

## A bill for an act

relating to state government; making supplemental appropriations and reductions in appropriations for higher education, jobs and economic development, public safety, corrections, transportation, environment, natural resources, and agriculture, early childhood through grade 12 and adult education, health and human services; making forecast adjustments; modifying prior appropriations; modifying disposition of certain revenues; creating accounts; requiring reports; providing penalties; authorizing rulemaking; amending Minnesota Statutes 2012, sections 3.099, subdivision 3; 13.43, subdivision 16; 13.46, subdivision 4; 15A.082, subdivision 4; 16A.125, subdivision 5; 16C.16, subdivision 6a; 16C.19; 18B.01, by adding subdivisions; 18B.03, by adding a subdivision; 18B.04; 85.34, subdivision 7; 85A.02, subdivision 2; 93.22, subdivision 1; 93.2236; 103G.251; 103G.271, subdivisions 5, 6; 103G.281, by adding a subdivision; 115E.08, by adding a subdivision; 116J.8731, subdivision 5; 116L.98; 122A.18, by adding a subdivision; 122A.414, subdivision 2; 122A.415, subdivision 1; 123A.05, subdivision 2; 123A.485; 123A.64; 123B.71, subdivisions 8, 9; 124D.09, subdivisions 9, 13; 124D.111, by adding subdivisions; 124D.1158, subdivisions 3, 4; 124D.13, subdivisions 2, 4, 9, 13, by adding subdivisions; 124D.135, subdivisions 1, 3; 124D.522; 124D.531, subdivision 3; 124D.59, subdivision 2; 125A.08; 126C.10, subdivisions 25, 26, 28; 127A.45, subdivision 2; 127A.49, subdivisions 2, 3; 129C.10, subdivision 3, by adding a subdivision; 136A.01, subdivision 2; 136A.1702; 136A.1785; 144.1501, subdivision 1; 144.551, subdivision 1; 144A.073, by adding a subdivision; 144A.33, subdivision 2; 148.624, by adding a subdivision; 148B.53, subdivision 3; 150A.091, by adding a subdivision; 153.16, by adding a subdivision; 154.11, as amended; 155A.27, by adding a subdivision; 165.15, subdivision 2; 169.011, by adding a subdivision; 169.06, subdivision 4, by adding a subdivision; 169.14, subdivision 5d, by adding a subdivision; 169.305, subdivision 1; 169.826, by adding a subdivision; 169.8261, by adding a subdivision; 169.86, subdivision 5; 169.863, by adding a subdivision; 169.865, subdivisions 1, 2, by adding a subdivision; 169.866, subdivision 3, by adding a subdivision; 171.02, subdivision 3; 171.06, subdivision 2; 174.02, by adding a subdivision; 181.940, subdivision 2; 181A.07, by adding a subdivision; 216B.16, by adding a subdivision; 216B.1611, by adding a subdivision; 216B.241, subdivision 1d; 216C.145; 216C.146; 219.015, subdivisions 1, 2; 245.466, by adding a subdivision; 245A.04, by adding a subdivision; 245C.03, by adding a subdivision; 245C.04, by adding a subdivision; 245C.05, subdivision 5; 245C.10, by adding a subdivision; 245C.33, subdivisions 1, 4; 252.451, subdivision 2; 253B.066, subdivision 1; 254B.04, subdivision 3; 254B.12; 256.01, by adding a subdivision; 256.9685,

2.1 subdivisions 1, 1a; 256.9686, subdivision 2; 256.969, subdivisions 1, 2, 2b, 3a,  
2.2 3b, 3c, 6a, 8, 8a, 9, 10, 12, 14, 17, 18, 25, 30, by adding subdivisions; 256.9752,  
2.3 subdivision 2; 256B.04, by adding a subdivision; 256B.0615, subdivision 3;  
2.4 256B.0624, subdivisions 2, 5, 6, 10; 256B.0625, subdivisions 18b, 18c, 18d, 18g,  
2.5 30, by adding subdivisions; 256B.199; 256B.35, subdivision 1; 256B.5012,  
2.6 by adding a subdivision; 256D.02, subdivisions 8, 12; 256D.05, subdivision  
2.7 5; 256D.06, subdivision 1; 256D.08, subdivision 1, by adding a subdivision;  
2.8 256D.10; 256D.405, subdivisions 1, 3; 256D.425, subdivision 2; 256I.03, by  
2.9 adding a subdivision; 256I.04, subdivision 1; 256I.05, subdivision 2; 256J.08,  
2.10 subdivisions 47, 57, 83, by adding a subdivision; 256J.10; 256J.21, subdivision  
2.11 4; 256J.30, subdivision 4; 256J.32, subdivision 1; 256J.33, subdivision 2;  
2.12 256J.37, as amended; 256J.425, subdivisions 1, 7; 256J.49, subdivision 13;  
2.13 256J.53, subdivisions 1, 2, 5; 256J.531; 256J.95, subdivisions 8, 9, 10; 257.85,  
2.14 subdivision 11; 260B.198, subdivision 7; 260C.212, subdivision 1; 260C.515,  
2.15 subdivision 4; 260C.611; 268A.01, subdivision 14; 298.28, subdivisions 2, 7a, as  
2.16 added; 299F.012, subdivisions 1, 2; 326.04, by adding a subdivision; 326.10, by  
2.17 adding a subdivision; 326.3382, by adding a subdivision; 326A.04, by adding a  
2.18 subdivision; 645.241; Minnesota Statutes 2013 Supplement, sections 15A.082,  
2.19 subdivisions 1, 3; 116V.03; 122A.40, subdivision 8; 122A.41, subdivision 5;  
2.20 123B.53, subdivision 1; 123B.54; 123B.75, subdivision 5; 124D.10, subdivision  
2.21 8; 124D.11, subdivision 1; 124D.111, subdivision 1; 124D.165, subdivisions  
2.22 3, 4, 5; 124D.531, subdivision 1; 124D.862, subdivisions 1, 2; 125A.11,  
2.23 subdivision 1; 125A.76, subdivisions 1, 2a, 2b, 2c; 125A.79, subdivisions 1, 5, 8;  
2.24 126C.05, subdivision 15; 126C.10, subdivisions 2a, 2d, 13a, 24, 31; 126C.17,  
2.25 subdivisions 6, 7b, 9, 9a; 126C.40, subdivision 1; 126C.44; 126C.48, subdivision  
2.26 8; 127A.47, subdivision 7; 127A.70, subdivision 2; 145.4716, subdivision 2;  
2.27 148B.17, subdivision 2; 174.12, subdivision 2; 174.42, subdivision 2; 245.8251;  
2.28 245A.03, subdivision 7; 245A.042, subdivision 3; 245A.16, subdivision 1;  
2.29 245C.08, subdivision 1; 245D.02, subdivisions 3, 4b, 8b, 11, 15b, 29, 34, 34a, by  
2.30 adding a subdivision; 245D.03, subdivisions 1, 2, 3, by adding a subdivision;  
2.31 245D.04, subdivision 3; 245D.05, subdivisions 1, 1a, 1b, 2, 4, 5; 245D.051;  
2.32 245D.06, subdivisions 1, 2, 4, 6, 7, 8; 245D.071, subdivisions 3, 4, 5; 245D.081,  
2.33 subdivision 2; 245D.09, subdivisions 3, 4a; 245D.091, subdivisions 2, 3, 4;  
2.34 245D.10, subdivisions 3, 4; 245D.11, subdivision 2; 256B.04, subdivision 21;  
2.35 256B.055, subdivision 1; 256B.06, subdivision 4; 256B.0625, subdivisions  
2.36 17, 18e; 256B.0949, subdivision 11; 256B.439, subdivisions 1, 7; 256B.441,  
2.37 subdivisions 53, 63; 256B.4912, subdivision 1; 256B.4913, subdivision 4a;  
2.38 256B.4914, subdivisions 2, 4, 5, 6, 7, 9, 10, 15; 256B.492; 256B.69, subdivision  
2.39 34; 256B.85, subdivisions 2, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13, 15, 16, 17, 18,  
2.40 23, 24, by adding subdivisions; 256J.21, subdivision 3; 256J.30, subdivision  
2.41 9; 256N.02, by adding a subdivision; 256N.21, subdivision 2, by adding a  
2.42 subdivision; 256N.22, subdivisions 1, 2, 4, 6; 256N.23, subdivisions 1, 4;  
2.43 256N.24, subdivisions 9, 10; 256N.25, subdivisions 2, 3; 256N.26, subdivision 1;  
2.44 256N.27, subdivision 4; 326A.04, subdivision 5; Laws 2008, chapter 363, article  
2.45 5, section 4, subdivision 7, as amended; Laws 2009, chapter 83, article 1, section  
2.46 10, subdivision 7; Laws 2010, chapter 189, sections 15, subdivision 12; 26,  
2.47 subdivision 4; Laws 2012, chapter 247, article 4, section 47; Laws 2012, chapter  
2.48 287, article 2, sections 1; 3; Laws 2012, First Special Session chapter 1, article 1,  
2.49 section 28; Laws 2013, chapter 1, section 6, as amended; Laws 2013, chapter 85,  
2.50 article 1, section 3, subdivisions 2, 6; Laws 2013, chapter 86, article 1, sections  
2.51 12, subdivisions 1, 3, 4, 6, 7; 13; Laws 2013, chapter 99, article 3, section 3;  
2.52 Laws 2013, chapter 108, article 1, section 24; article 7, section 49; article 14,  
2.53 sections 2, subdivisions 1, 3, 4, 5, 6; 3, subdivisions 1, 4; 4, subdivision 8; 12;  
2.54 Laws 2013, chapter 114, article 3, section 3, subdivision 6; article 4, section  
2.55 47; Laws 2013, chapter 116, article 1, section 58, subdivisions 2, 3, 4, 5, 6, 7,  
2.56 11; article 3, section 37, subdivisions 3, 4, 5, 6, 8, 15, 20; article 4, section 9,  
2.57 subdivision 2; article 5, section 31, subdivisions 2, 3, 4, 5, 8; article 6, section 12,  
2.58 subdivisions 2, 3, 4, 6; article 7, section 21, subdivisions 2, 3, 4, 6, 7, 9; article 8,

