.25 is amended to read:

593.26 Subd. 5. **Interdistrict desegregation or integration transportation grants.** For  
 593.27 interdistrict desegregation or integration transportation grants under Minnesota Statutes,  
 593.28 section 124D.87:

593.29 ~~15,023,000~~  
 593.30 \$ 14,423,000 ..... 2016  
 593.31 ~~15,825,000~~  
 593.32 \$ 15,193,000 ..... 2017

593.33 Sec. 8. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision 7,  
 593.34 is amended to read:

594.1 Subd. 7. **Tribal contract schools.** For tribal contract school aid under Minnesota  
 594.2 Statutes, section 124D.83:

594.3 ~~4,340,000~~  
 594.4 \$ 3,539,000 ..... 2016  
 594.5 ~~5,090,000~~  
 594.6 \$ 3,715,000 ..... 2017

594.7 The 2016 appropriation includes \$204,000 for 2015 and ~~\$4,136,000~~ \$3,335,000  
 594.8 for 2016.

594.9 The 2017 appropriation includes ~~\$459,000~~ \$370,000 for 2016 and ~~\$4,631,000~~  
 594.10 \$3,345,000 for 2017.

594.11 Sec. 9. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision  
 594.12 11, is amended to read:

594.13 Subd. 11. **American Indian education aid.** For American Indian education aid  
 594.14 under Minnesota Statutes, section 124D.81, subdivision 2a:

594.15 ~~7,868,000~~  
 594.16 \$ 7,740,000 ..... 2016  
 594.17 ~~8,875,000~~  
 594.18 \$ 8,878,000 ..... 2017

594.19 The 2016 appropriation includes \$0 for 2015 and ~~\$7,868,000~~ \$7,740,000 for 2016.

594.20 The 2017 appropriation includes ~~\$874,000~~ \$860,000 for 2016 and ~~\$8,001,000~~  
 594.21 \$8,018,000 for 2017.

594.22 **C. SPECIAL PROGRAMS**

594.23 Sec. 10. Laws 2015, First Special Session chapter 3, article 5, section 30, subdivision  
 594.24 3, is amended to read:

594.25 Subd. 3. **Travel for home-based services.** For aid for teacher travel for home-based  
 594.26 services under Minnesota Statutes, section 125A.75, subdivision 1:

594.27 ~~361,000~~  
 594.28 \$ 416,000 ..... 2016  
 594.29 ~~371,000~~  
 594.30 \$ 435,000 ..... 2017

594.31 The 2016 appropriation includes \$35,000 for 2015 and ~~\$326,000~~ \$381,000 for 2016.

594.32 The 2017 appropriation includes ~~\$36,000~~ \$42,000 for 2016 and ~~\$335,000~~ \$393,000  
 594.33 for 2017.

594.34 Sec. 11. Laws 2015, First Special Session chapter 3, article 5, section 30, subdivision  
 594.35 5, is amended to read:

595.1 Subd. 5. **Aid for children with disabilities.** For aid under Minnesota Statutes,  
 595.2 section 125A.75, subdivision 3, for children with disabilities placed in residential facilities  
 595.3 within the district boundaries for whom no district of residence can be determined:

595.4		<del>1,406,000</del>		
595.5	\$	<u>1,307,000</u>	.....	2016
595.6		<del>1,629,000</del>		
595.7	\$	<u>1,516,000</u>	.....	2017

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

595.10 **D. FACILITIES AND TECHNOLOGY**

595.11 Sec. 12. Laws 2015, First Special Session chapter 3, article 6, section 13, subdivision  
 595.12 3, is amended to read:

595.13 Subd. 3. **Debt service equalization.** For debt service aid according to Minnesota  
 595.14 Statutes, section 123B.53, subdivision 6:

595.15	\$	20,349,000	.....	2016
595.16		<del>22,171,000</del>		
595.17	\$	<u>22,926,000</u>	.....	2017

595.18 The 2016 appropriation includes \$2,295,000 for 2015 and \$18,054,000 for 2016.

595.19 The 2017 appropriation includes \$2,005,000 for 2016 and ~~\$20,166,000~~ \$20,921,000  
 595.20 for 2017.

595.21 Sec. 13. Laws 2015, First Special Session chapter 3, article 6, section 13, subdivision  
 595.22 6, is amended to read:

