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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 2976

03/12/2014 Authored by Mahoney; Norton; Gunther; Ward, J.E., and Lohmer

The bill was read for the first time and referred to the Committee on Jobs and Economic Development Finance and Policy

03/27/2014 Adoption of Report: Amended and re-referred to the Committee on Ways and Means

1.1 A bill for an act
1.2 relating to state government; making supplemental appropriations for jobs and
1.3 economic development; appropriating money to the Department of Employment
1.4 and Economic Development and Department of Labor and Industry; providing
1.5 grants for broadband infrastructure; providing various business development
1.6 grants and loans; creating an Office of Regenerative Medicine Development;
1.7 modifying workforce program outcomes; creating job training programs;
1.8 modifying workers' compensation provisions; modifying a meeting provision
1.9 for a port authority; requiring reports; amending Minnesota Statutes 2012,
1.10 sections 116L.98; 176.129, subdivisions 2a, 7; 176.135, subdivision 7; 176.136,
1.11 subdivision 1a; 176.231, subdivision 2; 176.305, subdivision 1a; 181A.07, by
1.12 adding a subdivision; 469.084, by adding a subdivision; Minnesota Statutes 2013
1.13 Supplement, section 176.011, subdivision 15; Laws 2013, chapter 85, article 1,
1.14 sections 3, subdivisions 2, 6; 13, subdivision 5; proposing coding for new law in
1.15 Minnesota Statutes, chapter 116J; repealing Minnesota Statutes 2012, sections
1.16 116J.997; 175.006, subdivision 1; 175.08; 175.14; 175.26; 176.1311; 176.136,
1.17 subdivision 3; 176.2615; 176.641.

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

1.19 **ARTICLE 1**

1.20 **APPROPRIATIONS**

1.21 Section 1. **APPROPRIATIONS.**

1.22 The sums shown in the columns under "Appropriations" are added to or, if shown
1.23 in parentheses, subtracted from the appropriations in Laws 2013, chapter 85, article 1,
1.24 or other law to the specified agencies. The appropriations are from the general fund, or
1.25 another named fund, and are available for the fiscal years indicated for each purpose. The
1.26 figures "2014" and "2015" used in this article mean that the appropriations listed under
1.27 them are available for the fiscal year ending June 30, 2014, or June 30, 2015, respectively.
1.28 Appropriations for the fiscal year ending June 30, 2014, are effective the day following
1.29 final enactment. Reductions may be taken in either fiscal year.

3.1 (2) analyze the deployment data collected to
3.2 help inform future investments in broadband
3.3 infrastructure; and

3.4 (3) conduct business and residential surveys
3.5 that measure broadband adoption and use in
3.6 the state.

3.7 Data provided by a broadband provider to the
3.8 contractor under this paragraph is nonpublic
3.9 data under Minnesota Statutes, section 13.02,
3.10 subdivision 9. Maps produced under this
3.11 paragraph are public data under Minnesota
3.12 Statutes, section 13.03.

3.13 (c) \$1,000,000 in fiscal year 2015 is from
3.14 the general fund for a grant to the Southwest
3.15 Initiative Foundation for business revolving
3.16 loans or other lending programs. This is a
3.17 onetime appropriation and is available until
3.18 expended.

3.19 (d) \$1,000,000 in fiscal year 2015 is from the
3.20 general fund for a grant to the West Central
3.21 Initiative Foundation for business revolving
3.22 loans or other lending programs. This is a
3.23 onetime appropriation and is available until
3.24 expended.

3.25 (e) \$1,000,000 in fiscal year 2015 is from
3.26 the general fund for a grant to the Southern
3.27 Minnesota Initiative Foundation for business
3.28 revolving loans or other lending programs.
3.29 This is a onetime appropriation and is
3.30 available until expended.

3.31 (f) \$1,000,000 in fiscal year 2015 is from the
3.32 general fund for a grant to the Northwest
3.33 Minnesota Foundation for business revolving
3.34 loans or other lending programs. This is a

4.1 onetime appropriation and is available until
4.2 expended.

4.3 (g) \$1,000,000 in fiscal year 2015 is from
4.4 the general fund for a grant to the Initiative
4.5 Foundation for business revolving loans or
4.6 other lending programs. This is a onetime
4.7 appropriation and is available until expended.

4.8 (h) \$1,000,000 in fiscal year 2015 is from
4.9 the general fund for a grant to the Northland
4.10 Foundation for business revolving loans or
4.11 other lending programs. This is a onetime
4.12 appropriation and is available until expended.

4.13 (i) \$1,000,000 in fiscal year 2015 is from the
4.14 general fund for the urban challenge grants
4.15 program under Minnesota Statutes, section
4.16 116M.18. Funds available under this section
4.17 must be allocated as follows: (1) 50 percent
4.18 of the funds must be allocated for projects
4.19 in the counties of Dakota, Ramsey, and
4.20 Washington; and (2) 50 percent of the funds
4.21 must be allocated for projects in the counties
4.22 of Anoka, Carver, Hennepin, and Scott.

4.23 (j) \$500,000 in fiscal year 2015 is from the
4.24 general fund for grants to small business
4.25 development centers under Minnesota
4.26 Statutes, section 116J.68. Funds made
4.27 available under this section may be used to
4.28 match funds under the federal Small Business
4.29 Development Center (SBDC) program under
4.30 United States Code, title 15, section 648, to
4.31 provide consulting and technical services, or
4.32 to build additional SBDC network capacity
4.33 to serve entrepreneurs and small businesses.
4.34 The commissioner shall allocate funds
4.35 equally among the nine regional centers and

5.1 lead center. This is a onetime appropriation
5.2 and is available until expended.

5.3 (k) \$750,000 in fiscal year 2015 is from the
5.4 general fund for the innovation voucher pilot
5.5 program in article 2, section 9. This is a
5.6 onetime appropriation and is available until
5.7 expended. Of this amount, up to five percent
5.8 may be used for administration. Vouchers
5.9 require a 50 percent match by recipients.

5.10 (l) \$1,600,000 in fiscal year 2015 is
5.11 from the general fund for the Minnesota
5.12 Jobs Skills Partnership program under
5.13 Minnesota Statutes, section 116L.02. Of this
5.14 appropriation, \$600,000 is onetime and is
5.15 available until expended and \$1,000,000 is
5.16 added to the agency's base budget each year
5.17 for fiscal years 2016 and 2017.

5.18 (m)(1) \$500,000 in fiscal year 2015 is
5.19 from the general fund for grants to Women
5.20 Venture and the Women's Business Center
5.21 at Northeast Entrepreneur Fund to facilitate
5.22 and promote the creation and expansion of
5.23 women-owned businesses in Minnesota.

5.24 Funds available under this paragraph must
5.25 be allocated equally among grant recipients.

5.26 This is a onetime appropriation. Grant funds
5.27 may be used only for the purposes under
5.28 clause (2) except that up to ten percent of
5.29 each grant award may be used by grant
5.30 recipients for administrative costs.

5.31 (2) Grants awarded under this paragraph
5.32 must be used for: entrepreneurial training,
5.33 mentoring, and technical assistance
5.34 for the startup or expansion of eligible
5.35 women-owned businesses; development of

6.1 networks of potential investors for eligible
 6.2 women-owned businesses; and development
 6.3 of recruitment programs for mid-career
 6.4 women with an interest in starting eligible
 6.5 women-owned businesses.

6.6 (3) For the purposes of this paragraph,
 6.7 "eligible women-owned business" means a
 6.8 business entity: that is at least 51 percent
 6.9 female-owned or, in the case of a publicly
 6.10 traded business, at least 51 percent of the
 6.11 stock is female-owned; whose management
 6.12 and daily operations are controlled by
 6.13 women; that is organized for profit; that is
 6.14 projected to generate at least \$500,000 in
 6.15 annual revenue and create at least ten jobs,
 6.16 each of which pays an annual income equal
 6.17 to at least 200 percent of the federal poverty
 6.18 guideline adjusted for a family size of four;
 6.19 and that is in the field of construction;
 6.20 transportation; warehousing; agriculture;
 6.21 mining; finance; insurance; professional,
 6.22 technical, or scientific services; technology;
 6.23 or other industries with businesses meeting
 6.24 the revenue and job creation requirements
 6.25 of this clause.

6.26 (4) If an appropriation for this purpose
 6.27 is enacted more than once in the 2014
 6.28 legislative session, the appropriation must be
 6.29 given effect only once.

6.30 (n) \$450,000 in fiscal year 2015 is from the
 6.31 general fund for the Office of Regenerative
 6.32 Medicine under Minnesota Statutes, sections
 6.33 116J.886 to 116J.8862.

6.34 Subd. 3. **Workforce Development** 0 1,600,000

7.1 (a) \$75,000 in fiscal year 2015 is from
 7.2 the general fund for workforce program
 7.3 outcome activities under Minnesota Statutes,
 7.4 section 116L.98. Up to five percent of
 7.5 this appropriation may be used by the
 7.6 commissioner for administration of the
 7.7 program.

7.8 (b) \$500,000 in fiscal year 2015 is from
 7.9 the general fund to develop and implement
 7.10 the women and nontraditional jobs grant
 7.11 program under Minnesota Statutes, section
 7.12 116L.99. Funds available under this section
 7.13 must not supplant other funds available for
 7.14 the same purposes. If an appropriation for
 7.15 this purpose is enacted more than once in the
 7.16 2014 legislative session, the appropriation
 7.17 must be given effect only once.

7.18 (c) \$1,000,000 in fiscal year 2015 is from the
 7.19 general fund for training rebates under article
 7.20 2, section 11. This is a onetime appropriation
 7.21 and is available until expended.

7.22 (d) \$25,000 in fiscal year 2015 is from the
 7.23 general fund for the information technology
 7.24 apprenticeship pilot program under article
 7.25 2, section 13.

7.26 Subd. 4. **General Support Services** 0 500,000

7.27 \$500,000 in fiscal year 2015 is for
 7.28 establishing and operating the interagency
 7.29 Olmstead Implementation Office. This is a
 7.30 onetime appropriation and is available until
 7.31 expended.