section 5, subdivisions 2, 3, 4, 8, 9, 10, 11, 14; article 9, section 2; Laws 2013, chapter 117, article 1, sections 3, subdivisions 2, 3, 6; 4; 5, subdivisions 2, 3, 4; Laws 2013, chapter 143, article 11, section 10; proposing coding for new law in Minnesota Statutes, chapters 3; 18B; 87A; 92; 103G; 123A; 123B; 129C; 135A; 136A; 144; 144A; 148; 168; 171; 197; 219; 256L; 268A; 299A; 473; proposing coding for new law as Minnesota Statutes, chapter 256P; repealing Minnesota Statutes 2012, sections 116J.997; 123B.71, subdivision 1; 256.969, subdivisions 2c, 8b, 9a, 9b, 11, 13, 20, 21, 22, 26, 27, 28; 256.9695, subdivisions 3, 4; 256D.06, subdivision 1b; 256D.08, subdivision 2; 256D.405, subdivisions 1a, 2; 256J.08, subdivisions 42, 55a, 82a; 256J.20; 256J.24, subdivision 9; 256J.32, subdivisions 2, 3, 4, 5a, 6, 7, 7a, 8; Minnesota Statutes 2013 Supplement, sections 256B.0625, subdivision 18f; 256J.08, subdivision 24; 256N.26, subdivision 7; Laws 2010, chapter 215, article 3, section 3, subdivision 6, as amended.

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

## ARTICLE 1

## HIGHER EDUCATION

## **Section 1. APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to the appropriations in Laws 2013, chapter 99, article 1, unless otherwise specified, to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal year indicated for each purpose. The figure "2015" used in this article mean that the appropriation listed under them are available for the fiscal year ending June 30, 2015.

**APPROPRIATIONS**  
**Available for the Year**  
**Ending June 30**  
**2014                    2015**

3.28 Sec. 2. **OFFICE OF HIGHER EDUCATION** **\$** **1,000,000**

3.29 This appropriation is for immediate transfer

3.30 to College Possible for the purpose of

3.31 expanding College Possible coaching and

3.32 mentoring programs in Minnesota schools.

3.33 The appropriation shall be used for:

3.34 (1) increasing the number of low-income

3.35 high school students served by College

3.36 Possible by adding at least 150 students and

3.37 partnering with at least three additional high

3.38 schools in 2015;

4.1       (2) expenses related to direct support  
4.2       for low-income high school students in  
4.3       after-school programming led by College  
4.4       Possible; and

4.5       (3) coaching and support of low-income  
4.6       college students through the completion of  
4.7       their college degree.

4.8       College Possible must, by February 1, 2015,  
4.9       report to the chairs and ranking minority  
4.10      members of the legislative committees  
4.11      and divisions with jurisdiction over higher  
4.12      education on activities funded by this  
4.13      appropriation. The report must include,  
4.14      but is not limited to, information about the  
4.15      expansion of College Possible in Minnesota,  
4.16      the number of College Possible coaches  
4.17      hired, the expansion within existing partner  
4.18      high schools, the expansion of high school  
4.19      partnerships, the number of high school  
4.20      and college students served, the total hours  
4.21      of community service by high school and  
4.22      college students, and a list of communities  
4.23      and organizations benefitting from student  
4.24      service hours.

4.25      This appropriation must not be used for the  
4.26      expansion and support of College Possible  
4.27      outside of Minnesota.

4.28      This is a onetime appropriation.

4.29      Sec. 3. **BOARD OF TRUSTEES OF THE**  
4.30      **MINNESOTA STATE COLLEGES AND**  
4.31      **UNIVERSITIES**

\$ 17,000,000

4.32      This is a onetime appropriation.

4.33      Sec. 4. **BOARD OF REGENTS OF THE**  
4.34      **UNIVERSITY OF MINNESOTA**

5.1	<u>Subdivision 1. Total Appropriation</u>	\$	<u>7,500,000</u>
5.2	<u>Subd. 2. Operations and Maintenance</u>		<u>2,500,000</u>
5.3	<u>This is a onetime appropriation for fiscal</u>		
5.4	<u>year 2015 only and is to address immediate</u>		
5.5	<u>and critical financial challenges in order to</u>		
5.6	<u>preserve academic programs and student</u>		
5.7	<u>service levels. The Board of Regents is</u>		
5.8	<u>requested to allocate this appropriation to</u>		
5.9	<u>meet financial challenges at the University of</u>		
5.10	<u>Minnesota-Duluth campus.</u>		
5.11	<u>Subd. 3. Health Sciences Special</u>		<u>5,000,000</u>
5.12	<u>This appropriation is for the purpose of</u>		
5.13	<u>research related to regenerative medicine.</u>		
5.14	<u>The university is requested to constitute an</u>		
5.15	<u>advisory group on regenerative medicine</u>		
5.16	<u>composed of at least five members with</u>		
5.17	<u>experience in regenerative medicine,</u>		
5.18	<u>including one member each from:</u>		
5.19	<u>(1) the Mayo Clinic;</u>		
5.20	<u>(2) the University of Minnesota;</u>		
5.21	<u>(3) private industry; and</u>		
5.22	<u>(4) at least two others with expertise in</u>		
5.23	<u>regenerative medicine.</u>		
5.24	<u>Prior to expending the appropriation, the</u>		
5.25	<u>university must receive and consider the</u>		
5.26	<u>advice of the advisory group.</u>		
5.27	<u>The appropriation may be used entirely for</u>		
5.28	<u>University of Minnesota research or may</u>		
5.29	<u>be allocated in whole or in part to research</u>		
5.30	<u>conducted by others including the Mayo</u>		
5.31	<u>Clinic.</u>		
5.32	<u>Sec. 5. DEPARTMENT OF LABOR AND</u>		
5.33	<u>INDUSTRY</u>	\$	<u>250,000</u>

6.1      For the purpose of the competency standard  
6.2      program in section 19. This is a onetime  
6.3      appropriation.