595.23 Subd. 6. **Deferred maintenance aid.** For deferred maintenance aid, according to  
 595.24 Minnesota Statutes, section 123B.591, subdivision 4:

595.25		<del>3,520,000</del>		
595.26	\$	<u>3,523,000</u>	.....	2016
595.27	\$	345,000	.....	2017

595.28 The 2016 appropriation includes \$409,000 for 2015 and ~~\$3,111,000~~ \$3,114,000  
 595.29 for 2016.

595.30 The 2017 appropriation includes \$345,000 for 2016 and \$0 for 2017.

595.31 Sec. 14. Laws 2015, First Special Session chapter 3, article 6, section 13, subdivision  
 595.32 7, is amended to read:

595.33 Subd. 7. **Health and safety revenue.** For health and safety aid according to  
 595.34 Minnesota Statutes, section 123B.57, subdivision 5:



597.1                    ~~3,363,000~~  
 597.2            \$        3,477,000        ..... 2016  
 597.3                    ~~3,369,000~~  
 597.4            \$        3,488,000        ..... 2017

597.5            The 2016 appropriation includes \$338,000 for 2015 and ~~\$3,025,000~~ \$3,139,000  
 597.6 for 2016.

597.7            The 2017 appropriation includes ~~\$336,000~~ \$348,000 for 2016 and ~~\$3,033,000~~  
 597.8 \$3,140,000 for 2017.

597.9            Sec. 18. Laws 2015, First Special Session chapter 3, article 10, section 3, subdivision  
 597.10 2, is amended to read:

597.11            Subd. 2. **Community education aid.** For community education aid under  
 597.12 Minnesota Statutes, section 124D.20:

597.13                    ~~788,000~~  
 597.14            \$        790,000        ..... 2016  
 597.15                    ~~554,000~~  
 597.16            \$        553,000        ..... 2017

597.17            The 2016 appropriation includes \$107,000 for 2015 and ~~\$681,000~~ \$683,000 for 2016.

597.18            The 2017 appropriation includes \$75,000 for 2016 and ~~\$479,000~~ \$478,000 for 2017.

597.19            Sec. 19. Laws 2015, First Special Session chapter 3, article 11, section 3, subdivision  
 597.20 2, is amended to read:

597.21            Subd. 2. **Adult basic education aid.** For adult basic education aid under Minnesota  
 597.22 Statutes, section 124D.531:

597.23                    ~~49,118,000~~  
 597.24            \$        48,231,000        ..... 2016  
 597.25                    ~~50,592,000~~  
 597.26            \$        49,683,000        ..... 2017

597.27            The 2016 appropriation includes \$4,782,000 for 2015 and ~~\$44,336,000~~ \$43,449,000  
 597.28 for 2016.

597.29            The 2017 appropriation includes ~~\$4,926,000~~ \$4,827,000 for 2016 and ~~\$45,666,000~~  
 597.30 \$44,856,000 for 2017.