7.32 Sec. 3. **DEPARTMENT OF LABOR AND**
 7.33 **INDUSTRY**

7.34 Subdivision 1. **Total Appropriation** \$ 0 \$ 275,000

8.1 The amounts that may be spent for each
 8.2 purpose are specified in the following
 8.3 subdivisions.

8.4 **Subd. 2. Labor Standards and Apprenticeship** 0 250,000

8.5 (a) \$250,000 in fiscal year 2015 is from
 8.6 the general fund for the labor education
 8.7 advancement program under Minnesota
 8.8 Statutes, section 178.11, to educate,
 8.9 promote, assist, and support women to
 8.10 enter apprenticeship programs in high-wage,
 8.11 high-demand nontraditional occupations.
 8.12 Funds available under this paragraph must
 8.13 not supplant other funds available for the
 8.14 same purpose. If an appropriation for this
 8.15 purpose is enacted more than once in the
 8.16 2014 legislative session, the appropriation
 8.17 must be given effect only once.

8.18 (b) The base for the department is increased
 8.19 by \$70,000 each year for implementing and
 8.20 administering a minimum wage inflation
 8.21 adjustment. This adjustment is available only
 8.22 if a law is enacted in the 2014 legislative
 8.23 session that includes an automatic inflation
 8.24 adjustment to the state minimum wage. The
 8.25 availability of this appropriation is effective
 8.26 in the same fiscal year that the inflation
 8.27 adjustment is first effective.

8.28 (c) \$25,000 in fiscal year 2015 is from the
 8.29 general fund for the precision manufacturing
 8.30 and health care services pilot program under
 8.31 article 2, section 12.

8.32 Sec. 4. Laws 2013, chapter 85, article 1, section 3, subdivision 2, is amended to read:

8.33 **Subd. 2. Business and Community**
 8.34 **Development** 53,642,000 45,407,000

9.1	Appropriations by Fund		
9.2	General	52,942,000	44,707,000
9.3	Remediation	700,000	700,000

9.4 (a)(1) \$15,000,000 each year is for the
 9.5 Minnesota investment fund under Minnesota
 9.6 Statutes, section 116J.8731. Of this amount,
 9.7 the commissioner of employment and
 9.8 economic development may use up to three
 9.9 percent for administrative expenses. This
 9.10 appropriation is available until spent.

9.11 (2) Of the amount available under clause
 9.12 (1), up to \$3,000,000 in fiscal year 2014
 9.13 is for a loan to facilitate initial investment
 9.14 in the purchase and operation of a
 9.15 biopharmaceutical manufacturing facility.
 9.16 This loan is not subject to the loan limitations
 9.17 under Minnesota Statutes, section 116J.8731,
 9.18 and shall be forgiven by the commissioner
 9.19 of employment and economic development
 9.20 upon verification of meeting performance
 9.21 goals. Purchases related to and for the
 9.22 purposes of this loan award must be made
 9.23 between January 1, 2013, and June 30, 2015.
 9.24 The amount under this clause is available
 9.25 until expended.

9.26 (3) Of the amount available under clause (1),
 9.27 up to \$2,000,000 is available for subsequent
 9.28 investment in the biopharmaceutical facility
 9.29 project in clause (2). The amount under this
 9.30 clause is available until expended. Loan
 9.31 thresholds under clause (2) must be achieved
 9.32 and maintained to receive funding. Loans
 9.33 are not subject to the loan limitations under
 9.34 Minnesota Statutes, section 116J.8731, and
 9.35 shall be forgiven by the commissioner of

10.1 employment and economic development
10.2 upon verification of meeting performance
10.3 goals. Purchases related to and for the
10.4 purposes of loan awards must be made during
10.5 the biennium the loan was received.

10.6 (4) Notwithstanding any law to the contrary,
10.7 the biopharmaceutical manufacturing facility
10.8 in this paragraph shall be deemed eligible
10.9 for the Minnesota job creation fund under
10.10 Minnesota Statutes, section 116J.8748,
10.11 by having at least \$25,000,000 in capital
10.12 investment and 190 retained employees.

10.13 (5) For purposes of clauses (1) to (4),
10.14 "biopharmaceutical" and "biologics" are
10.15 interchangeable and mean medical drugs
10.16 or medicinal preparations produced using
10.17 technology that uses biological systems,
10.18 living organisms, or derivatives of living
10.19 organisms, to make or modify products or
10.20 processes for specific use. The medical drugs
10.21 or medicinal preparations include but are not
10.22 limited to proteins, antibodies, nucleic acids,
10.23 and vaccines.

10.24 (b) \$12,000,000 each year is for the
10.25 Minnesota job creation fund under Minnesota
10.26 Statutes, section 116J.8748. Of this amount,
10.27 the commissioner of employment and
10.28 economic development may use up to three
10.29 percent for administrative expenses. This
10.30 appropriation is available until spent. The
10.31 base funding for this program shall be
10.32 \$12,500,000 each year in the fiscal year
10.33 2016-2017 biennium.

10.34 (c) \$1,272,000 each year is from the
10.35 general fund for contaminated site cleanup

- 11.1 and development grants under Minnesota
11.2 Statutes, sections 116J.551 to 116J.558. This
11.3 appropriation is available until expended.
- 11.4 (d) \$700,000 each year is from the
11.5 remediation fund for contaminated site
11.6 cleanup and development grants under
11.7 Minnesota Statutes, sections 116J.551 to
11.8 116J.558. This appropriation is available
11.9 until expended.
- 11.10 (e) \$1,425,000 the first year and \$1,425,000
11.11 the second year are from the general fund for
11.12 the business development competitive grant
11.13 program. Of this amount, up to five percent
11.14 is for administration and monitoring of the
11.15 business development competitive grant
11.16 program. All grant awards shall be for two
11.17 consecutive years. Grants shall be awarded
11.18 in the first year.
- 11.19 (f) \$4,195,000 each year is from the general
11.20 fund for the Minnesota job skills partnership
11.21 program under Minnesota Statutes, sections
11.22 116L.01 to 116L.17. If the appropriation for
11.23 either year is insufficient, the appropriation
11.24 for the other year is available. This
11.25 appropriation is available until spent.
- 11.26 (g) \$6,000,000 the first year is from the
11.27 general fund for the redevelopment program
11.28 under Minnesota Statutes, section 116J.571.
11.29 This is a onetime appropriation and is
11.30 available until spent.
- 11.31 (h) \$12,000 each year is from the general
11.32 fund for a grant to the Upper Minnesota Film
11.33 Office.
- 11.34 (i) \$325,000 each year is from the general
11.35 fund for the Minnesota Film and TV Board.

12.1 The appropriation in each year is available
12.2 only upon receipt by the board of \$1 in
12.3 matching contributions of money or in-kind
12.4 contributions from nonstate sources for every
12.5 \$3 provided by this appropriation, except that
12.6 each year up to \$50,000 is available on July
12.7 1 even if the required matching contribution
12.8 has not been received by that date.

12.9 (j) \$100,000 each year is for a grant to the
12.10 Northern Lights International Music Festival.

12.11 (k) \$5,000,000 each year is from the general
12.12 fund for a grant to the Minnesota Film
12.13 and TV Board for the film production jobs
12.14 program under Minnesota Statutes, section
12.15 116U.26. This appropriation is available
12.16 until expended. The base funding for this
12.17 program shall be \$1,500,000 each year in the
12.18 fiscal year 2016-2017 biennium.

12.19 (l) \$375,000 each year is from the general
12.20 fund for a grant to Enterprise Minnesota, Inc.,
12.21 for the small business growth acceleration
12.22 program under Minnesota Statutes, section
12.23 116O.115. This is a onetime appropriation.

12.24 (m) \$160,000 each year is from the general
12.25 fund for a grant to develop and implement
12.26 a southern and southwestern Minnesota
12.27 initiative foundation collaborative pilot
12.28 project. Funds available under this paragraph
12.29 must be used to support and develop
12.30 entrepreneurs in diverse populations in
12.31 southern and southwestern Minnesota. This
12.32 is a onetime appropriation and is available
12.33 until expended.

12.34 (n) \$100,000 each year is from the general
12.35 fund for the Center for Rural Policy

13.1 and Development. This is a onetime
13.2 appropriation.

13.3 (o) \$250,000 each year is from the general
13.4 fund for the Broadband Development Office.

13.5 (p) \$250,000 the first year is from the
13.6 general fund for a onetime grant to the St.
13.7 Paul Planning and Economic Development
13.8 Department for neighborhood stabilization
13.9 use in NSP3.

13.10 (q) \$1,235,000 the first year is from the
13.11 general fund for a onetime grant to a city
13.12 of the second class that is designated as an
13.13 economically depressed area by the United
13.14 States Department of Commerce. The
13.15 appropriation is for economic development,
13.16 redevelopment, and job creation programs
13.17 and projects. This appropriation is available
13.18 until expended.

13.19 (r) \$875,000 each year is from the general
13.20 fund for the Host Community Economic
13.21 Development Program established in
13.22 Minnesota Statutes, section 116J.548.

13.23 (s) \$750,000 the first year is from the general
13.24 fund for a onetime grant to the city of Morris
13.25 for loans or grants to agricultural processing
13.26 facilities for energy efficiency improvements.
13.27 Funds available under this section shall be
13.28 used to increase conservation and promote
13.29 energy efficiency through retrofitting existing
13.30 systems and installing new systems to
13.31 recover waste heat from industrial processes
13.32 and reuse energy. This appropriation is not
13.33 available until the commissioner determines
13.34 that ~~at least \$1,250,000~~ a match of \$750,000
13.35 is committed to the project from nonpublic

14.1 sources. This appropriation is available until
 14.2 expended.

14.3 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2013.

14.4 Sec. 5. Laws 2013, chapter 85, article 1, section 3, subdivision 6, is amended to read:

14.5 Subd. 6. **Vocational Rehabilitation** 27,691,000 27,691,000

14.6	Appropriations by Fund		
14.7	General	20,861,000	20,861,000
14.8	Workforce		
14.9	Development	6,830,000	6,830,000

14.10 (a) \$10,800,000 each year is from the general
 14.11 fund for the state's vocational rehabilitation
 14.12 program under Minnesota Statutes, chapter
 14.13 268A.

14.14 (b) \$2,261,000 each year is from the general
 14.15 fund for grants to centers for independent
 14.16 living under Minnesota Statutes, section
 14.17 268A.11.