## **6.4 Sec. 6. DEPARTMENT OF EMPLOYMENT** **6.5 AND ECONOMIC DEVELOPMENT**

\$ 232,000

6.6 This appropriation is for the purpose of the  
6.7 commissioner's duties under section 116L.98  
6.8 and the accountability plan under section 22.

6.10 Sec. 7. Minnesota Statutes 2012, section 116J.98, is amended to read:

## 116L98 WORKFORCE PROGRAM OUTCOMES.

6.12        **Subdivision 1. Requirements.** The commissioner shall develop and implement a  
6.13        set of standard approaches for assessing the outcomes of workforce programs under this  
6.14        chapter. The outcomes assessed must include, but are not limited to, periodic comparisons  
6.15        of workforce program participants and nonparticipants uniform outcome measurement  
6.16        and reporting system for adult workforce-related programs under chapters 116J and 116L.

6.17 The commissioner shall also monitor the activities and outcomes of programs and  
6.18 services funded by legislative appropriations and administered by the department on a  
6.19 pass-through basis and develop a consistent and equitable method of assessing recipients  
6.20 for the costs of its monitoring activities.

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

6.23        (b) "Credential" means postsecondary degrees, diplomas, licenses, and certificates  
6.24        awarded in recognition of an individual's attainment of measurable technical or  
6.25        occupational skills necessary to obtain employment or advance within an occupation.  
6.26        "Credential" does not include certificates awarded by workforce investment boards or  
6.27        work-readiness certificates.

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

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

6.33                   (e) "Preenrollment" means the period of time before an individual was enrolled  
6.34                   in a workforce program.

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

- 7.7              (1) the total number of participants enrolled;  
7.8              (2) the median preenrollment wages based on participant wages for the second  
7.9        through the fifth calendar quarters immediately preceding the quarter of enrollment  
7.10        excluding those with zero income;  
7.11              (3) the total number of participants with zero income in the second through fifth  
7.12        calendar quarters immediately preceding the quarter of enrollment;  
7.13              (4) the total number of participants enrolled in training;  
7.14              (5) the total number of participants enrolled in training by occupational group;  
7.15              (6) the total number of participants that exited the program and the average  
7.16        enrollment duration of participants that have exited the program during the year;  
7.17              (7) the total number of exited participants who completed training;  
7.18              (8) the total number of exited participants who attained a credential;  
7.19              (9) the total number of participants employed during three consecutive quarters  
7.20        immediately following the quarter of exit, by industry;  
7.21              (10) the median wages of participants employed during three consecutive quarters  
7.22        immediately following the quarter of exit;  
7.23              (11) the total number of participants employed during eight consecutive quarters  
7.24        immediately following the quarter of exit, by industry; and  
7.25              (12) the median wages of participants employed during eight consecutive quarters  
7.26        immediately following the quarter of exit.

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

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

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

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

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

8.7       **Sec. 8. [135A.0431] MILITARY VETERANS; RESIDENT TUITION.**

8.8       (a) A person who is honorably discharged from the armed forces of the United States  
8.9 is entitled to the resident tuition rate at Minnesota public postsecondary institutions.

8.10       (b) This section is in addition to any other statute, rule, or higher education  
8.11 institution regulation or policy providing eligibility for a resident tuition rate or its  
8.12 equivalent to a student.

8.13       **EFFECTIVE DATE.** This section is effective for academic terms beginning after  
8.14 August 1, 2014.

8.15       **Sec. 9.** Minnesota Statutes 2012, section 136A.01, subdivision 2, is amended to read:

8.16       Subd. 2. **Responsibilities.** (a) The Minnesota Office of Higher Education is  
8.17 responsible for:

8.18       (1) necessary state level administration of financial aid programs, including  
8.19 accounting, auditing, and disbursing state and federal financial aid funds, and reporting on  
8.20 financial aid programs to the governor and the legislature;

8.21       (2) approval, registration, licensing, and financial aid eligibility of private collegiate  
8.22 and career schools, under sections 136A.61 to 136A.71 and chapter 141;

8.23       (3) determining whether to enter into an interstate reciprocity agreement regarding  
8.24 postsecondary distance education;

8.25       (3) (4) negotiating and administering reciprocity agreements;

8.26       (4) (5) publishing and distributing financial aid information and materials, and other  
8.27 information and materials under section 136A.87, to students and parents;

8.28       (5) (6) collecting and maintaining student enrollment and financial aid data and  
8.29 reporting data on students and postsecondary institutions to develop and implement a  
8.30 process to measure and report on the effectiveness of postsecondary institutions;

8.31       (6) (7) administering the federal programs that affect students and institutions on a  
8.32 statewide basis; and

8.33       (7) (8) prescribing policies, procedures, and rules under chapter 14 necessary to  
8.34 administer the programs under its supervision.

9.1                   (b) The office may match individual student data from the student record enrollment  
9.2 database with individual student financial aid data collected and maintained by the office  
9.3 in order to audit or evaluate federal or state supported education programs as permitted by  
9.4 United States Code, title 20, section 1232g(b)(3), and Code of Federal Regulations, title  
9.5 34, section 99.35. The office shall not release data that personally identifies parents or  
9.6 students other than to employees and contractors of the office.

9.7                   Sec. 10. Minnesota Statutes 2012, section 136A.1702, is amended to read:

9.8                   **136A.1702 LEGISLATIVE OVERSIGHT.**

9.9                   The office shall notify the chairs of the legislative committees with primary  
9.10 jurisdiction over higher education finance of any proposed material change to any of its  
9.11 student loan programs, including loan refinancing under section 136A.1704, prior to  
9.12 making the change.

9.13                   Sec. 11. **[136A.1704] STUDENT LOAN REFINANCING.**

9.14                   The office may refinance student and parent loans as provided by this section and  
9.15 on other terms and conditions the office prescribes. The office may establish credit  
9.16 requirements for borrowers and determine what types of student and parent loans will be  
9.17 eligible for refinancing. The refinanced loan need not have been made through a loan  
9.18 program administered by the office. Loans shall be made with available funds in the  
9.19 loan capital fund under section 136A.1785. The maximum amount of outstanding loans  
9.20 refinanced under this section may not exceed \$100,000,000. The maximum loan under  
9.21 this section may not exceed \$70,000.

9.22                   **EFFECTIVE DATE.** This section is effective the day following final enactment,  
9.23 provided no loans may be refinanced prior to June 1, 2015.

9.24                   Sec. 12. Minnesota Statutes 2012, section 136A.1785, is amended to read:

9.25                   **136A.1785 LOAN CAPITAL FUND.**

9.26                   The office may deposit and hold assets derived from the operation of its student loan  
9.27 programs and refinanced education loans authorized by this chapter in a fund known as  
9.28 the loan capital fund. Assets in the loan capital fund are available to the office solely  
9.29 for carrying out the purposes and terms of sections 136A.15 to 136A.1703 136A.1704,  
9.30 including, but not limited to, making student loans authorized by this chapter, refinancing  
9.31 education loans authorized by this chapter, paying administrative expenses associated with  
9.32 the operation of its student loan programs, repurchasing defaulted student loans, and

10.1 paying expenses in connection with the issuance of revenue bonds authorized under this  
10.2 chapter. Assets in the loan capital fund may be invested as provided in sections 11A.24  
10.3 and 136A.16, subdivision 8. All interest and earnings from the investment of the loan  
10.4 capital fund inure to the benefit of the fund and are deposited into the fund.