APPENDIX  
Article locations in H2749-3

ARTICLE 1	HIGHER EDUCATION .....	Page.Ln 4.1
ARTICLE 2	AGRICULTURE .....	Page.Ln 25.27
ARTICLE 3	ENVIRONMENT AND NATURAL RESOURCES .....	Page.Ln 63.18
ARTICLE 4	PUBLIC SAFETY AND CORRECTIONS .....	Page.Ln 102.5
ARTICLE 5	BROADBAND DEVELOPMENT .....	Page.Ln 114.15
ARTICLE 6	ENERGY .....	Page.Ln 120.1
ARTICLE 7	ECONOMIC DEVELOPMENT .....	Page.Ln 130.18
ARTICLE 8	LABOR AND INDUSTRYHOUSEKEEPING .....	Page.Ln 175.11
	UNEMPLOYMENT INSURANCE ADVISORY COUNCIL	
ARTICLE 9	HOUSEKEEPING .....	Page.Ln 177.6
	UNEMPLOYMENT INSURANCE ADVISORY COUNCIL	
ARTICLE 10	TECHNICAL .....	Page.Ln 188.26
	UNEMPLOYMENT INSURANCE ADVISORY COUNCIL	
ARTICLE 11	POLICY .....	Page.Ln 195.29
ARTICLE 12	EQUITY .....	Page.Ln 201.22
ARTICLE 13	STATE DEPARTMENTS AND VETERANS .....	Page.Ln 220.27
ARTICLE 14	MISCELLANEOUS .....	Page.Ln 269.1
ARTICLE 15	CHILDREN AND FAMILIES .....	Page.Ln 271.21
ARTICLE 16	CHEMICAL AND MENTAL HEALTH .....	Page.Ln 309.29
ARTICLE 17	DIRECT CARE AND TREATMENT .....	Page.Ln 319.8
ARTICLE 18	CONTINUING CARE .....	Page.Ln 323.1
ARTICLE 19	HEALTH CARE .....	Page.Ln 328.4
ARTICLE 20	HEALTH DEPARTMENT .....	Page.Ln 358.7
ARTICLE 21	HEALTH-RELATED OCCUPATIONAL LICENSING .....	Page.Ln 374.1
ARTICLE 22	HUMAN SERVICES FORECAST ADJUSTMENTS .....	Page.Ln 393.10
ARTICLE 23	HEALTH AND HUMAN SERVICES APPROPRIATIONS .....	Page.Ln 394.25
ARTICLE 24	TEACHERS .....	Page.Ln 406.1
ARTICLE 25	EDUCATION EXCELLENCE .....	Page.Ln 444.30
ARTICLE 26	CHARTER SCHOOL RECODIFICATION .....	Page.Ln 498.18
ARTICLE 27	GENERAL EDUCATION .....	Page.Ln 528.26
ARTICLE 28	CHARTER SCHOOLS .....	Page.Ln 544.10
ARTICLE 29	SPECIAL EDUCATION .....	Page.Ln 551.11
ARTICLE 30	FACILITIES AND TECHNOLOGY .....	Page.Ln 566.29
ARTICLE 31	EARLY CHILDHOOD EDUCATION .....	Page.Ln 581.12
ARTICLE 32	SELF-SUFFICIENCY AND LIFELONG LEARNING .....	Page.Ln 583.27
ARTICLE 33	STATE AGENCIES .....	Page.Ln 588.16
ARTICLE 34	FORECAST ADJUSTMENTS .....	Page.Ln 591.16

**116P.13 MINNESOTA FUTURE RESOURCES FUND.**

Subdivision 1. **Revenue sources.** The money in the Minnesota future resources fund consists of revenue credited under section 297F.10, subdivision 1, paragraph (b), clause (1).

Subd. 2. **Interest.** The interest attributable to the investment of the Minnesota future resources fund must be credited to the fund.

Subd. 3. **Revenue purposes.** Revenue in the Minnesota future resources fund may be spent for purposes of natural resources acceleration and outdoor recreation, including but not limited to the development, maintenance, and operation of the state outdoor recreation system under chapter 86A and regional recreation open space systems as defined under section 473.351, subdivision 1.

**122A.413 EDUCATIONAL IMPROVEMENT PLAN.**

Subdivision 1. **Qualifying plan.** A district, intermediate school district, or a cooperative unit, as defined in section 123A.24, subdivision 2, may develop an educational improvement plan for the purpose of qualifying for the alternative teacher professional pay system under section 122A.414. The plan must include measures for improving school district, intermediate school district, cooperative, school site, teacher, and individual student performance.

Subd. 2. **Plan components.** The educational improvement plan must be approved by the school board or governing board and have at least these elements:

(1) assessment and evaluation tools to measure student performance and progress, including the academic literacy, oral academic language, and achievement of English learners, among other measures;

(2) performance goals and benchmarks for improvement;

(3) measures of student attendance and completion rates;

(4) a rigorous research and practice-based professional development system, based on national and state standards of effective teaching practice applicable to all students including English learners with varied needs under section 124D.59, subdivisions 2 and 2a, and consistent with section 122A.60, that is aligned with educational improvement and designed to achieve ongoing and schoolwide progress and growth in teaching practice;

(5) measures of student, family, and community involvement and satisfaction;

(6) a data system about students and their academic progress that provides parents and the public with understandable information;

(7) a teacher induction and mentoring program for probationary teachers that provides continuous learning and sustained teacher support; and

(8) substantial participation by the exclusive representative of the teachers in developing the plan.