14.18 (c) \$5,745,000 each year from the general
 14.19 fund and \$6,830,000 each year from the
 14.20 workforce development fund is for extended
 14.21 employment services for persons with
 14.22 severe disabilities under Minnesota Statutes,
 14.23 section 268A.15. The allocation of extended
 14.24 employment funds to Courage Center from
 14.25 July 1, 2012 to June 30, 2013 must be
 14.26 contracted to Allina Health systems from
 14.27 July 1, 2013 to June 30, ~~2014~~ 2015 to provide
 14.28 extended employment services in accordance
 14.29 with Minnesota Rules, parts 3300.2005 to
 14.30 3300.2055.

14.31 (d) \$2,055,000 each year is from the general
 14.32 fund for grants to programs that provide
 14.33 employment support services to persons with
 14.34 mental illness under Minnesota Statutes,

15.1 sections 268A.13 and 268A.14. The base
 15.2 appropriation for this program is \$1,555,000
 15.3 each year in the fiscal year 2016-2017
 15.4 biennium.

15.5 Sec. 6. Laws 2013, chapter 85, article 1, section 13, subdivision 5, is amended to read:

15.6 Subd. 5. **Telecommunications** 1,949,000 2,249,000

15.7	Appropriations by Fund		
15.8	General	1,009,000	1,009,000
15.9	Special Revenue	940,000	1,240,000

15.10 \$940,000 in fiscal year 2014 and \$1,240,000
 15.11 in fiscal year 2015 are appropriated to the
 15.12 commissioner from the telecommunication
 15.13 access fund for the following transfers. This
 15.14 appropriation is added to the department's
 15.15 base.

15.16 (1) \$500,000 in fiscal year 2014 and \$800,000
 15.17 in fiscal year 2015 to the commissioner of
 15.18 human services to supplement the ongoing
 15.19 operational expenses of the Commission
 15.20 of Deaf, DeafBlind, and Hard-of-Hearing
 15.21 Minnesotans;

15.22 (2) \$290,000 in fiscal year 2014 and \$290,000
 15.23 in fiscal year 2015 to the chief information
 15.24 officer for the purpose of coordinating
 15.25 technology accessibility and usability; and

15.26 (3) \$150,000 in fiscal year 2014 and \$150,000
 15.27 in fiscal year 2015 to the Legislative
 15.28 Coordinating Commission for captioning of
 15.29 legislative coverage and for a consolidated
 15.30 access fund for other state agencies. These
 15.31 transfers are subject to Minnesota Statutes,
 15.32 section 16A.281.

16.1 **ARTICLE 2**16.2 **ECONOMIC DEVELOPMENT AND WORKFORCE DEVELOPMENT**16.3 Section 1. **[116J.394] DEFINITIONS.**

16.4 (a) For the purposes of sections 116J.394 to 116J.396, the following terms have
16.5 the meanings given them.

16.6 (b) "Broadband" or "broadband service" has the meaning given in section 116J.39,
16.7 subdivision 1, paragraph (b).

16.8 (c) "Broadband infrastructure" means networks of deployed telecommunications
16.9 equipment and technologies necessary to provide high-speed Internet access and other
16.10 advanced telecommunications services for end users.

16.11 (d) "Commissioner" means the commissioner of employment and economic
16.12 development.

16.13 (e) "Last-mile infrastructure" means broadband infrastructure that serves as the
16.14 final leg connecting the broadband service provider's network to the end-use customer's
16.15 on-premises telecommunications equipment.

16.16 (f) "Middle-mile infrastructure" means broadband infrastructure that links a
16.17 broadband service provider's core network infrastructure to last-mile infrastructure.

16.18 (g) "Political subdivision" means any county, city, town, school district, special
16.19 district or other political subdivision, or public corporation.

16.20 (h) "Underserved areas" means areas of Minnesota in which households or businesses
16.21 lack access to wire-line broadband service at speeds that meet the state broadband goals of
16.22 ten to 20 megabits per second download and five to ten megabits per second upload.

16.23 (i) "Unserved areas" means areas of Minnesota in which households or businesses
16.24 lack access to wire-line broadband service at speeds that meet a Federal Communications
16.25 Commission threshold of four megabits per second download and one megabit per second
16.26 upload.

16.27 **Sec. 2. [116J.395] BORDER-TO-BORDER BROADBAND DEVELOPMENT**
16.28 **GRANT PROGRAM.**

16.29 Subdivision 1. **Establishment.** A grant program is established under the Department
16.30 of Employment and Economic Development to award grants to eligible applicants in order
16.31 to promote the expansion of access to broadband service in unserved or underserved
16.32 areas of the state.

16.33 Subd. 2. **Eligible expenditures.** Grants may be awarded under this section to fund
16.34 the acquisition and installation of middle-mile and last-mile infrastructure that support

17.1 broadband service scalable to speeds of at least 100 megabits per second download and
17.2 100 megabits per second upload.

17.3 Subd. 3. **Eligible applicants.** Eligible applicants for grants awarded under this
17.4 section include:

17.5 (1) an incorporated business or a partnership;

17.6 (2) a political subdivision;

17.7 (3) an Indian tribe;

17.8 (4) a Minnesota nonprofit organization organized under chapter 317A;

17.9 (5) a Minnesota cooperative association organized under chapter 308A or 308B; and

17.10 (6) a Minnesota limited liability corporation organized under chapter 322B for the
17.11 purpose of expanding broadband access.

17.12 Subd. 4. **Application process.** An eligible applicant must submit an application
17.13 to the commissioner on a form prescribed by the commissioner. The commissioner shall
17.14 develop administrative procedures governing the application and grant award process.

17.15 The commissioner shall act as fiscal agent for the grant program and shall be responsible
17.16 for receiving and reviewing grant applications and awarding grants under this section.

17.17 Subd. 5. **Application contents.** An applicant for a grant under this section shall
17.18 provide the following information on the application:

17.19 (1) the location of the project;

17.20 (2) the kind and amount of broadband infrastructure to be purchased for the project;

17.21 (3) evidence regarding the unserved or underserved nature of the community in
17.22 which the project is to be located;

17.23 (4) the number of households passed that will have access to broadband service as a
17.24 result of the project, or whose broadband service will be upgraded as a result of the project;

17.25 (5) significant community institutions that will benefit from the proposed project;

17.26 (6) evidence of community support for the project;

17.27 (7) the total cost of the project;

17.28 (8) sources of funding or in-kind contributions for the project that will supplement
17.29 any grant award; and

17.30 (9) any additional information requested by the commissioner.

17.31 Subd. 6. **Awarding grants.** (a) In evaluating applications and awarding grants, the
17.32 commissioner shall give priority to applications that are constructed in areas identified by
17.33 the director of the Office of Broadband Development as unserved.

17.34 (b) In evaluating applications and awarding grants, the commissioner may give
17.35 priority to applications that:

18.1 (1) are constructed in areas identified by the director of the Office of Broadband
 18.2 Development as underserved;

18.3 (2) offer new or substantially upgraded broadband service to important community
 18.4 institutions including, but not limited to, libraries, educational institutions, public safety
 18.5 facilities, and healthcare facilities;

18.6 (3) facilitate the use of telemedicine and electronic health records;

18.7 (4) serve economically distressed areas of the state, as measured by indices of
 18.8 unemployment, poverty, or population loss that are significantly greater than the statewide
 18.9 average;

18.10 (5) provide technical support and train residents, businesses, and institutions in the
 18.11 community served by the project to utilize broadband service;

18.12 (6) include a component to actively promote the adoption of the newly available
 18.13 broadband services in the community;

18.14 (7) provide evidence of strong support for the project from citizens, government,
 18.15 businesses, and institutions in the community;

18.16 (8) provide access to broadband service to a greater number of unserved or
 18.17 underserved households and businesses; or

18.18 (9) leverage greater amounts of funding for the project from other private and
 18.19 public sources.

18.20 (c) The commissioner shall endeavor to award grants under this section to qualified
 18.21 applicants in all regions of the state.

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

18.23 **Sec. 3. [116J.396] BORDER-TO-BORDER BROADBAND FUND.**

18.24 Subdivision 1. **Account established.** The border-to-border broadband fund account
 18.25 is established as a separate account in the special revenue fund in the state treasury. The
 18.26 commissioner shall credit to the account appropriations and transfers to the account.

18.27 Earnings, such as interest, dividends, and any other earnings arising from assets of the
 18.28 account, must be credited to the account. Funds remaining in the account at the end of a
 18.29 fiscal year are not canceled to the general fund, but remain in the account until expended.

18.30 The commissioner shall manage the account.

18.31 Subd. 2. **Expenditures.** Money in the account may be used only:

18.32 (1) for grant awards made under section 116J.395, including up to three percent of
 18.33 the total amount appropriated for grants awarded under that section for costs incurred by
 18.34 the Department of Employment and Economic Development to administer that section; or

19.1 (2) to supplement revenues raised by bonds sold by local units of government for
19.2 broadband infrastructure development.

19.3 Subd. 3. **Restrictions.** (a) Except as provided in paragraph (c), in any fiscal year, no
19.4 more than one-third of the funds expended from the account established in this section
19.5 shall be awarded to applicants located in areas whose household density exceeds 100
19.6 households per square mile, as determined by the state demographer.

19.7 (b) Except as provided in paragraph (c), in any fiscal year, no more than two-thirds
19.8 of the funds expended from the account established in this section shall be awarded to
19.9 applicants located in areas whose household density is less than 100 households per square
19.10 mile, as determined by the state demographer.

19.11 (c) If applications are insufficient to exhaust all funds available in a given grant
19.12 round under the restrictions imposed in paragraph (a) or (b), the unexpended funds may
19.13 be awarded to eligible applicants, as determined by the commissioner, irrespective of the
19.14 population density of the area in which the applicant is located.

19.15 Subd. 4. **Appropriation.** Money in the account is appropriated to the commissioner
19.16 for the purposes of subdivision 2.

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

19.18 Sec. 4. **[116J.886] CITATION; REGENERATIVE MEDICINE DEVELOPMENT**
19.19 **ACT.**

19.20 Sections 116J.886 to 116J.8862 shall be known as the Regenerative Medicine
19.21 Development Act to promote private sector investment in regenerative medicine to
19.22 strengthen the state's economy, reduce the long-term costs related to treating debilitating
19.23 illnesses, advance the regenerative medicine industry, and facilitate and expand clinical
19.24 research opportunities in the state.