10.5 **Sec. 13. [136A.221] RESEARCH DOGS AND CATS.**

10.6       (a) A higher education research facility that receives public money or a facility that  
10.7 provides research in collaboration with a higher education facility that confines dogs or  
10.8 cats for science, education, or research purposes and plans on euthanizing a dog or cat  
10.9 for other than science, education, or research purposes must first offer the dog or cat  
10.10 to an animal rescue organization. A facility that is required to offer dogs or cats to an  
10.11 animal rescue organization under this section may enter into an agreement with the animal  
10.12 rescue organization to protect the facility. A facility that provides a dog or cat to a rescue  
10.13 organization under this section is immune from any civil liability that otherwise might  
10.14 result from its actions, provided that the facility is acting in good faith.

10.15       (b) For the purposes of this section, "animal rescue organization" means any  
10.16 nonprofit organization incorporated for the purpose of rescuing animals in need and  
10.17 finding permanent, adoptive homes for the animals.

10.18       **Sec. 14. [136A.658] EXEMPTION; STATE AUTHORIZATION RECIPROCITY  
10.19 AGREEMENT SCHOOLS.**

10.20       (a) The office may participate in an interstate reciprocity agreement regarding  
10.21 postsecondary distance education if it determines that participation is in the best interest of  
10.22 Minnesota postsecondary students.

10.23       (b) If the office decides to participate in an interstate reciprocity agreement, an  
10.24 institution that meets the following requirements is exempt from the provisions of sections  
10.25 136A.61 to 136A.71:

10.26           (1) the institution is situated in a state which is also participating in the interstate  
10.27 reciprocity agreement;

10.28           (2) the institution has been approved to participate in the interstate reciprocity  
10.29 agreement by the institution's home state and other entities with oversight of the interstate  
10.30 reciprocity agreement; and

10.31           (3) the institution has elected to participate in and operate in compliance with the  
10.32 terms of the interstate reciprocity agreement.

10.33       **Sec. 15. [136A.89] STUDY ABROAD PROGRAMS.**

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

11.3       (b) "Postsecondary institution" means an institution that meets the eligibility  
11.4 requirements under section 136A.103 to participate in state financial aid programs.

11.5       (c) "Program" means a study abroad program offered or approved for credit by a  
11.6 postsecondary institution in which program participants travel outside of the United States  
11.7 in connection with an educational experience.

11.8       Subd. 2. Report. (a) A postsecondary institution, must file by November 1 of  
11.9 each year a report on its programs with the office. The report must contain the following  
11.10 information from the previous academic year, including summer terms:

11.11       (1) deaths of program participants that occurred during program participation as a  
11.12 result of program participation; and

11.13       (2) accidents and illnesses that occurred during program participation as a result of  
11.14 program participation and that required hospitalization.

11.15       Information reported under clause (1) may be supplemented by a brief explanatory  
11.16 statement.

11.17       (b) A postsecondary institution must report to the office annually by November  
11.18 1 whether its program complies with health and safety standards set by the Forum on  
11.19 Education Abroad or similar study abroad program standard setting agency.

11.20       Subd. 3. Office of Higher Education; publication of program information. (a)  
11.21 The office must publish the reports required by subdivision 2, on its Web site in a format  
11.22 that facilitates identifying information related to a particular postsecondary institution.

11.23       (b) The office shall publish on its Web site the best available information by country  
11.24 on sexual assaults and other criminal acts affecting study abroad program participants  
11.25 during program participation. This information shall not be limited to programs subject  
11.26 to this section.

11.27       Subd. 4. Program material. A postsecondary institution must include in its written  
11.28 materials provided to prospective program participants a link to the office Web site stating  
11.29 that program health and safety information is available at the Web site.

11.30       **EFFECTIVE DATE.** This section is effective August 1, 2014, provided that the  
11.31 initial reports under subdivision 2 are due November 1, 2015.

11.32       Sec. 16. Minnesota Statutes 2012, section 181A.07, is amended by adding a  
11.33 subdivision to read:

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

12.7        Sec. 17. Laws 2013, chapter 99, article 3, section 3, is amended to read:

12.8        **Sec. 3. STATE GRANT TUITION CAPS; LIVING AND MISCELLANEOUS  
12.9 EXPENSE ALLOWANCE.**

12.10        (a) For the purposes of the state grant program under Minnesota Statutes, section  
12.11 136A.121, for the biennium ending June 30, 2015, the tuition maximum is \$13,000  
12.12 ~~each fiscal year of the biennium~~ for fiscal year 2014 and \$13,620 for fiscal year 2015  
12.13 for students in four-year programs, and \$5,808 in each fiscal year of the biennium for  
12.14 students in two-year programs.

12.15        (b) The living and miscellaneous expense allowance for the state grant program under  
12.16 Minnesota Statutes, section 136A.121, for the biennium ending June 30, 2015, is set at  
12.17 \$7,900 for ~~each fiscal year of the biennium~~ fiscal year 2014 and \$8,300 for fiscal year 2015.

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

12.19        **Sec. 18. MINNESOTA STATE COLLEGES AND UNIVERSITIES  
12.20 BACCALAUREATE DEGREE COMPLETION PLAN.**

12.21        The Board of Trustees of the Minnesota State Colleges and Universities shall develop  
12.22 a plan to implement multi-campus articulation agreements that lead to baccalaureate degree  
12.23 completion upon earning the number of credits required for the degree minus 60 credits at  
12.24 a system university after transfer to the system university by a student with an associate in  
12.25 arts degree, associate of science degree, or an associate of fine arts (AFA) degree from  
12.26 a system college. The board shall report on this plan to the legislative committees with  
12.27 primary jurisdiction over higher education finance and policy by March 15, 2015.

12.28        **Sec. 19. COMPETENCY STANDARDS: ADVANCED MANUFACTURING,  
12.29 HEALTH CARE SERVICES, INFORMATION TECHNOLOGY, AND  
12.30 AGRICULTURE.**

12.31        (a) The commissioner of labor and industry, in collaboration with the commissioner  
12.32 of employment and economic development, shall establish competency standards for  
12.33 programs in advanced manufacturing, health care services, information technology,

13.1 and agriculture. This initiative shall be administered by the Department of Labor and  
13.2 Industry. In establishing the competency standards, the commissioner shall convene  
13.3 recognized industry experts, representative employers, higher education institutions, and  
13.4 representatives of labor to assist in defining credible competency standards acceptable to  
13.5 the advanced manufacturing, health care services, information technology, and agriculture  
13.6 industries.

13.7 (b) The outcomes expected from the initiatives in this section include:

13.8 (1) establishment of competency standards for entry level and at least two additional  
13.9 higher skill levels in each industry;

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

13.12 (3) models of ways for Minnesota educational institutions to engage in providing  
13.13 education and training to meet the competency standards established; and

13.14 (4) participation from the identified industry sectors.

13.15 (c) By January 15, 2015, the commissioner of labor and industry shall report to the  
13.16 legislative committees with jurisdiction over jobs on the progress and success, including  
13.17 outcomes, of the initiatives in this section and recommendations on occupations in which  
13.18 similar competency standards should be developed and implemented.

13.19 Sec. 20. **STUDY OF NORTH DAKOTA OIL PRODUCTION; IMPACT ON**  
13.20 **MINNESOTA.**

13.21 (a) The commissioner of employment and economic development, in consultation  
13.22 with the commissioner of revenue, shall study and analyze the effects of current and  
13.23 projected oil production in North Dakota on the Minnesota economy with special focus on  
13.24 the northwestern region of Minnesota and area border cities as provided in paragraph (b).