Subd. 3. **School site accountability.** A district or intermediate school district that develops a plan under subdivisions 1 and 2 must ensure that each school site develops a board-approved educational improvement plan that is aligned with the district educational improvement plan under subdivision 2 and developed with the exclusive representative of the teachers. While a site plan must be consistent with the district educational improvement plan, it may establish performance goals and benchmarks that meet or exceed those of the district.

**122A.43 SHORT-TERM, LIMITED CONTRACTS.**

Subd. 6. **Report.** Each district awarding contracts under this section is encouraged to submit a report to the commissioner. The report shall indicate the number of contracts awarded, whether duties are to be performed before, during, or after the school day or during the summer, the total cost of all contracts, and a general description of the duties. The statement shall also describe how the recommendations required by subdivision 2 were obtained. Any problems associated with implementing this section may be included.

**123B.60 BUILDING BONDS FOR CALAMITIES.**

Subd. 2. **Health and safety revenue.** For any fiscal year where the total amount of health and safety revenue is limited, the commissioner must award highest priority to health and safety revenue pledged to repay building bonds issued under subdivision 1.

**123B.79 PERMANENT FUND TRANSFERS.**

APPENDIX

Repealed Minnesota Statutes: H2749-3

Subd. 2. **Technical colleges.** Money must not be transferred from the postsecondary general fund to any other operating or nonoperating fund.

Subd. 6. **Account transfer for statutory operating debt.** On June 30 of each year, a district may make a permanent transfer from the general fund account entitled "net unreserved general fund balance since statutory operating debt" to the account entitled "reserved fund balance reserve account for purposes of statutory operating debt reduction." The amount of the transfer is limited to the net unreserved general fund balance. If the net unreserved general fund balance is less than zero, the district may not make a transfer.

**149A.92 PREPARATION AND EMBALMING ROOM.**

Subd. 11. **Scope.** Notwithstanding the requirements in section 149A.50, this section applies only to funeral establishments where human remains are present for the purpose of preparation and embalming, private viewings, visitations, services, and holding of human remains while awaiting final disposition. For the purpose of this subdivision, "private viewing" means viewing of a dead human body by persons designated in section 149A.80, subdivision 2.

**154.03 APPRENTICES MAY BE EMPLOYED.**

A registered apprentice may practice barbering only if the registered apprentice is, at all times, under the immediate personal supervision of a registered barber and is in compliance with sections 154.001, 154.002, 154.003, 154.01 to 154.161, 154.19 to 154.21, and 154.24 to 154.26 and the rules of the board.

**154.06 WHO MAY RECEIVE CERTIFICATES OF REGISTRATION AS A REGISTERED APPRENTICE.**

- (a) A person is qualified to receive a certificate of registration as a registered apprentice:
- (1) who has completed at least ten grades of an approved school;
  - (2) who has graduated from a barber school approved by a barber board within the previous four years; and
  - (3) who has passed an examination conducted by the board to determine fitness to practice as a registered apprentice. An applicant who graduated from a barber school approved by a barber board more than four years prior to application is required to complete a further course of study of at least 500 hours.
- (b) An applicant for an initial certificate of registration to practice as an apprentice, who fails to pass the comprehensive examination conducted by the board, and who fails to pass a onetime retake of the written examination, is required to complete a further course of study of at least 500 hours, of not more than eight hours in any one working day, in a barber school approved by the board before being eligible to retake the comprehensive examination as many times as necessary to pass.
- (c) A certificate of registration of an apprentice shall be valid for four years and shall not be renewed for a fifth year. During the four-year period the certificate of registration shall remain in full force and effect only if the apprentice complies with all the provisions of sections 154.001, 154.002, 154.003, 154.01 to 154.161, 154.19 to 154.21, and 154.24 to 154.26, including the payment of an annual fee, and the rules of the board.
- (d) If a registered apprentice, during the term in which the certificate of registration is in effect, enters full-time active duty in the armed forces of the United States of America, the expiration date of the certificate of registration shall be extended by a period of time equal to the period or periods of active duty.
- (e) If a registered apprentice graduates from a barber school approved by the board and is issued a certificate of registration while incarcerated by the Department of Corrections of the Federal Bureau of Prisons, the expiration date of the certificate of registration shall be extended one time so that it expires four years from the date of first release from a correctional facility.