19.25 Sec. 5. **[116J.8861] DEFINITIONS.**

19.26 Subdivision 1. **Definitions.** For the purposes of sections 116J.886 to 116J.8862, the
19.27 following terms have the meanings given them.

19.28 Subd. 2. **Business development services.** "Business development services"
19.29 means business incubator services and services to facilitate access to existing publicly
19.30 or privately financed grants, loans, or loan guarantees, and to support basic or applied
19.31 research, development of therapies, and development of pharmacologies and treatments
19.32 through preclinical or clinical trials.

19.33 Subd. 3. **Commissioner.** "Commissioner" means the commissioner of employment
19.34 and economic development.

20.1 Subd. 4. **Office.** "Office" means the Office of Regenerative Medicine Development
20.2 established under section 116J.8862.

20.3 Subd. 5. **Regenerative medicine.** "Regenerative medicine" means the process of
20.4 creating or using living, functional tissue to augment, repair, replace, or regenerate organs
20.5 and tissue that have been damaged by disease, injury, aging, or other biological processes.

20.6 Subd. 6. **Regenerative medicine development project or project.** "Regenerative
20.7 medicine development project" or "project" means any research, product development,
20.8 or commercial venture relating to basic, preclinical, or clinical work to produce a drug,
20.9 biological or chemical material, compound, or medical device designed to augment,
20.10 repair, replace, or regenerate organs and tissue that have been damaged by disease, injury,
20.11 aging, or other biological processes.

20.12 Sec. 6. **[116J.8862] OFFICE OF REGENERATIVE MEDICINE**
20.13 **DEVELOPMENT.**

20.14 Subdivision 1. **Established.** The commissioner shall establish an Office of
20.15 Regenerative Medicine Development to provide business development services and
20.16 outreach to promote and expand the regenerative medicine industry in Minnesota.

20.17 Subd. 2. **Consultation.** The office must regularly consult with external stakeholders,
20.18 and must conduct public meetings to gather input. For the purposes of this section,
20.19 external stakeholders must include:

20.20 (1) the director of the Minnesota Stem Cell Institute at the University of Minnesota;

20.21 (2) a representative of a Minnesota-based trade association with the largest number
20.22 of bioscience companies as its membership;

20.23 (3) a representative of a Minnesota-based trade association with the largest number
20.24 of hospitals as its membership; and

20.25 (4) a representative of the largest private entity in Minnesota conducting research
20.26 into the benefits and uses of regenerative medicine.

20.27 Subd. 3. **Outside funding.** The commissioner, on behalf of the office, may accept
20.28 appropriations, gifts, grants, and bequests.

20.29 Subd. 4. **Public infrastructure grant program.** The commissioner shall coordinate
20.30 the services and activities of the office with the innovative business development public
20.31 infrastructure program under section 116J.435.

20.32 Subd. 5. **Fiscal planning.** By December 15, 2014, the commissioner shall develop a
20.33 long-term budget proposal for the office for fiscal years 2016 to 2024 to provide business
20.34 development services to regenerative medicine development projects.

21.1 Subd. 6. **Project applications; selection.** (a) The office shall provide business
21.2 development services to eligible regenerative medicine development projects approved by
21.3 the commissioner. To be eligible for business development services under this section, a
21.4 regenerative medicine development project must:

21.5 (1) demonstrate that at least 70 percent of the project costs are paid from nonstate
21.6 sources. The nonstate share may include federal funds and the prior purchase of scientific
21.7 equipment and materials incidental to the project, provided the purchase is completed not
21.8 more than two years prior to the approval of funding by the commissioner;

21.9 (2) not duplicate or supplant any other research or other project already conducted
21.10 by the federal government, or for which federal funding is available; and

21.11 (3) demonstrate that project activities are carried out directly by the grant recipient.

21.12 (b) The commissioner shall establish an application and process for approving
21.13 projects. Project applications must include the following information:

21.14 (1) evidence that the required match is available and committed;

21.15 (2) a detailed estimate, along with necessary supporting evidence, of the total cost
21.16 of the project;

21.17 (3) an assessment of the potential to attract new or continue existing public and
21.18 private research grant awards resulting from the project;

21.19 (4) a detailed risk analysis projecting the likelihood of clinical success resulting in
21.20 revenues or royalty payments from the project;

21.21 (5) an assessment of the likelihood for and potential cost savings for publicly
21.22 funded health care and long-term care programs from the project as a result of reducing
21.23 the incidence or lowering the treatment costs of debilitating illnesses and diseases over
21.24 the next ten years;

21.25 (6) a timeline indicating the major milestones of research projects and their
21.26 anticipated completion dates, including any previously completed similar research; and

21.27 (7) an estimate of any potential current and future employment opportunities
21.28 within the state, stimulation of economic growth, and the possibility for advancing the
21.29 development of commercially successful and affordable regenerative medicine products,
21.30 processes, or services. The application requirements are not in priority order and the
21.31 commissioner may weigh each item, depending upon the facts and circumstances, as
21.32 the commissioner considers appropriate.

21.33 Subd. 7. **Report.** The commissioner, on behalf of the office, must report to the
21.34 legislative chairs with jurisdiction over economic development by January 1 of each
21.35 odd-numbered year on successful economic development projects implemented or
21.36 initiated since their last report and on plans for the upcoming year.

22.1 Subd. 8. **Sunset.** The office established under this section expires June 30, 2024.

22.2 Sec. 7. Minnesota Statutes 2012, section 116L.98, is amended to read:

22.3 **116L.98 WORKFORCE PROGRAM OUTCOMES.**

22.4 Subdivision 1. **Requirements.** The commissioner shall develop and implement a
 22.5 set of standard approaches for assessing the outcomes of workforce programs under this
 22.6 chapter. The outcomes assessed must include, but are not limited to, periodic comparisons
 22.7 of workforce program participants and nonparticipants uniform outcome measurement
 22.8 and reporting system for adult workforce-related programs funded in whole or in part by
 22.9 the workforce development fund.

22.10 ~~The commissioner shall also monitor the activities and outcomes of programs and~~
 22.11 ~~services funded by legislative appropriations and administered by the department on a~~
 22.12 ~~pass-through basis and develop a consistent and equitable method of assessing recipients~~
 22.13 ~~for the costs of its monitoring activities.~~

22.14 Subd. 2. **Definitions.** (a) For the purposes of this section, the terms defined in
 22.15 this subdivision have the meanings given.

22.16 (b) "Credential" means postsecondary degrees, diplomas, licenses, and certificates
 22.17 awarded in recognition of an individual's attainment of measurable technical or
 22.18 occupational skills necessary to obtain employment or advance with an occupation.
 22.19 This definition does not include certificates awarded by workforce investment boards or
 22.20 work-readiness certificates.

22.21 (c) "Exit" means to have not received service under a workforce program for 90
 22.22 consecutive calendar days. The exit date is the last date of service.

22.23 (d) "Net impact" means the use of matched control groups and regression analysis to
 22.24 estimate the impacts attributable to program participation net of other factors, including
 22.25 observable personal characteristics and economic conditions.

22.26 (e) "Pre-enrollment" means the period of time before an individual was enrolled
 22.27 in a workforce program.

22.28 Subd. 3. **Uniform outcome report card; reporting by commissioner.** (a) By
 22.29 December 31 of each even-numbered year, the commissioner must report to the chairs
 22.30 and ranking minority members of the committees of the house of representatives and the
 22.31 senate having jurisdiction over economic development and workforce policy and finance
 22.32 the following information separately for each of the previous two fiscal or calendar years,
 22.33 for each program subject to the requirements of subdivision 1:

22.34 (1) the total number of participants enrolled;

23.1 (2) the median pre-enrollment wages based on participant wages for the second
23.2 through the fifth calendar quarters immediately preceding the quarter of enrollment
23.3 excluding those with zero income;

23.4 (3) the total number of participants with zero income in the second through fifth
23.5 calendar quarters immediately preceding the quarter of enrollment;

23.6 (4) the total number of participants enrolled in training;

23.7 (5) the total number of participants enrolled in training by occupational group;

23.8 (6) the total number of participants that exited the program and the average
23.9 enrollment duration of participants that have exited the program during the year;

23.10 (7) the total number of exited participants who completed training;

23.11 (8) the total number of exited participants who attained a credential;

23.12 (9) the total number of participants employed during three consecutive quarters
23.13 immediately following the quarter of exit, by industry;

23.14 (10) the median wages of participants employed during three consecutive quarters
23.15 immediately following the quarter of exit;

23.16 (11) the total number of participants employed during eight consecutive quarters
23.17 immediately following the quarter of exit, by industry; and

23.18 (12) the median wages of participants employed during eight consecutive quarters
23.19 immediately following the quarter of exit.

23.20 (b) The report to the legislature must contain participant information by education
23.21 level, race and ethnicity, gender, and geography, and a comparison of exited participants
23.22 who completed training and those who did not.

23.23 (c) The requirements of this section apply to programs administered directly by the
23.24 commissioner or administered by other organizations under a grant made by the department.

23.25 Subd. 4. **Data to commissioner; uniform report card.** (a) A recipient of a future
23.26 or past grant or direct appropriation made by or through the department must report data
23.27 to the commissioner by September 1 of each even-numbered year on each of the items in
23.28 subdivision 3 for each program it administers except wages and number employed, which
23.29 the department shall provide. The data must be in a format prescribed by the commissioner.

23.30 (b) Beginning July 1, 2014, the commissioner shall provide notice to grant applicants
23.31 and recipients regarding the data collection and reporting requirements under this
23.32 subdivision and must provide technical assistance to applicants and recipients to assist
23.33 in complying with the requirements of this subdivision.

23.34 Subd. 5. **Information.** The information collected and reported under subdivisions 3
23.35 and 4 shall be made available on the department's Web site.

24.1 Subd. 6. **Limitations on future appropriations.** (a) A program that is a recipient
24.2 of public funds and subject to the requirements of this section as of May 1, 2014, is not
24.3 eligible for additional state appropriations for any fiscal year beginning after June 30,
24.4 2015, unless all of the reporting requirements under subdivision 4 have been satisfied.