13.25 (b) The study and analysis must address:

13.26 (1) current and projected economic, fiscal, and demographic effects and issues;

13.27 (2) direct and indirect costs and benefits;

13.28 (3) positive and negative effects; and

13.29 (4) economic challenges and opportunities for economic growth or diversification.

13.30 (c) The study must be objective, evidence-based, and designed to produce empirical  
13.31 data. Study data must be utilized to formulate policy recommendations on how the state,  
13.32 the northwestern region of the state, and border cities may respond to the challenges and  
13.33 opportunities for economic growth and financial investment that may be derived from the  
13.34 regional economic changes that are the result of oil production in North Dakota.

14.1       (d) For the purposes of this section, "border cities" has the meaning given in  
14.2       Minnesota Statutes, section 469.1731.

14.3       (e) The study and analysis must be conducted by an independent entity with  
14.4       demonstrated knowledge in the following areas:

14.5       (1) the economy and demography of Minnesota;  
14.6       (2) the domestic and foreign oil industry; and  
14.7       (3) technologies, markets, and geopolitical factors that have an impact on current  
14.8       and future oil production in the region.

14.9       (f) The commissioner shall report on the findings and recommendations of the study  
14.10      to the committees of the house of representatives and senate having jurisdiction over  
14.11      economic development and workforce issues by February 15, 2015.

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

14.13      Sec. 21. **REPORT; OFFICE OF HIGHER EDUCATION.**

14.14       The Office of Higher Education shall, by February 1, 2015, report to the committees  
14.15       of the legislature with primary jurisdiction over higher education policy and finance, its  
14.16       plans and proposed terms and conditions for operating a student loan refinancing program  
14.17       under section 136A.1704, along with any recommended legislation.

14.18      Sec. 22. **COMMISSIONER OF EMPLOYMENT AND ECONOMIC  
14.19      DEVELOPMENT ACCOUNTABILITY PLAN.**

14.20       By December 1, 2014, the commissioner of employment and economic development  
14.21       shall report to the committees of the house of representatives and senate having  
14.22       jurisdiction over workforce development and economic development policy and finance  
14.23       issues, on the department's plan, and any request for funding, to design and implement  
14.24       a performance accountability outcome measurement system, including a net impact  
14.25       analysis, for programs under Minnesota Statutes, chapter 116J and 116L.

14.26      Sec. 23. **WORKFORCE PROGRAM NET IMPACT ANALYSIS.**

14.27       By December 1, 2014, the commissioner of employment and economic development,  
14.28       in partnership with the Governor's Workforce Development Council, must report to the  
14.29       chairs and ranking minority members of the committees of the house of representatives  
14.30       and the senate having jurisdiction over economic development and workforce policy and  
14.31       finance the results of the net impact pilot project already underway.

15.1        Sec. 24. **STUDY ABROAD PROGRAM; ASSESSMENT OF APPROPRIATE**  
15.2        **REGULATION.**

15.3        The Office of Higher Education shall, using existing staff and budget, assess the  
15.4        appropriate state regulation of postsecondary study abroad programs. The assessment  
15.5        must be based on a balanced approach of protecting the health and safety of program  
15.6        participants and maintaining the opportunity of students to study abroad. The office shall  
15.7        report the results of its assessment with any legislative recommendation by February 1,  
15.8        2015, to the committees of the legislature with primary jurisdiction over higher education.

15.9        Sec. 25. **REPEALER.**

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

15.11        **ARTICLE 2**

15.12        **TRANSPORTATION AND PUBLIC SAFETY APPROPRIATIONS**

15.13        Section 1. Laws 2009, chapter 83, article 1, section 10, subdivision 7, is amended to  
15.14        read:

15.15        Subd. 7. **Emergency Communication Networks**                  66,470,000                  70,233,000

15.16        This appropriation is from the state  
15.17        government special revenue fund for 911  
15.18        emergency telecommunications services.

15.19        (a) **Public Safety Answering Points.**

15.20        \$13,664,000 each year is to be distributed  
15.21        as provided in Minnesota Statutes, section  
15.22        403.113, subdivision 2.

15.23        (b) **Medical Resource Communication**

15.24        **Centers.** \$683,000 each year is for grants  
15.25        to the Minnesota Emergency Medical  
15.26        Services Regulatory Board for the Metro  
15.27        East and Metro West Medical Resource  
15.28        Communication Centers that were in  
15.29        operation before January 1, 2000.

15.30        (c) **ARMER Debt Service.** \$17,557,000 the  
15.31        first year and \$23,261,000 the second year  
15.32        are to the commissioner of finance to pay

16.1 debt service on revenue bonds issued under  
16.2 Minnesota Statutes, section 403.275.  
  
16.3 Any portion of this appropriation not needed  
16.4 to pay debt service in a fiscal year may be  
16.5 used by the commissioner of public safety to  
16.6 pay cash for any of the capital improvements  
16.7 for which bond proceeds were appropriated  
16.8 by Laws 2005, chapter 136, article 1, section  
16.9 9, subdivision 8, or Laws 2007, chapter 54,  
16.10 article 1, section 10, subdivision 8.

16.11 **(d) Metropolitan Council Debt Service.**  
16.12 \$1,410,000 each year is to the commissioner  
16.13 of finance for payment to the Metropolitan  
16.14 Council for debt service on bonds issued  
16.15 under Minnesota Statutes, section 403.27.

16.16 **(e) ARMER State Backbone Operating**  
16.17 **Costs.** \$5,060,000 each year is to the  
16.18 commissioner of transportation for costs  
16.19 of maintaining and operating the statewide  
16.20 radio system backbone.

16.21 **(f) ARMER Improvements.** \$1,000,000  
16.22 each year is for the Statewide Radio Board for  
16.23 costs of design, construction, maintenance  
16.24 of, and improvements to those elements  
16.25 of the statewide public safety radio and  
16.26 communication system that support mutual  
16.27 aid communications and emergency medical  
16.28 services or provide enhancement of public  
16.29 safety communication interoperability.

16.30 **(g) Next Generation 911.** \$3,431,000 the  
16.31 first year and \$6,490,000 the second year  
16.32 are to replace the current system with the  
16.33 Next Generation Internet Protocol (IP) based  
16.34 network. This appropriation is available until

17.1       expended. The base level of funding for  
17.2       fiscal year 2012 shall be \$2,965,000.

17.3       **(h) Grants to Local Government.**  
17.4       \$5,000,000 the first year is for grants to  
17.5       local units of government to assist with  
17.6       the transition to the ARMER system. This  
17.7       appropriation is available until June 30, 2012.

17.8       Sec. 2. Laws 2010, chapter 189, section 15, subdivision 12, is amended to read:

17.9		<del>26,430,000</del>
17.10	<b>Subd. 12. Rochester Maintenance Facility</b>	<u>24,937,000</u>

17.11      This appropriation is from the bond proceeds  
17.12      account in the trunk highway fund.  
  
17.13      To prepare a site for and design, construct,  
17.14      furnish, and equip a new maintenance facility  
17.15      in Rochester.

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

17.17       Sec. 3. Laws 2010, chapter 189, section 26, subdivision 4, is amended to read:

17.18       **Subd. 4. Trunk highway fund bond proceeds account.** To provide the money  
17.19       appropriated in this act from the bond proceeds account in the trunk highway fund, the  
17.20       commissioner of management and budget shall sell and issue bonds of the state in an  
17.21       amount up to ~~\$32,945,000~~ \$31,452,000 in the manner, upon the terms, and with the effect  
17.22       prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota  
17.23       Constitution, article XIV, section 11, at the times and in the amounts requested by the  
17.24       commissioner of transportation. The proceeds of the bonds, except accrued interest and  
17.25       any premium received from the sale of the bonds, must be credited to the bond proceeds  
17.26       account in the trunk highway fund.