**154.11 EXAMINATION OF NONRESIDENT BARBERS AND INSTRUCTORS OF BARBERING; TEMPORARY APPRENTICE PERMITS; TEMPORARY MILITARY LICENSE AND APPRENTICE PERMITS.**

Subd. 2. **Temporary apprentice permits for nonresidents.** Any person who qualifies for examination as a registered barber under this section may apply for a temporary apprentice permit which is effective no longer than six months. All persons holding a temporary apprentice permit are subject to all provisions of sections 154.001, 154.002, 154.003, 154.01 to 154.161, 154.19 to

APPENDIX

Repealed Minnesota Statutes: H2749-3

154.21, and 154.24 to 154.26 and the rules adopted by the board under those sections concerning the conduct and obligations of registered apprentices.

**154.12 EXAMINATION OF NONRESIDENT APPRENTICES.**

A person who meets all of the requirements for registration as a barber in sections 154.001, 154.002, 154.003, 154.01 to 154.161, 154.19 to 154.21, and 154.24 to 154.26 and who has a license, a certificate of registration, or its equivalent as an apprentice in a state or country which in the discretion of the board has substantially the same requirements for registration as an apprentice as is provided by sections 154.001, 154.002, 154.003, 154.01 to 154.161, 154.19 to 154.21, and 154.24 to 154.26, shall, upon payment of the required fee, be issued a certificate of registration without examination.

**216B.1612 COMMUNITY-BASED ENERGY DEVELOPMENT; TARIFF.**

Subdivision 1. **Tariff establishment.** A tariff shall be established to optimize local, regional, and state benefits from renewable energy development and to facilitate widespread development of community-based renewable energy projects throughout Minnesota.

Subd. 2. **Definitions.** (a) The terms used in this section have the meanings given them in this subdivision.

(b) "C-BED tariff" or "tariff" means a community-based energy development tariff.

(c) "Qualifying beneficiary" means:

(1) a Minnesota resident individually or as a member of a Minnesota limited liability company organized under chapter 322B and formed for the purpose of developing a C-BED project;

(2) a Minnesota nonprofit organization organized under chapter 317A;

(3) a Minnesota cooperative association organized under chapter 308A or 308B, including a rural electric cooperative association or a generation and transmission cooperative on behalf of and at the request of a member distribution utility;

(4) a Minnesota political subdivision or local government including, but not limited to, a municipal electric utility, or a municipal power agency on behalf of and at the request of a member distribution utility; the office of the commissioner of Iron Range resources and rehabilitation; a county, statutory or home rule charter city, town, school district, or public or private higher education institution; or any other local or regional governmental organization such as a board, commission, or association;

(5) a tribal council; or

(6) a legal entity (i) formed for a purpose other than to participate in C-BED projects; (ii) whose principal place of business or principal executive office is located in Minnesota; and (iii) that provides labor, services, equipment, components, or debt financing to a C-BED project. A public utility, as defined in section 216B.02, subdivision 4, is not a qualifying beneficiary.

(d) "Qualifying revenue" includes, but is not limited to:

(1) royalties, distributions, dividends, and other payments flowing directly or indirectly to individuals who are qualifying beneficiaries;

(2) reasonable fees for consulting, development, professional, construction, and operations and maintenance services paid to qualifying beneficiaries;

(3) interest and fees paid to financial institutions that are qualifying beneficiaries;

(4) the value-added portion of payments for goods manufactured in Minnesota; and

(5) production taxes.

(e) "Discount rate" means the ten-year United States Treasury Yield as quoted in the Wall Street Journal as of the date of application for determination under subdivision 10, plus five percent; except that the discount rate applicable to any qualifying revenues contingent upon an equity investor earning a specified internal rate of return is the ten-year United States Treasury Yield, plus eight percent.

(f) "Standard reliability criteria" means:

(1) can be safely integrated into and operated within the utility's grid without causing any adverse or unsafe consequences; and

(2) is consistent with the utility's resource needs as identified in its most recent resource plan submitted under section 216B.2422.

(g) "Renewable" refers to a technology listed in section 216B.1691, subdivision 1, paragraph (a).