24.5 (b) A program with an initial request for funds on or after the effective date of this
24.6 section may be considered for receipt of public funds for the first two fiscal years only
24.7 if a plan that demonstrates how the data collection and reporting requirements under
24.8 subdivision 4 will be met has been submitted and approved by the commissioner. Any
24.9 subsequent request for funds after an initial request is subject to the requirements of
24.10 paragraph (a).

24.11 Subd. 7. **Workforce program net impact analysis.** (a) The commissioner
24.12 shall contract with an independent entity to conduct a net impact analysis for adult
24.13 workforce-related programs funded in whole or in part by the workforce development
24.14 fund. The requirements of this section apply to programs administered directly by the
24.15 commissioner or administered by other employment organizations under a grant made by
24.16 the department. The net impact methodology used by the independent entity should be
24.17 based on the methodology and evaluation design used in paragraph (c) and must include:

24.18 (1) standardized statistical methods for estimating the net impacts of workforce
24.19 services on individual employment, earnings, incarceration avoidance where appropriate,
24.20 and public benefits usage outcomes; and

24.21 (2) standardized cost-benefit analysis for understanding the monetary impacts of
24.22 workforce services from the participant and taxpayer points of view.

24.23 (b) By January 15 of the odd year of every other biennium, the commissioner must
24.24 report to the chairs and ranking minority members of the committees of the house of
24.25 representatives and senate having jurisdiction over economic development and workforce
24.26 policy and finance the following information for each program subject to this subdivision:

24.27 (1) the net impact of workforce services on individual employment, earnings, and
24.28 public benefits usage outcomes; and

24.29 (2) cost-benefit analyses for understanding the monetary impacts of workforce
24.30 services from the participant and taxpayer points of view. The report must be made
24.31 available to the public in an electronic format on the Department of Employment and
24.32 Economic Development's Web site.

24.33 The department is authorized to create and maintain data-sharing agreements with
24.34 other departments, including corrections, human services, and any other department that
24.35 are necessary to complete the analysis. The department shall supply the information

25.1 collected for use by the independent entity conducting net impact analysis pursuant to the
25.2 data practices requirements under chapters 13, 13A, 13B, and 13C.

25.3 (c) By January 15, 2015, the commissioner, in partnership with the Governor's
25.4 Workforce Development Council, must report to the chairs and ranking minority members
25.5 of the committees of the house of representatives and senate having jurisdiction over
25.6 economic development and workforce policy and finance the results of the net impact
25.7 pilot project already underway.

25.8 Sec. 8. Minnesota Statutes 2012, section 181A.07, is amended by adding a subdivision
25.9 to read:

25.10 Subd. 7. **Approved training programs.** The commissioner may grant exemptions
25.11 from any provisions of sections 181A.01 to 181A.12 for minors participating in training
25.12 programs approved by the commissioner; or students in a valid apprenticeship program
25.13 taught by or required by a trade union, the commissioner of education, the commissioner
25.14 of employment and economic development, the Board of Trustees of the Minnesota State
25.15 Colleges and Universities, or the Board of Regents of the University of Minnesota.

25.16 Sec. 9. **INNOVATION VOUCHER PILOT PROGRAM.**

25.17 (a) The commissioner of employment and economic development shall develop and
25.18 implement an innovation voucher pilot program to provide financing to small businesses
25.19 to purchase technical assistance and services from public higher education institutions
25.20 and nonprofit entities to assist in the development or commercialization of innovative
25.21 new products or services.

25.22 (b) Funds available under this section may be used by a small business to access
25.23 technical assistance and other services including, but not limited to: research, technical
25.24 development, product development, commercialization, technology exploration, and
25.25 improved business practices.

25.26 (c) To be eligible for a voucher under this section, a business must enter into an
25.27 agreement with the commissioner that includes:

25.28 (1) a list of the technical assistance and services the business proposes to purchase
25.29 and from whom the services will be purchased; and

25.30 (2) deliverable outcomes in one of the following areas:

25.31 (i) research and development;

25.32 (ii) business model development;

25.33 (iii) market feasibility;

25.34 (iv) operations; or

26.1 (v) other outcomes determined by the commissioner.

26.2 As part of the agreement, the commissioner must approve the technical assistance and
26.3 services to be purchased, and the entities from which the services or technical assistance
26.4 will be purchased.

26.5 (d) For the purposes of this section, a small business means a business with fewer
26.6 than 25 employees.

26.7 (e) A voucher award must not exceed \$25,000 per business.

26.8 (f) The commissioner must report to the chairs of the committees of the house of
26.9 representatives and senate having jurisdiction over economic development and workforce
26.10 policy and finance issues by December 1, 2014, on the vouchers awarded to date.

26.11 **Sec. 10. COMMISSIONER'S ACCOUNTABILITY PLAN.**

26.12 By December 1, 2014, the commissioner shall report to the committees of the
26.13 house of representatives and senate having jurisdiction over workforce development
26.14 and economic development policy and finance issues, on the department's plan, and any
26.15 request for funding, to design and implement a performance accountability outcome
26.16 measurement system for programs under Minnesota Statutes, chapters 116J and 116L.

26.17 **Sec. 11. NEW EMPLOYEE TRAINING PARTNERSHIP.**

26.18 Subdivision 1. **Training partnership initiative.** (a) The commissioner of
26.19 employment and economic development shall develop and implement a new employee
26.20 training partnership to provide rebates to employers that hire and train new employees. To
26.21 be eligible for a rebate under this section, an employer must enter into an agreement with
26.22 the commissioner under subdivision 3. The commissioner shall give priority to employers
26.23 in counties in which the county unemployment rate over the preceding 12 months exceeded
26.24 the state average unemployment rate by 1.5 percentage points over the same period.

26.25 (b) Before entering into an agreement with an employer, the commissioner must
26.26 investigate the applicability of other training programs and determine whether the job skills
26.27 partnership grant program is a more suitable source of funding for the training and whether
26.28 the training can be completed in a timely manner that meets the needs of the employer.

26.29 The investigation must be completed within 15 days or as soon as reasonably possible
26.30 after the employer has provided the commissioner with all the requested information.

26.31 (c) The commissioner shall prescribe the form of all applications for rebates, the
26.32 timing for submission of applications, the execution of agreements with the commissioner,
26.33 and the payment of rebates.

27.1 Subd. 2. Definitions. (a) For the purposes of this section, the terms in this
27.2 subdivision have the meanings given.

27.3 (b) "Agreement" means the agreement between an employer and the commissioner
27.4 for a training partnership.

27.5 (c) "Commissioner" means the commissioner of employment and economic
27.6 development.

27.7 (d) "Cost of training" means all necessary and incidental costs of providing training
27.8 services. The term does not include the cost of purchasing equipment to be owned or used
27.9 by the training or educational institution or service.

27.10 (e) "Disability" has the meaning given under United States Code, title 42, chapter 126.

27.11 (f) "Employee" means an individual employed in a new job.

27.12 (g) "Employer" means an individual, corporation, partnership, limited liability
27.13 company, or association providing new jobs and entering into an agreement.

27.14 (h) "Long-term unemployed" has the meaning given by the United States Department
27.15 of Labor, Bureau of Labor Standards.

27.16 (i) "New job" means a job:

27.17 (1) that is provided by a new or expanding business at a location outside of the
27.18 metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2;

27.19 (2) that provides 32 hours of work per week for a minimum of nine months of the
27.20 year and is permanent with no planned termination date; and

27.21 (3) for which the employee hired was not (i) formerly employed by the employer
27.22 in the state or (ii) a replacement worker, including a worker newly hired as a result of a
27.23 labor dispute.

27.24 (j) "Rebate" means a payment by the commissioner to an employer for the cost
27.25 of training an employee. Rebates are limited to a maximum of \$3,000 per employee,
27.26 except that the maximum rebate for the training costs of an employee with a disability, an
27.27 employee who was considered long-term unemployed, or an employee who is a veteran,
27.28 is \$4,000 per employee.

27.29 (k) "Training partnership" means a training services and rebate arrangement that is
27.30 the subject of an agreement entered into between the commissioner and an employer.

27.31 (l) "Training services" means training and education specifically directed to new
27.32 jobs, determined to be appropriate by the commissioner, including in-house training;
27.33 services provided by institutions of higher education, or federal, state, or local agencies; or
27.34 private training or educational services. Administrative services, assessment, and testing
27.35 costs may be considered as training services.

28.1 Subd. 3. **Agreements; required terms.** To be eligible for a rebate under this
28.2 section, an employer must enter into an agreement with the commissioner that:

28.3 (1) identifies the training costs to be incurred by the employer, who will provide the
28.4 training services, and the amount of the rebate to be provided by the commissioner;

28.5 (2) provides for a guarantee by the employer of payment for all training costs; and

28.6 (3) provides that each employee must be paid wages of at least \$13 per hour, plus
28.7 benefits, except that during a period not to exceed three weeks, during which an employee
28.8 is receiving training services, the employee may be paid wages of at least \$11 per hour,
28.9 plus benefits.

28.10 Subd. 4. **Verification prior to payment of rebate.** The commissioner shall not
28.11 pay any rebate until all training costs and payment of the training costs by the employer
28.12 have been verified.

28.13 Subd. 5. **Allocation.** (a) The commissioner shall allocate payment for rebates
28.14 to employers only after receipt of a complete application for the rebate, including the
28.15 provision of all of the required information and the execution of an agreement and
28.16 approval by the commissioner. In approving applications, the commissioner must give
28.17 priority to employers in counties with high seasonally adjusted unemployment rates.

28.18 (b) The commissioner may utilize existing on-the-job training rebate or payment
28.19 processes or procedures.

28.20 Subd. 6. **Report.** By February 1, 2015, the commissioner shall report to the
28.21 committees of the house of representatives and the senate having jurisdiction over economic
28.22 development policy and finance. The report must include the following information:

28.23 (1) the total amount of rebates issued;

28.24 (2) the number of individuals receiving training, including disaggregate data
28.25 for employees who are individuals with disabilities, veterans, or who were long-term
28.26 unemployed;

28.27 (3) an analysis of the effectiveness of the rebate in encouraging employment; and

28.28 (4) any other information the commissioner determines appropriate.