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

17.28       Sec. 4. Laws 2012, chapter 287, article 2, section 1, is amended to read:

17.29       **Section 1. ROCHESTER MAINTENANCE FACILITY.**

17.30       ~~\$16,100,000~~ \$17,593,000 is appropriated to the commissioner of transportation  
17.31       to design, construct, furnish, and equip the maintenance facility in Rochester and

18.1 corresponding remodeling of the existing district headquarters building. This appropriation  
18.2 is from the bond proceeds account in the trunk highway fund.

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

18.4 Sec. 5. Laws 2012, chapter 287, article 2, section 3, is amended to read:

18.5       **Sec. 3. TRUNK HIGHWAY FUND BOND PROCEEDS ACCOUNT.**

18.6       To provide the money appropriated in this article from the bond proceeds account in  
18.7 the trunk highway fund, the commissioner of management and budget shall sell and issue  
18.8 bonds of the state in an amount up to ~~\$16,120,000~~ \$17,613,000 in the manner, upon the  
18.9 terms, and with the effect prescribed by Minnesota Statutes, sections 167.50 to 167.52,  
18.10 and by the Minnesota Constitution, article XIV, section 11, at the times and in the amounts  
18.11 requested by the commissioner of transportation. The proceeds of the bonds, except  
18.12 accrued interest and any premium received from the sale of the bonds, must be credited  
18.13 to the bond proceeds account in the trunk highway fund.

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

18.15 Sec. 6. Laws 2012, First Special Session chapter 1, article 1, section 28, is amended to  
18.16 read:

18.17       **Sec. 28. TRANSFERS, REDUCTIONS, CANCELLATIONS, AND BOND  
18.18 SALE AUTHORIZATIONS REDUCED.**

18.19       (a) The remaining balance of the appropriation in Laws 2010, Second Special  
18.20 Session chapter 1, article 1, section 7, for the economic development and housing  
18.21 challenge program, estimated to be \$450,000, is transferred to the general fund.

18.22       (b) The appropriation in Laws 2010, Second Special Session chapter 1, article 1,  
18.23 section 5, for Minnesota investment fund grants pursuant to Minnesota Statutes, section  
18.24 12A.07, is reduced by \$1,358,000.

18.25       (c) The appropriation in Laws 2010, Second Special Session chapter 1, article 1,  
18.26 section 12, subdivision 2, for disaster enrollment impact aid pursuant to Minnesota  
18.27 Statutes, section 12A.06, is reduced by \$30,000.

18.28       (d) The appropriation in Laws 2010, Second Special Session chapter 1, article  
18.29 1, section 12, subdivision 3, for disaster relief facilities grants pursuant to Minnesota  
18.30 Statutes, section 12A.06, is reduced by \$392,000.

18.31       (e) The appropriation in Laws 2010, Second Special Session chapter 1, article 1,  
18.32 section 12, subdivision 4, for disaster relief operating grants pursuant to Minnesota  
18.33 Statutes, section 12A.06, is reduced by \$2,000.

(f) The appropriation in Laws 2010, Second Special Session chapter 1, article 1, section 12, subdivision 5, for pupil transportation aid pursuant to Minnesota Statutes, section 12A.06, is reduced by \$5,000.

(g) The appropriation in Laws 2010, Second Special Session chapter 1, article 2, section 5, subdivision 3, for pupil transportation aid pursuant to Minnesota Statutes, section 12A.06, is reduced by \$271,000.

(h) The appropriation in Laws 2010, Second Special Session chapter 1, article 1, section 13, for public health activities pursuant to Minnesota Statutes, section 12A.08, is reduced by \$103,000.

(i) \$1,428,000 \$534,000 of the appropriation in Laws 2007, First Special Session chapter 2, article 1, section 4, subdivision 3, for reconstruction and repair of trunk highways and trunk highway bridges is canceled. The bond sale authorization in Laws 2007, First Special Session chapter 2, article 1, section 15, subdivision 2, is reduced by \$1,428,000 \$534,000.

(j) \$5,680,000 of the appropriation in Laws 2007, First Special Session chapter 2, article 1, section 4, subdivision 4, as amended by Laws 2008, chapter 289, section 2, for grants to local governments for capital costs related to rehabilitation and replacement of local roads and bridges damaged or destroyed by flooding pursuant to Minnesota Statutes, section 174.50, is canceled. The bond sale authorization in Laws 2007, First Special Session chapter 2, article 1, section 15, subdivision 3, is reduced by \$5,680,000.

(k) \$2,133,000 of the appropriation in Laws 2010, Second Special Session chapter 1, article 1, section 4, subdivision 3, for local road and bridge rehabilitation and replacement pursuant to Minnesota Statutes, section 12A.16, subdivision 3, is canceled. The bond sale authorization in Laws 2010, Second Special Session chapter 1, article 1, section 17, subdivision 2, is reduced by \$2,133,000.

(l) The appropriation in Laws 2010, Second Special Session chapter 1, article 1, section 4, subdivision 2, for state road infrastructure operations and maintenance pursuant to Minnesota Statutes, section 12A.16, subdivision 1, is reduced by \$819,000.

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

Sec. 7. Laws 2013, chapter 86, article 1, section 12, subdivision 1, is amended to read:

**Subdivision 1. Total Appropriation**                            \$ 157,851,000 \$ **161,191,000**  
**161,191,000**

## Appropriations by Fund

2014 2015

82,213,000      82,772,000

20.1	Special Revenue	14,062,000	13,062,000
20.2	State Government		
20.3	Special Revenue	59,241,000	63,742,000
20.4	Environmental	69,000	69,000
20.5	Trunk Highway	2,266,000	2,266,000

20.6 The amounts that may be spent for each  
20.7 purpose are specified in the following  
20.8 subdivisions.

20.9 Sec. 8. Laws 2013, chapter 86, article 1, section 12, subdivision 3, is amended to read:

20.10 **Subd. 3. Criminal Apprehension** 47,588,000 47,197,000

20.11	Appropriations by Fund		
20.12	General	42,315,000	42,924,000
20.13	Special Revenue	3,000,000	2,000,000
20.14	State Government		
20.15	Special Revenue	7,000	7,000
20.16	Trunk Highway	2,266,000	2,266,000

20.17 **(a) DWI Lab Analysis; Trunk Highway Fund**

20.18 Notwithstanding Minnesota Statutes, section  
20.19 161.20, subdivision 3, \$1,941,000 each year  
20.20 is from the trunk highway fund for laboratory  
20.21 analysis related to driving-while-impaired  
20.22 cases.

20.23 **(b) Criminal History System**

20.24 \$50,000 the first year and \$580,000 the  
20.25 second year from the general fund and,  
20.26 notwithstanding Minnesota Statutes, section  
20.27 299A.705, subdivision 4, \$3,000,000 the  
20.28 first year and \$2,000,000 the second year  
20.29 from the vehicle services account in the  
20.30 special revenue fund are to replace the  
20.31 state criminal history system. This is a  
20.32 onetime appropriation and is available until  
20.33 expended. Of this amount, \$2,980,000 the  
20.34 first year and \$2,580,000 the second year  
20.35 are for a onetime transfer to the Office of

21.1 Enterprise Technology for start-up costs.  
21.2 Service level agreements must document all  
21.3 project-related transfers under this paragraph.  
21.4 Ongoing operating and support costs for this  
21.5 system shall be identified and incorporated  
21.6 into future service level agreements.

21.7 The commissioner is authorized to use funds  
21.8 appropriated under this paragraph for the  
21.9 purposes specified in paragraph (c).