## APPENDIX

### Repealed Minnesota Statutes: H2749-3

(h) "Community-based energy development project" or "C-BED project" means a new renewable energy project that either as a stand-alone project or part of a partnership under subdivision 8:

(1) has no single qualifying beneficiary, including any parent company or subsidiary of the qualifying beneficiary, owning more than 15 percent of a C-BED wind energy project unless: (i) the C-BED wind energy project consists of only one or two turbines; or (ii) the qualifying beneficiary is a public entity listed under paragraph (c), clause (4);

(2) demonstrates that at least 51 percent of the net present value of the gross revenues from a power purchase agreement over the life of the project are qualifying revenues; and

(3) has a resolution of support adopted by the county board of each county in which the project is to be located, or in the case of a project located within the boundaries of a reservation, the tribal council for that reservation.

(i) "Value-added portion" means the difference between the total sales price and the total cost of components, materials, and services purchased from or provided outside of Minnesota.

Subd. 3. **Tariff rate.** (a) The tariff described in subdivision 4 must provide for a rate that is higher in the first ten years of the power purchase agreement than in the last ten years.

(b) The commission shall consider mechanisms to encourage the aggregation of C-BED projects.

(c) The commission shall require that C-BED projects provide sufficient security to secure performance under the power purchase agreement, and shall prohibit transfer of a C-BED project during the initial term of a power purchase agreement if the transfer will result in the project no longer qualifying under subdivision 2, paragraph (h).

Subd. 4. **Utilities to offer tariff.** By December 1, 2007, each public utility providing electric service at retail shall file for commission approval a community-based energy development tariff consistent with subdivision 3. Within 90 days of the first commission approval order under this subdivision, each municipal power agency and generation and transmission cooperative electric association shall adopt a community-based energy development tariff as consistent as possible with subdivision 3.

Subd. 5. **Priority for C-BED projects.** (a) A utility subject to section 216B.1691 that needs to construct new generation, or purchase the output from new generation, as part of its plan to satisfy its good faith objective and standard under that section must take reasonable steps to determine if one or more C-BED projects are available that meet the utility's cost and reliability requirements, applying standard reliability criteria, to fulfill some or all of the identified need at minimal impact to customer rates.

Nothing in this section shall be construed to obligate a utility to enter into a power purchase agreement under a C-BED tariff developed under this section.

(b) Each utility shall include in its resource plan submitted under section 216B.2422 a description of its efforts to purchase energy from C-BED projects, including a list of the projects under contract and the amount of C-BED energy purchased.

(c) The commission shall consider the efforts and activities of a utility to purchase energy from C-BED projects when evaluating its good faith effort towards meeting the renewable energy objective under section 216B.1691.

(d) A municipal power agency or generation and transmission cooperative shall, when issuing a request for proposals for C-BED projects to satisfy its standard obligation under section 216B.1691, provide notice to its member distribution utilities that they may propose, in partnership with other qualifying beneficiaries, a C-BED project for the consideration of the municipal power agency or generation and transmission cooperative.

Subd. 6. **Property owner participation.** To the extent feasible, a developer of a C-BED project must provide, in writing, an opportunity to invest in the C-BED project to each property owner on whose property a high-voltage transmission line is constructed that will transmit the energy generated by the C-BED project to market. This subdivision applies if the property is located and the owner resides in the county where the C-BED project is located.

Subd. 7. **Other C-BED tariff issues.** (a) A community-based project developer and a utility shall negotiate the rate and power purchase agreement terms consistent with the tariff established under subdivision 4.

(b) At the discretion of the developer, a community-based project developer and a utility may negotiate a power purchase agreement with terms different from the tariff established under subdivision 4.

(c) A C-BED project may be jointly developed with a non-C-BED project. However, the terms of the C-BED tariff may only apply to the portion of the energy production of the total project that is directly proportional to the energy produced by the C-BED project. A project that is

APPENDIX

Repealed Minnesota Statutes: H2749-3

operating under a power purchase agreement under a C-BED tariff is not eligible for net energy billing under section 216B.164, subdivision 3, or for production incentives under section 216C.41.

(d) A public utility must receive commission approval of a power purchase agreement for a C-BED tariffed project. The commission shall provide the utility's ratepayers an opportunity to address the reasonableness of the proposed power purchase agreement. Unless a party objects to a contract within 30 days of submission of the contract to the commission the contract is deemed approved.

Subd. 8. **Community energy partnerships.** A utility providing electric service to retail or wholesale customers in Minnesota and an independent power producer may, subject to the limits specified in this section, participate in a community-based energy project, including as an owner, equity partner, or provider of technical or financial assistance.