28.29 Sec. 12. **PILOT PROGRAMS; PRECISION MANUFACTURING AND HEALTH**
28.30 **CARE SERVICES.**

28.31 The commissioner of labor and industry shall establish pilot programs to develop
28.32 competency standards for apprenticeship programs in precision manufacturing and health
28.33 care services. The pilot programs shall be administered by the registered apprenticeship
28.34 program within the Department of Labor and Industry. In establishing the pilot programs,
28.35 the commissioner may convene recognized industry experts and representative employers

29.1 to assist in defining credible competency standards acceptable to the information
29.2 technology and health care services industries.

29.3 **Sec. 13. PILOT PROGRAM; INFORMATION TECHNOLOGY.**

29.4 The commissioner of employment and economic development shall establish a pilot
29.5 program to develop competency standards for an information technology apprenticeship
29.6 program. In establishing the pilot program, the commissioner may convene recognized
29.7 industry experts and representative employers to define credible competency standards
29.8 acceptable to the information technology industry.

29.9 **Sec. 14. OUTCOMES.**

29.10 The outcomes expected from each of the pilot programs listed in sections 12 and
29.11 13 include:

29.12 (1) establishment of competency standards for entry level and at least two additional
29.13 higher skill levels for apprenticeship training in each industry;

29.14 (2) verification of competency standards and skill levels and their transferability by
29.15 representatives of each respective industry;

29.16 (3) clarification of ways for Minnesota educational institutions to engage in
29.17 providing training to meet the competency standards established; and

29.18 (4) participation from the identified industry sectors.

29.19 **Sec. 15. REPEALER.**

29.20 Minnesota Statutes 2012, section 116J.997, is repealed.

29.21 **ARTICLE 3**

29.22 **WORKERS' COMPENSATION**

29.23 Section 1. Minnesota Statutes 2013 Supplement, section 176.011, subdivision 15,
29.24 is amended to read:

29.25 Subd. 15. **Occupational disease.** (a) "Occupational disease" means a mental
29.26 impairment as defined in paragraph (d) or physical disease arising out of and in the
29.27 course of employment peculiar to the occupation in which the employee is engaged
29.28 and due to causes in excess of the hazards ordinary of employment and shall include
29.29 undulant fever. Physical stimulus resulting in mental injury and mental stimulus resulting
29.30 in physical injury shall remain compensable. Mental impairment is not considered a
29.31 disease if it results from a disciplinary action, work evaluation, job transfer, layoff,
29.32 demotion, promotion, termination, retirement, or similar action taken in good faith by the

30.1 employer. Ordinary diseases of life to which the general public is equally exposed outside
30.2 of employment are not compensable, except where the diseases follow as an incident of an
30.3 occupational disease, or where the exposure peculiar to the occupation makes the disease
30.4 an occupational disease hazard. A disease arises out of the employment only if there be a
30.5 direct causal connection between the conditions under which the work is performed and
30.6 if the occupational disease follows as a natural incident of the work as a result of the
30.7 exposure occasioned by the nature of the employment. An employer is not liable for
30.8 compensation for any occupational disease which cannot be traced to the employment as a
30.9 direct and proximate cause and is not recognized as a hazard characteristic of and peculiar
30.10 to the trade, occupation, process, or employment or which results from a hazard to which
30.11 the worker would have been equally exposed outside of the employment.

30.12 (b) If immediately preceding the date of disablement or death, an employee was
30.13 employed on active duty with an organized fire or police department of any municipality,
30.14 as a member of the Minnesota State Patrol, conservation officer service, state crime bureau,
30.15 as a forest officer by the Department of Natural Resources, state correctional officer, or
30.16 sheriff or full-time deputy sheriff of any county, and the disease is that of myocarditis,
30.17 coronary sclerosis, pneumonia or its sequel, and at the time of employment such employee
30.18 was given a thorough physical examination by a licensed doctor of medicine, and a written
30.19 report thereof has been made and filed with such organized fire or police department, with
30.20 the Minnesota State Patrol, conservation officer service, state crime bureau, Department
30.21 of Natural Resources, Department of Corrections, or sheriff's department of any county,
30.22 which examination and report negated any evidence of myocarditis, coronary sclerosis,
30.23 pneumonia or its sequel, the disease is presumptively an occupational disease and shall
30.24 be presumed to have been due to the nature of employment. If immediately preceding
30.25 the date of disablement or death, any individual who by nature of their position provides
30.26 emergency medical care, or an employee who was employed as a licensed police officer
30.27 under section 626.84, subdivision 1; firefighter; paramedic; state correctional officer;
30.28 emergency medical technician; or licensed nurse providing emergency medical care; and
30.29 who contracts an infectious or communicable disease to which the employee was exposed
30.30 in the course of employment outside of a hospital, then the disease is presumptively an
30.31 occupational disease and shall be presumed to have been due to the nature of employment
30.32 and the presumption may be rebutted by substantial factors brought by the employer
30.33 or insurer. Any substantial factors which shall be used to rebut this presumption and
30.34 which are known to the employer or insurer at the time of the denial of liability shall be
30.35 communicated to the employee on the denial of liability.

31.1 (c) A firefighter on active duty with an organized fire department who is unable
31.2 to perform duties in the department by reason of a disabling cancer of a type caused
31.3 by exposure to heat, radiation, or a known or suspected carcinogen, as defined by the
31.4 International Agency for Research on Cancer, and the carcinogen is reasonably linked to
31.5 the disabling cancer, is presumed to have an occupational disease under paragraph (a). If a
31.6 firefighter who enters the service after August 1, 1988, is examined by a physician prior to
31.7 being hired and the examination discloses the existence of a cancer of a type described
31.8 in this paragraph, the firefighter is not entitled to the presumption unless a subsequent
31.9 medical determination is made that the firefighter no longer has the cancer.

31.10 (d) For the purposes of this chapter, "mental impairment" means a diagnosis of
31.11 post-traumatic stress disorder by a licensed psychiatrist or psychologist. For the purposes
31.12 of this chapter, "post-traumatic stress disorder" means the condition as described in
31.13 the most recently published edition of the Diagnostic and Statistical Manual of Mental
31.14 Disorders by the American Psychiatric Association. For purposes of section 79.34,
31.15 subdivision 2, one or more compensable mental impairment claims arising out of a single
31.16 event or occurrence shall constitute a single loss occurrence.

31.17 **EFFECTIVE DATE.** This section is effective for employees with dates of injury on
31.18 or after October 1, 2013.

31.19 Sec. 2. Minnesota Statutes 2012, section 176.129, subdivision 2a, is amended to read:

31.20 Subd. 2a. **Payments to fund.** (a) On or before April 1 of each year, all self-insured
31.21 employers shall report paid indemnity losses and insurers shall report paid indemnity
31.22 losses and standard workers' compensation premium in the form and manner prescribed
31.23 by the commissioner. On June 1 of each year, the commissioner shall determine the
31.24 total amount needed to pay all estimated liabilities, including administrative expenses,
31.25 of the special compensation fund for the following fiscal year. The commissioner shall
31.26 assess this amount against self-insured employers and insurers. The total amount of the
31.27 assessment must be allocated between self-insured employers and insured employers
31.28 based on paid indemnity losses for the preceding calendar year, as provided by paragraph
31.29 (b). The method of assessing self-insured employers must be based on paid indemnity
31.30 losses, as provided by paragraph (c). The method of assessing insured employers is based
31.31 on standard workers' compensation premium, as provided by paragraph (c). Each insurer
31.32 shall collect the assessment through a policyholder surcharge as provided by paragraph
31.33 (d). On or before June 30 of each year, the commissioner shall provide notification to each
31.34 self-insured employer and insurer of amounts due. Each self-insured employer and each
31.35 insurer shall pay at least one-half of the amount due to the commissioner for deposit into

32.1 the special compensation fund on or before August 1 of the same calendar year. The
32.2 remaining balance is due on February 1 of the following calendar year. Each insurer must
32.3 pay the full amount due as stated in the commissioner's notification, regardless of the
32.4 amount the insurer actually collects from the premium policyholder surcharge.

32.5 (b) The portion of the total assessment that is allocated to self-insured employers
32.6 is the proportion that paid indemnity losses made by all self-insured employers bore to
32.7 the total paid indemnity losses made by all self-insured employers and insured employers
32.8 during the preceding calendar year. The portion of the total assessment that is allocated
32.9 to insured employers is the proportion that paid indemnity losses made on behalf of
32.10 all insured employers bore to the total paid indemnity losses made by all self-insured
32.11 employers and insured employers during the preceding calendar year.

32.12 (c) The portion of the total assessment allocated to self-insured employers that
32.13 shall be paid by each self-insured employer must be based upon paid indemnity losses
32.14 made by that self-insured employer during the preceding calendar year. The portion of
32.15 the total assessment allocated to insured employers that is paid by each insurer must be
32.16 based on standard workers' compensation premium earned in the state by that insurer
32.17 during the preceding current calendar year. If the current calendar year earned standard
32.18 workers' compensation premium is not available, the commissioner shall estimate the
32.19 portion of the total assessment allocated to insured employers that is paid by each insurer
32.20 using the earned standard workers' compensation premium from the preceding calendar
32.21 year. The commissioner shall then perform a reconciliation and final determination of
32.22 the portion of the total assessment to be paid by each insurer when the earned standard
32.23 workers' compensation premium for the current calendar year is calculable, but the final
32.24 determination must not be made after December 1 of the following calendar year. An
32.25 employer who has ceased to be self-insured shall continue to be liable for assessments
32.26 based on paid indemnity losses arising out of injuries occurring during periods when the
32.27 employer was self-insured, unless the self-insured employer has purchased a replacement
32.28 policy covering those losses. An insurer who assumes a self-insured employer's obligation
32.29 under a replacement policy shall separately report and pay assessments based on indemnity
32.30 losses paid by the insurer under the replacement policy. The replacement policy may
32.31 provide for reimbursement of the assessment to the insurer by the self-insured employer.