21.10 **(c) Criminal Reporting System**

21.11 \$1,360,000 the first year and \$1,360,000 the  
21.12 second year from the general fund are to  
21.13 replace the state's crime reporting system  
21.14 and include one full-time equivalent business  
21.15 analyst. This is a onetime appropriation  
21.16 and is available until expended. Of these  
21.17 amounts, \$1,360,000 the first year and  
21.18 \$1,360,000 \$1,290,000 the second year  
21.19 are for a onetime transfer to the Office of  
21.20 Enterprise Technology for start-up costs.

21.21 Service level agreements must document all  
21.22 project-related transfers under this paragraph.  
21.23 Ongoing operating and support costs for this  
21.24 system shall be identified and incorporated  
21.25 into future service level agreements.

21.26 The commissioner is authorized to use funds  
21.27 appropriated under this paragraph for the  
21.28 purposes specified in paragraph (b).

21.29 **(d) Forensic Laboratory**

21.30 \$125,000 the first year and \$125,000 the  
21.31 second year from the general fund and,  
21.32 notwithstanding Minnesota Statutes, section  
21.33 161.20, subdivision 3, \$125,000 the first  
21.34 year and \$125,000 the second year from the  
21.35 trunk highway fund are to replace forensic

22.1 laboratory equipment at the Bureau of  
22.2 Criminal Apprehension.  
  
22.3 \$200,000 the first year and \$200,000 the  
22.4 second year from the general fund and,  
22.5 notwithstanding Minnesota Statutes, section  
22.6 161.20, subdivision 3, \$200,000 the first  
22.7 year and \$200,000 the second year from the  
22.8 trunk highway fund are to improve forensic  
22.9 laboratory staffing at the Bureau of Criminal  
22.10 Apprehension.

22.11 **(e) Livescan Fingerprinting**

22.12 \$310,000 the first year and \$389,000 the  
22.13 second year from the general fund are to  
22.14 maintain Livescan fingerprinting machines.  
22.15 This is a onetime appropriation.

22.16 **(f) General Fund Base**

22.17 The Bureau of Criminal Apprehension's  
22.18 general fund base is reduced by \$1,720,000  
22.19 in fiscal year 2014 and \$2,329,000 in fiscal  
22.20 year 2015 to reflect onetime appropriations.

22.21 **(g) Report**

22.22 If the vehicle services special revenue account  
22.23 accrues an unallocated balance in excess  
22.24 of 50 percent of the previous fiscal year's  
22.25 expenditures, the commissioner of public  
22.26 safety shall submit a report to the chairs  
22.27 and ranking minority members of the house  
22.28 of representatives and senate committees  
22.29 with jurisdiction over transportation and  
22.30 public safety policy and finance. The report  
22.31 must contain specific policy and legislative  
22.32 recommendations for reducing the fund  
22.33 balance and avoiding future excessive fund  
22.34 balances. The report is due within three

23.1 months of the fund balance exceeding the  
23.2 threshold established in this paragraph.

23.3 Sec. 9. Laws 2013, chapter 86, article 1, section 12, subdivision 4, is amended to read:

23.4 **Subd. 4. Fire Marshal** 9,555,000  
23.5 **Subd. 4. Fire Marshal** 10,855,000 9,555,000

23.6 This appropriation is from the fire safety  
23.7 account in the special revenue fund and is for  
23.8 activities under Minnesota Statutes, section  
23.9 299F.012.

23.10 Of this amount: (1) \$7,187,000 each year  
23.11 is for activities under Minnesota Statutes,  
23.12 section 299F.012; and (2) \$2,368,000 the first  
23.13 year and \$2,368,000 the second year are for  
23.14 transfers to the general fund under Minnesota  
23.15 Statutes, section 297I.06, subdivision 3.

23.16 \$1,300,000 in fiscal year 2014 is appropriated

23.17 for activities and programs under Minnesota

23.18 Statutes, section 299F.012. This is a onetime

23.19 appropriation. By January 1, 2015, the

23.20 commissioner of public safety shall report to

23.21 the chairs and ranking minority members of

23.22 the legislative committees with jurisdiction

23.23 over the fire safety account regarding the

23.24 balances and uses of the account.

23.25 Sec. 10. Laws 2013, chapter 86, article 1, section 12, subdivision 6, is amended to read:

## 23.28 Appropriations by Fund

23.29 **36,010,000**

23.30 General 36,010,000 37,110,000

23.31	<b>State Government</b>		
23.32	Special Revenue	96 000	96 000

### 23.33 (a) QIP Administration Costs

24.1 Up to 2.5 percent of the grant funds  
24.2 appropriated in this subdivision may be used  
24.3 by the commissioner to administer the grant  
24.4 program.

24.5 **(b) Crime Victim Programs**

24.6 \$1,500,000 each year must be distributed  
24.7 through an open and competitive grant  
24.8 process for existing crime victim programs.  
24.9 The funds must be used to meet the needs  
24.10 of underserved and unserved areas and  
24.11 populations.

24.12 **(c) Community Offender Reentry Program**

24.13 \$100,000 each year is for a grant to the  
24.14 community offender reentry program for  
24.15 assisting individuals to transition from  
24.16 incarceration to the communities in and  
24.17 around Duluth, including assistance in  
24.18 finding housing, employment, educational  
24.19 opportunities, counseling, and other  
24.20 resources. This is a onetime appropriation.

24.21 **(d) Youth Intervention Programs**

24.22 ~~\$1,000,000 each year in fiscal year 2014~~  
24.23 and \$1,750,000 in fiscal year 2015 is  
24.24 for youth intervention programs under  
24.25 Minnesota Statutes, section 299A.73. The  
24.26 appropriations must be used to create new  
24.27 programs statewide in underserved areas  
24.28 and to help existing programs serve unmet  
24.29 needs in program communities. Of this  
24.30 amount, \$100,000 in fiscal year 2015 is for a  
24.31 youth intervention program targeted toward  
24.32 East African youth. These appropriations  
24.33 are available until expended. This amount  
24.34 \$2,000,000 must be added to the department's

25.1 base budget in 2016 and 2017 for grants to  
25.2 youth intervention programs.

25.3 **(e) Sexually Exploited Youth; Law  
25.4 Enforcement and Prosecution Training**

25.5 \$350,000 each year is for a grant to Ramsey  
25.6 County to be used by the Ramsey County  
25.7 Attorney's Office to:

25.8 (1) develop a statewide model protocol for  
25.9 law enforcement, prosecutors, and others,  
25.10 who in their professional capacity encounter  
25.11 sexually exploited and trafficked youth, on  
25.12 identifying and intervening with sexually  
25.13 exploited and trafficked youth;

25.14 (2) conduct statewide training for law  
25.15 enforcement and prosecutors on the model  
25.16 protocol and the Safe Harbor Law described  
25.17 in Laws 2011, First Special Session chapter  
25.18 1, article 4, as modified by Senate File No.  
25.19 384, article 2, if enacted; and

25.20 (3) develop and disseminate to law  
25.21 enforcement, prosecutors, and others, who  
25.22 in their professional capacity encounter  
25.23 sexually exploited and trafficked youth, on  
25.24 investigative best practices to identify sex  
25.25 trafficked victims and traffickers.

25.26 The Ramsey County attorney may use the  
25.27 money appropriated in this paragraph to  
25.28 partner with other entities to implement  
25.29 clauses (1) to (3).

25.30 By January 15, 2015, the Ramsey County  
25.31 Attorney's Office shall report to the chairs  
25.32 and ranking minority members of the senate  
25.33 and house of representatives committees and  
25.34 divisions having jurisdiction over criminal

26.1 justice policy and funding on how this  
26.2 appropriation was spent.

26.3 These appropriations are onetime.

26.4 **(f) Returning Veterans in Crisis**

26.5 \$50,000 each year is for a grant to the Upper  
26.6 Midwest Community Policing Institute for  
26.7 use in training community safety personnel  
26.8 about the use of de-escalation strategies  
26.9 for handling returning veterans in crisis.