Subd. 9. **Local government and political subdivision powers.** A Minnesota political subdivision or local government may plan, develop, purchase, acquire, construct, and own a C-BED project and may sell output from that project as provided for in this section. A Minnesota political subdivision or local government may not acquire property under this subdivision through eminent domain. A Minnesota political subdivision or local government may operate, maintain, improve, and expand the C-BED project subject to any restrictions in this section.

Subd. 10. **C-BED eligibility determination.** (a) A developer of a C-BED project may seek a predetermination of C-BED eligibility from the commissioner of commerce at any time, and must obtain a determination of C-BED eligibility from the commissioner of commerce, based on the project's final financing terms, before construction may begin. In seeking a determination of eligibility under this subdivision, a developer of a C-BED project must submit to the commissioner of commerce detailed financial projections demonstrating that, based on a net present value analysis, and applying the discount rate to qualifying revenues and gross revenues from a power purchase agreement, the project meets the requirements of subdivision 2, paragraph (h), clause (2).

(b) A project is not required to obtain a determination of C-BED eligibility under paragraph (a) if it has received, prior to May 18, 2010, an opinion letter from the commissioner indicating that the project qualifies as a C-BED project under this section.

(c) The commissioner's determination of C-BED eligibility of a project that obtained its initial opinion letter regarding C-BED eligibility from the commissioner or written notification from the Midwest Independent Systems Operator (MISO) that the project retains a position in the interconnection queue before May 18, 2010, must be based on the laws applicable at the time the initial opinion letter of C-BED eligibility was issued or the Midwest Independent System Operator interconnection queue position was obtained. A project subject to this paragraph may elect to have the determination of eligibility governed by the law in effect at the time of the determination.

**216C.39 RURAL WIND ENERGY DEVELOPMENT REVOLVING LOAN FUND.**

Subdivision 1. **Establishment.** A rural wind energy development revolving loan fund is established as an account in the special revenue fund in the state treasury. The commissioner of management and budget shall credit to the account the amounts authorized under this section and appropriations and transfers to the account. Earnings, such as interest, dividends, and any other earnings arising from fund assets, must be credited to the account.

Subd. 2. **Purpose.** The rural wind energy development revolving loan fund is created to provide financial assistance, through partnership with local owners and communities, in developing community wind energy projects that meet the specifications of section 216B.1612, subdivision 2, paragraph (h).

Subd. 3. **Expenditures.** Money in the fund is appropriated to the commissioner of commerce, and may be used to make loans to qualifying owners of wind energy projects, as defined in section 216B.1612, subdivision 2, paragraph (h), to assist in funding wind studies and transmission interconnection studies. The loans must be structured for repayment within 30 days after the project begins commercial operations or two years from the date the loan is issued, whichever is sooner. The commissioner may pay reasonable and actual costs of administering the loan program, not to exceed interest earned on fund assets.

Subd. 4. **Limitations.** A loan may not be approved for an amount exceeding \$100,000. This limit applies to all money loaned to a single project or single entity, whether paid to one or more qualifying owners and whether paid in one or more fiscal years.

Subd. 5. **Administration; eligible projects.** (a) Applications for a loan under this section must be made in a manner and on forms prescribed by the commissioner. Loans to eligible projects must be made in the order in which complete applications are received by the commissioner. Loan funds must be disbursed to an applicant within ten days of submission of a

## APPENDIX

Repealed Minnesota Statutes: H2749-3

payment request by the applicant that demonstrates a payment due to the Midwest Independent System Operator. Interest payable on the loan amount may not exceed 1.5 percent per annum.

(b) A project is eligible for a loan under this program if:

(1) the project has completed an adequate interconnection feasibility study that indicates the project may be interconnected with system upgrades of less than ten percent of the estimated project costs;

(2) the project has a signed power purchase agreement with an electric utility or provides evidence that the project is under serious consideration for such an agreement by an electric utility;

(3) the ownership and structure of the project allows it to qualify as a community-based energy development (C-BED) project under section 216B.1612, and the developer commits to obtaining and maintaining C-BED status; and

(4) the commissioner has determined that sufficient funds are available to make a loan to the project.

### **256B.059 TREATMENT OF ASSETS WHEN A SPOUSE IS INSTITUTIONALIZED.**

Subd. 1a. **Institutionalized spouse.** The provisions of this section apply only when a spouse begins the first continuous period of institutionalization on or after October 1, 1989.