32.32 (d) Insurers shall collect the assessments from their insured employers through
32.33 a surcharge based on standard workers' compensation premium for each employer.
32.34 Assessments when collected do not constitute an element of loss for the purpose of
32.35 establishing rates for workers' compensation insurance but for the purpose of collection
32.36 are treated as separate costs imposed on insured employers. The premium policyholder

33.1 surcharge is included in the definition of gross premium as defined in section 297I.01 only
33.2 for premium tax purposes. An insurer may cancel a policy for nonpayment of the ~~premium~~
33.3 policyholder surcharge. The ~~premium~~ policyholder surcharge is excluded from the
33.4 definition of premium for all other purposes, except as otherwise provided in this paragraph.

33.5 (e) For purposes of this section, the workers' compensation assigned risk plan
33.6 established under section 79.252, shall report and pay assessments on standard workers'
33.7 compensation premium in the same manner as an insurer.

33.8 **EFFECTIVE DATE.** This section is effective for assessments due under Minnesota
33.9 Statutes, section 176.129, subdivision 2a, paragraph (a), on August 1, 2013, and February
33.10 1, 2014, and for the first reconciliation and final determination under Minnesota Statutes,
33.11 section 176.129, subdivision 2a, paragraph (c), due on or before December 1, 2014.

33.12 Sec. 3. Minnesota Statutes 2012, section 176.129, subdivision 7, is amended to read:

33.13 Subd. 7. **Refunds.** In case deposit is or has been made pursuant to subdivision
33.14 2a by mistake or inadvertence, or under circumstances that justice requires a refund,
33.15 the commissioner of management and budget is authorized to refund the deposit under
33.16 order of the commissioner, a compensation judge, the Workers' Compensation Court of
33.17 Appeals, or a district court. Claims for refunds must be submitted to the commissioner
33.18 within three years of the ~~assessment due date~~ of reconciliation and final determination
33.19 under subdivision 2a. There is appropriated to the commissioner from the fund an amount
33.20 sufficient to make the refund and payment.

33.21 **EFFECTIVE DATE.** This section is effective for assessments due under Minnesota
33.22 Statutes, section 176.129, subdivision 2a, paragraph (a), on August 1, 2013, and February
33.23 1, 2014, and for the first reconciliation and final determination under Minnesota Statutes,
33.24 section 176.129, subdivision 2a, paragraph (c), due on or before December 1, 2014.

33.25 Sec. 4. Minnesota Statutes 2012, section 176.135, subdivision 7, is amended to read:

33.26 Subd. 7. **Medical bills and records.** (a) Health care providers shall submit to the
33.27 insurer an itemized statement of charges in the standard electronic transaction format when
33.28 required by section 62J.536 or, if there is no prescribed standard electronic transaction
33.29 format, on a billing form prescribed by the commissioner. Health care providers shall also
33.30 submit copies of medical records or reports that substantiate the nature of the charge and its
33.31 relationship to the work injury. Health care providers may charge for copies of any records
33.32 or reports that are in existence and directly relate to the items for which payment is sought
33.33 under this chapter. The commissioner shall adopt a schedule of reasonable charges by rule.

34.1 A health care provider shall not collect, attempt to collect, refer a bill for collection,
34.2 or commence an action for collection against the employee, employer, or any other party
34.3 until the information required by this section has been furnished.

34.4 A United States government facility rendering health care services to veterans is not
34.5 subject to the uniform billing form requirements of this subdivision.

34.6 (b) For medical services provided under this section on or after October 1,
34.7 2014, the codes from the International Classification of Diseases, Tenth Edition,
34.8 Clinical Modification/Procedure Coding System (ICD-10), must be used to report
34.9 medical diagnoses and hospital inpatient procedures. The commissioner must replace
34.10 the codes from the International Classification of Diseases, Ninth Edition, Clinical
34.11 Modification/Procedure Coding System (ICD-9), with equivalent ICD-10 codes wherever
34.12 the ICD-9 codes appear in rules adopted under this chapter. The commissioner must use
34.13 the General Equivalence Mappings established by the Centers for Medicare and Medicaid
34.14 Services to replace the ICD-9 diagnostic codes with ICD-10 codes in the rules.

34.15 (c) The commissioner shall amend rules adopted under this chapter as necessary
34.16 to implement the ICD-10 coding system in paragraph (b). The amendments shall be
34.17 adopted by giving notice in the State Register according to the procedures in section
34.18 14.386, paragraph (a). The amended rules are not subject to expiration under section
34.19 14.386, paragraph (b).

34.20 Sec. 5. Minnesota Statutes 2012, section 176.136, subdivision 1a, is amended to read:

34.21 Subd. 1a. **Relative value fee schedule.** (a) The liability of an employer for services
34.22 included in the medical fee schedule is limited to the maximum fee allowed by the
34.23 schedule in effect on the date of the medical service, or the provider's actual fee, whichever
34.24 is lower. The commissioner shall adopt permanent rules regulating fees allowable for
34.25 medical, chiropractic, podiatric, surgical, and other health care provider treatment or
34.26 service, including those provided to hospital outpatients, by implementing a relative value
34.27 fee schedule. The commissioner may adopt by reference, according to the procedures in
34.28 paragraph (h), clause (2), the relative value fee schedule tables adopted for the federal
34.29 Medicare program. The relative value fee schedule must contain reasonable classifications
34.30 including, but not limited to, classifications that differentiate among health care provider
34.31 disciplines. The conversion factors for the original relative value fee schedule must
34.32 reasonably reflect a 15 percent overall reduction from the medical fee schedule most
34.33 recently in effect. The reduction need not be applied equally to all treatment or services,
34.34 but must represent a gross 15 percent reduction.

35.1 (b) Effective October 1, 2005, the commissioner shall remove all scaling factors
35.2 from the relative value units and establish four separate conversion factors according to
35.3 paragraphs (c) and (d) for each of the following parts of Minnesota Rules:

35.4 (1) medical/surgical services in Minnesota Rules, part 5221.4030, as defined in part
35.5 5221.0700, subpart 3, item C, subitem (2);

35.6 (2) pathology and laboratory services in Minnesota Rules, part 5221.4040, as
35.7 defined in part 5221.0700, subpart 3, item C, subitem (3);

35.8 (3) physical medicine and rehabilitation services in Minnesota Rules, part
35.9 5221.4050, as defined in part 5221.0700, subpart 3, item C, subitem (4); and

35.10 (4) chiropractic services in Minnesota Rules, part 5221.4060, as defined in part
35.11 5221.0700, subpart 3, item C, subitem (5).

35.12 ~~(e) The four conversion factors established under paragraph (b) shall be calculated~~
35.13 ~~so that there is no change in each maximum fee for each service under the current fee~~
35.14 ~~schedule, except as provided in paragraphs (d) and (e).~~

35.15 ~~(d) By October 1, 2006, the conversion factor for chiropractic services described in~~
35.16 ~~paragraph (b), clause (4), shall be increased to equal 72 percent of the conversion factor~~
35.17 ~~for medical/surgical services described in paragraph (b), clause (1). Beginning October 1,~~
35.18 ~~2005, the increase in chiropractic conversion factor shall be phased in over two years by~~
35.19 ~~approximately equal percentage point increases.~~

35.20 ~~(e) When adjusting the conversion factors in accordance with paragraph (g) on~~
35.21 ~~October 1, 2005, and October 1, 2006, the commissioner may adjust by no less than zero,~~
35.22 ~~all of the conversion factors as necessary to offset any overall increase in payments under~~
35.23 ~~the fee schedule resulting from the increase in the chiropractic conversion factor.~~

35.24 ~~(f) The commissioner shall give notice of the relative value units and conversion~~
35.25 ~~factors established under paragraphs (b), (c), and (d) according to the procedures in section~~
35.26 ~~14.386, paragraph (a). The relative value units and conversion factors established under~~
35.27 ~~paragraphs (b), (c), and (d) are not subject to expiration under section 14.386, paragraph (b).~~

35.28 ~~(g) (c)~~ The conversion factors shall be adjusted as follows:

35.29 (1) After permanent rules have been adopted to implement this section, the conversion
35.30 factors must be adjusted annually on October 1 by no more than the percentage change
35.31 computed under section 176.645, but without the annual cap provided by that section.

35.32 (2) Each time the workers' compensation relative value fee schedule tables are
35.33 updated under paragraph (h), the commissioner shall adjust the conversion factors so that,
35.34 for services in both fee schedules, there is no difference between the overall payment in each
35.35 category of service listed in paragraph (b) under the new schedule and the overall payment

36.1 for that category under the workers' compensation fee schedule most recently in effect.
36.2 This adjustment must be made before making any additional adjustment under clause (1).

36.3 ~~(h)~~ (d) The commissioner shall give notice of the adjusted conversion factors and
36.4 updates to the relative value fee schedule as follows:

36.5 (1) The commissioner shall annually give notice in the State Register of the adjusted
36.6 conversion factors and any amendments to rules to implement Medicare relative value
36.7 tables incorporated by reference under this subdivision. The notices of the adjusted
36.8 conversion factors and amended rules to implement the relative value tables are subject
36.9 to the requirements of section 14.386, paragraph (a). The annual adjustments to the
36.10 conversion factors and the medical fee schedules adopted under this section, including all
36.11 previous fee schedules, are not subject to expiration under section 14.386, paragraph (b).

36.12 (2) The commissioner shall periodically, but at least once every three years, update
36.13 the workers' compensation relative value tables by incorporating by reference the relative
36.14 value tables in the national physician fee schedule relative value file established by the
36.15 Centers for Medicare and Medicaid Services. The commissioner shall publish the notices
36.16 of the incorporation by reference in the State Register at least 60 days before the tables
36.17 are to become effective for purposes of payment under this section. Each notice of
36.18 incorporation must state the date the incorporated tables will become effective and must
36.19 include information on how the Medicare relative value tables may be obtained. The
36.20 published notices of incorporation by reference and the incorporated tables are not rules
36.21 subject to section 14.386 or other provisions of chapter 14, but have the force and effect of
36.22 law as of the date specified in the notices.

36.23 Sec. 6. Minnesota Statutes 2012, section 176.231, subdivision 2, is amended to read:

36.24 Subd. 2. **Initial report, written report.** Where subdivision 1 requires an injury
36.25 to be reported within 48 hours, the employer may make an initial report by telephone,
36.26 ~~telegraph~~, or personal notice, and file a written report of the injury within seven days from
36.27 its occurrence or within such time as the commissioner of labor and industry designates.
36.28 All written reports of injuries required by subdivision 1 shall include the date of injury.
36.29 The reports shall be on a form designed by the commissioner, with a clear copy suitable
36.30 for imaging to the commissioner, one copy to the insurer, and one copy to the employee.