### **256L.04 ELIGIBLE PERSONS.**

Subd. 2a. **Applications for other benefits.** To be eligible for MinnesotaCare, individuals and families must take all necessary steps to obtain other benefits as described in Code of Federal Regulations, title 42, section 435.608. Applicants and enrollees must apply for other benefits within 30 days of notification.

Subd. 8. **Applicants potentially eligible for medical assistance.** (a) Individuals who receive Supplemental Security Income or retirement, survivors, or disability benefits due to a disability, or other disability-based pension, who qualify under subdivision 7, but who are potentially eligible for medical assistance without a spenddown shall be allowed to enroll in MinnesotaCare, so long as the applicant meets all other conditions of eligibility. The commissioner shall identify and refer the applications of such individuals to their county social service agency. The county and the commissioner shall cooperate to ensure that the individuals obtain medical assistance coverage for any months for which they are eligible.

(b) The enrollee must cooperate with the county social service agency in determining medical assistance eligibility. Enrollees who do not cooperate with medical assistance shall be disenrolled from the plan within one calendar month. Persons disenrolled for nonapplication for medical assistance may not reenroll until they have obtained a medical assistance eligibility determination. Persons disenrolled for noncooperation with medical assistance may not reenroll until they have cooperated with the county agency and have obtained a medical assistance eligibility determination.

(c) Counties that choose to become MinnesotaCare enrollment sites shall consider MinnesotaCare applications to also be applications for medical assistance.

(d) The commissioner shall redetermine provider payments made under MinnesotaCare to the appropriate medical assistance payments for those enrollees who subsequently become eligible for medical assistance.

### **256L.22 DEFINITION; CHILDREN'S HEALTH PROGRAM.**

For purposes of sections 256L.22 to 256L.28, "children's health program" means the medical assistance and MinnesotaCare programs to the extent medical assistance and MinnesotaCare provide health coverage to children.

### **256L.24 HEALTH CARE ELIGIBILITY FOR CHILDREN.**

Subdivision 1. **Applicability.** This section applies to children who are enrolled in a children's health program.

Subd. 2. **Application procedure.** The commissioner shall develop an application form for children's health programs for children that is easily understandable and does not exceed four pages in length. The provisions of section 256L.05, subdivision 1, apply.

Subd. 3. **Premiums.** Children enrolled in MinnesotaCare shall pay premiums as provided in section 256L.15.

APPENDIX

Repealed Minnesota Statutes: H2749-3

Subd. 4. **Eligibility renewal.** The commissioner shall require children enrolled in MinnesotaCare to renew eligibility every 12 months.

**256L.26 ASSISTANCE TO APPLICANTS.**

The commissioner shall assist children in choosing a managed care organization to receive services under a children's health program, by:

- (1) establishing a Web site to provide information about managed care organizations and to allow online enrollment;
- (2) making applications and information on managed care organizations available to applicants and enrollees according to Title VI of the Civil Rights Act and federal regulations adopted under that law or any guidance from the United States Department of Health and Human Services; and
- (3) making benefit educators available to assist applicants in choosing a managed care organization.

**256L.28 FEDERAL APPROVAL.**

The commissioner shall seek all federal waivers and approvals necessary to implement sections 256L.22 to 256L.28, including, but not limited to, waivers and approvals necessary to:

- (1) coordinate medical assistance and MinnesotaCare coverage for children; and
- (2) maximize receipt of the federal medical assistance match for covered children, by increasing income standards through the use of more liberal income methodologies as provided under United States Code, title 42, sections 1396a and 1396u-1.

APPENDIX  
Repealed Minnesota Session Laws: H2749-3

*Laws 2015, First Special Session chapter 4, article 2, section 81 by Laws 2016, chapter 184, section 14; as amended by Laws 2016, chapter 189, article 2, section 31*

Sec. 81. Minnesota Statutes 2014, section 583.215, is amended to read:

**583.215 EXPIRATION.**

Sections 336.9-601, subsections (h) and (i); 550.365; 559.209; 582.039; and 583.20 to 583.32, expire June 30, 2017.

**EFFECTIVE DATE.** This section is effective May 23, 2016, if the legislature does not meet in regular session in calendar year 2016 before May 23, 2016. If the legislature meets in regular session in calendar year 2016 before May 23, 2016, this section is void.