36.31 The employer must give the employee the "Minnesota Workers' Compensation
36.32 System Employee Information Sheet" at the time the employee is given a copy of the
36.33 first report of injury.

36.34 If an insurer or self-insurer repeatedly fails to pay benefits within three days of the
36.35 due date, pursuant to section 176.221, the insurer or self-insurer shall be ordered by the

37.1 commissioner to explain, in person, the failure to pay benefits due in a reasonable time.
37.2 If prompt payments are not thereafter made, the commissioner shall refer the insurer or
37.3 self-insurer to the commissioner of commerce for action pursuant to section 176.225,
37.4 subdivision 4.

37.5 Sec. 7. Minnesota Statutes 2012, section 176.305, subdivision 1a, is amended to read:

37.6 Subd. 1a. **Settlement and pretrial conferences; summary decision.** The chief
37.7 administrative law judge shall promptly assign the petition to a compensation judge under
37.8 section 176.307, and shall schedule a settlement conference before a compensation judge,
37.9 to be held no later than 180 days after a claim petition was filed, or 45 days after a petition
37.10 to discontinue, objection to discontinuance, or request for formal hearing was filed.

37.11 All parties must appear at the settlement conference, either personally or by
37.12 representative, must be prepared to discuss settlement of all issues, and must be prepared
37.13 to discuss or present the information required by the joint rules of the division and the
37.14 office. If a representative appears on behalf of a party, the representative must have
37.15 authority to fully settle the matter. The parties shall serve and file a pretrial statement no
37.16 fewer than five days before the settlement conference.

37.17 If settlement is not reached, the chief administrative law judge shall schedule a
37.18 hearing to be held within 90 days from the scheduled settlement conference. However,
37.19 the hearing must be held earlier than 90 days from the scheduled settlement conference if
37.20 this chapter requires an expedited hearing to be held at an earlier date. The hearing must
37.21 be held before a compensation judge other than the compensation judge who conducted
37.22 the settlement conference. The compensation judge assigned to hold the hearing may
37.23 choose to conduct a pretrial conference to clarify the issues and evidence that will be
37.24 presented at the hearing.

37.25 Cancellations and continuations of proceedings are disfavored but may be granted
37.26 upon the showing of good cause under section 176.341, subdivision 4.

37.27 The compensation judge conducting the settlement conference may require the
37.28 parties to present copies of all documentary evidence not previously filed and a summary
37.29 of the evidence they will present at a formal hearing. If appropriate, a written summary
37.30 decision shall be issued within ten days after the conference stating the issues and a
37.31 determination of each issue. If a party fails to appear at the conference, all issues may
37.32 be determined contrary to the absent party's interest, provided the party in attendance
37.33 presents a prima facie case.

37.34 The summary decision is final unless a written request for a formal hearing is served
37.35 on all parties and filed with the commissioner within 30 days after the date of service

38.1 and filing of the summary decision. Within ten days after receipt of the request, the
38.2 commissioner shall certify the matter to the office for a de novo hearing. ~~In proceedings~~
38.3 ~~under section 176.2615, the summary decision is final and not subject to appeal or de~~
38.4 ~~novo proceedings.~~

38.5 Sec. 8. **REPEALER.**

38.6 Minnesota Statutes 2012, sections 175.006, subdivision 1; 175.08; 175.14; 175.26;
38.7 176.1311; 176.136, subdivision 3; 176.2615; and 176.641, are repealed.

38.8 **ARTICLE 4**

38.9 **MISCELLANEOUS**

38.10 Section 1. Minnesota Statutes 2012, section 469.084, is amended by adding a
38.11 subdivision to read:

38.12 Subd. 1a. **Meetings by telephone or other electronic means.** The port authority
38.13 may conduct meetings as provided by section 13D.015.

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116J.997 PROGRAM ACCOUNTABILITY REQUIREMENTS.

Subdivision 1. **Accountability measurement.** By October 1, 2009, the commissioner of employment and economic development shall develop a uniform accountability report for economic development or workforce-related programs funded in whole or in part by state or federal funds. The commissioner shall also develop a formula for measuring the return on investment for each program and a comparison of the return on investment of all programs funded in whole or in part by state or federal funds. The requirements of this section apply to programs administered directly by the commissioner or administered by other employment organizations under a grant made by the department. The report and formula required by this subdivision shall be submitted to the chairs and ranking minority members of the committees of the house of representatives and senate having jurisdiction over economic development and workforce policy and finance by October 15, 2009, for review and comment.

Subd. 2. **Report to the legislature.** By December 31 of each even-numbered year the commissioner must report to the chairs and the ranking minority members of the committees of the house of representatives and the senate having jurisdiction over economic development and workforce policy and finance the following information for each program subject to the requirements of subdivision 1:

- (1) the target population;
 - (2) the number of jobs affected by the program, including the number of net new jobs created in the state and the average annual wage per job;
 - (3) the number of individuals leaving the unemployment compensation program as a result of the program;
 - (4) the number of individuals leaving the Minnesota Family Investment Program support as a result of the program;
 - (5) the region of the state in which the program operated;
 - (6) the amount of state or federal funds allocated to the program;
 - (7) the return on investment as calculated by the formula developed by the commissioner;
- and
- (8) the dollar amount and percentage of the total grant used for administrative expenses.

Subd. 3. **Report to the commissioner.** A recipient of a grant made by or through the department must report to the commissioner by September 1 of each even-numbered year on each of the items in subdivision 2 for each program it administers. The report must be in a format prescribed by the commissioner.

Beginning November 1, 2009, the commissioner shall provide notice to grant applicants and recipients regarding the data collection and reporting requirements under this subdivision and must provide technical assistance to applicants and recipients to assist in complying with the requirements of this subdivision.

Subd. 4. **Biennial budget request.** The information collected and reported under subdivisions 2 and 3 shall be included in budgets submitted to the legislature under section 16A.11.

175.006 DIVISION OF WORKERS' COMPENSATION.

Subdivision 1. **Creation and organization.** The Division of Workers' Compensation, generally administering the workers' compensation law, is created within the Department of Labor and Industry.

175.08 OFFICE.

The Department of Labor and Industry shall maintain its main office within the Minneapolis-Saint Paul metropolitan area and be provided by the commissioner of administration with suitable rooms and necessary furniture. It may hold sessions at any other place in the state when it is convenient.

175.14 TRAVELING EXPENSES.

The commissioner and the officers, assistants, and employees of the department shall be paid out of the state treasury their actual and necessary expenses while traveling on the business

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of the department. Vouchers for such expenses shall be itemized and sworn to by the persons incurring the expense, and be subject to the approval of the commissioner of labor and industry.

175.26 VIOLATION OF LOCAL ORDINANCES.

When the Department of Labor and Industry learns of a violation of a local ordinance for the protection of employees it shall give written notice thereof to the proper municipal authorities and take any steps permissible under the ordinances for its enforcement.

176.1311 SECOND INJURY FUND DATA.

No person shall, directly or indirectly, provide the names of persons who have registered a preexisting physical impairment under Minnesota Statutes 1990, section 176.131, to an employer with the intent of assisting the employer to discriminate against those persons who have so registered with respect to hiring or other terms and conditions of employment.

A violation of this section is a gross misdemeanor.

176.136 MEDICAL FEE REVIEW.

Subd. 3. **Report.** The commissioner shall contract with a review organization as defined in section 145.61 for the purposes listed in section 145.61, subdivision 5, and report to the legislature on January 15 of every odd-numbered year, regarding the delivery of medical and health care services, including rehabilitation services, under the workers' compensation laws of this state.

The commissioner shall also conduct a study of the qualifications and background of rehabilitation consultants and vendors providing services under section 176.102 for the purpose of determining whether there are adequate professional standards provided, including safeguards to protect against conflicts of interest.

176.2615 SMALL CLAIMS COURT.

Subdivision 1. **Purpose.** There is established in the Department of Labor and Industry a small claims court, to be presided over by compensation judges for the purpose of settling small claims.

Subd. 2. **Eligibility.** The claim is eligible for determination in the small claims court if all parties agree to submit to its jurisdiction and:

(1) the claim is for rehabilitation benefits only under section 176.102 or medical benefits only under section 176.135; or

(2) the claim in its total amount does not equal more than \$5,000; or

(3) where the claim is for apportionment or for contribution or reimbursement, no counterclaim in excess of \$5,000 is asserted.

Subd. 3. **Testimony; exhibits.** At the hearing a compensation judge shall hear the testimony of the parties and consider any exhibits offered by them and may also hear any witnesses introduced by either party.

Subd. 4. **Appearance of parties.** A party may appear on the party's own behalf without an attorney, or may retain and be represented by a duly admitted attorney who may participate in the hearing to the extent and in the manner that the compensation judge considers helpful. Attorney fees awarded under this subdivision are included in the overall limit allowed under section 176.081, subdivision 1.

Subd. 5. **Evidence admissible.** At the hearing the compensation judge shall receive evidence admissible under the rules of evidence. In addition, in the interest of justice and summary determination of issues before the court, the compensation judge may receive, in the judge's discretion, evidence not otherwise admissible. The compensation judge, on the judge's own motion, may receive into evidence any documents which have been filed with the department.

Subd. 6. **Settlement.** A compensation judge may attempt to conciliate the parties. If the parties agree on a settlement, the judge shall issue an order in accordance with that settlement.

Subd. 7. **Determination.** If the parties do not agree to a settlement, the compensation judge shall summarily hear and determine the issues and issue an order in accordance with section 176.305, subdivision 1a, except that there is no appeal or request for a formal de novo hearing from the order. Any determination by a compensation judge shall be res judicata in subsequent proceeding concerning issues determined under this section.

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Subd. 8. **Costs.** The prevailing party is entitled to costs and disbursements as in any other workers' compensation case.

176.641 ACCIDENTS OR INJURIES ARISING PRIOR TO EFFECTIVE DATE.

All rights and liabilities arising on account of accidents or injuries occurring prior to the taking effect of this chapter shall be governed by the then existing law.