26.10 This is a onetime appropriation, and the  
26.11 unencumbered balance in the first year does  
26.12 not cancel but is available for the second  
26.13 year. The commissioner shall consult with  
26.14 the Peace Officers Standards and Training  
26.15 (POST) Board regarding the design and  
26.16 content of the course, and must also ensure  
26.17 that the training opportunities are reasonably  
26.18 distributed throughout the state.

26.19 **(g) Juvenile Detention Alternative**

26.20 **Initiative**

26.21 \$50,000 each year is for a grant to the  
26.22 Juvenile Detention Alternative Initiative.  
26.23 This is a onetime appropriation, and funds  
26.24 unexpended in the first year are available in  
26.25 the second year.

26.26 **(h) Emergency Shelters**

26.27 \$300,000 in fiscal year 2015 is for a grant to  
26.28 provide emergency shelter programming for  
26.29 victims of domestic abuse and trafficking.  
26.30 The program shall provide shelter to East  
26.31 African women and children and other  
26.32 victims of domestic violence in Minnesota.  
26.33 The appropriations must be used for the  
26.34 operating expenses of a shelter.

27.1    This is a onetime appropriation.

27.2    **(i) De-escalation Training**

27.3    \$50,000 in fiscal year 2015 is appropriated to  
27.4    the commissioner of public safety for training  
27.5    state and local community safety personnel  
27.6    in the use of crisis de-escalation techniques.  
27.7    The commissioner must consult with the  
27.8    director of the Minnesota Peace Officers and  
27.9    Training Board, and may consult with any  
27.10    other state or local governmental official or  
27.11    nongovernmental authority the commissioner  
27.12    determines to be relevant, to include  
27.13    postsecondary institutions, when selecting a  
27.14    service provider for this training. Among any  
27.15    other criteria the commissioner may establish  
27.16    for the selection, the training provider must  
27.17    have a demonstrated understanding of the  
27.18    transitions and challenges that veterans may  
27.19    experience during their re-entry into society  
27.20    following combat service. The commissioner  
27.21    must ensure that training opportunities  
27.22    provided are reasonably distributed  
27.23    statewide. This is a onetime appropriation.

27.24    Sec. 11. Laws 2013, chapter 86, article 1, section 12, subdivision 7, is amended to read:

27.25		<u>59,138,000</u>	<u>63,639,000</u>
27.26	<b>Subd. 7. Emergency Communication Networks</b>	<u>64,197,000</u>	<u>70,504,000</u>

27.27    This appropriation is from the state  
27.28    government special revenue fund for 911  
27.29    emergency telecommunications services.  
27.30    The base appropriation is \$63,639,000 in  
27.31    each of fiscal years 2016 and 2017.

27.32    **(a) Public Safety Answering Points**

28.1    \$13,664,000 each year is to be distributed  
28.2    as provided in Minnesota Statutes, section  
28.3    403.113, subdivision 2.

28.4    **(b) Medical Resource Communication Centers**

28.5    \$683,000 each year is for grants to the  
28.6    Minnesota Emergency Medical Services  
28.7    Regulatory Board for the Metro East  
28.8    and Metro West Medical Resource  
28.9    Communication Centers that were in  
28.10   operation before January 1, 2000.

28.11   **(c) ARMER Debt Service**

28.12   \$23,261,000 each year is to the commissioner  
28.13   of management and budget to pay debt  
28.14   service on revenue bonds issued under  
28.15   Minnesota Statutes, section 403.275.

28.16   Any portion of this appropriation not needed  
28.17   to pay debt service in a fiscal year may be  
28.18   used by the commissioner of public safety to  
28.19   pay cash for any of the capital improvements  
28.20   for which bond proceeds were appropriated  
28.21   by Laws 2005, chapter 136, article 1, section  
28.22   9, subdivision 8; or Laws 2007, chapter 54,  
28.23   article 1, section 10, subdivision 8.

28.24   **(d) ARMER State Backbone Operating Costs**

28.25   \$9,250,000 the first year and \$9,650,000  
28.26   the second year are to the commissioner of  
28.27   transportation for costs of maintaining and  
28.28   operating the first and third phases of the  
28.29   statewide radio system backbone.

28.30   **(e) ARMER Improvements**

28.31   \$1,000,000 each year is to the Statewide  
28.32   Radio Board for costs of design, construction,  
28.33   and maintenance of, and improvements  
28.34   to, those elements of the statewide public

29.1 safety radio and communication system  
29.2 that support mutual aid communications  
29.3 and emergency medical services or provide  
29.4 interim enhancement of public safety  
29.5 communication interoperability in those  
29.6 areas of the state where the statewide public  
29.7 safety radio and communication system is  
29.8 not yet implemented.

29.9 Sec. 12. Laws 2013, chapter 117, article 1, section 3, subdivision 2, is amended to read:

29.10 **Subd. 2. Multimodal Systems**

29.11 **(a) Aeronautics**

29.12		13,648,000	13,648,000
29.13	<b>(1) Airport Development and Assistance</b>	<u>14,648,000</u>	<u>16,648,000</u>

29.14 This appropriation is from the state  
29.15 airports fund and must be spent according  
29.16 to Minnesota Statutes, section 360.305,  
29.17 subdivision 4.

29.18 The base appropriation for fiscal years 2016  
29.19 and 2017 is \$14,298,000 for each year.

29.20 Notwithstanding Minnesota Statutes, section  
29.21 16A.28, subdivision 6, this appropriation is  
29.22 available for five years after appropriation.  
29.23 If the appropriation for either year is  
29.24 insufficient, the appropriation for the other  
29.25 year is available for it.

29.26 For the current biennium, the commissioner  
29.27 of transportation may establish different  
29.28 local contribution rates for airport projects  
29.29 than those established in Minnesota Statutes,  
29.30 section 360.305, subdivision 4.

29.31	<b>(2) Aviation Support and Services</b>	6,386,000	6,386,000
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30.1	Appropriations by Fund		
30.2	Airports	5,286,000	5,286,000
30.3	Trunk Highway	1,100,000	1,100,000
30.4	\$65,000 in each year is from the state airports fund for the Civil Air Patrol.		
30.6			
30.7	(b) <b>Transit</b>	17,226,000	<u>17,245,000</u> <u>25,245,000</u>
30.8	Appropriations by Fund		
30.9			
30.10	General	16,451,000	<u>16,470,000</u> <u>24,470,000</u>
30.11	Trunk Highway	775,000	775,000
30.12	\$100,000 in each year is from the general fund for the administrative expenses of the		
30.13			
30.14	Minnesota Council on Transportation Access		
30.15	under Minnesota Statutes, section 174.285.		
30.16	\$78,000 in each year is from the general fund for grants to greater Minnesota transit providers as reimbursement for the costs of		
30.17			
30.18	providing fixed route public transit rides free of charge under Minnesota Statutes, section		
30.19			
30.20	174.24, subdivision 7, for veterans certified as disabled.		
30.21			
30.22			
30.23	<u>The base appropriation from the general fund for fiscal years 2016 and 2017 is \$20,470,000</u>		
30.24			
30.25	<u>for each year.</u>		
30.26	(c) <b>Passenger Rail</b>	500,000	500,000
30.27	This appropriation is from the general fund for passenger rail system planning,		
30.28			
30.29	alternatives analysis, environmental analysis,		
30.30	design, and preliminary engineering under		
30.31	Minnesota Statutes, sections 174.632 to		
30.32	174.636.		
30.33	(d) <b>Freight</b>	5,653,000	5,153,000

Appropriations by Fund			
	2014	2015	
31.1 General	756,000	256,000	
31.2 Trunk Highway	4,897,000	4,897,000	
31.3			
31.4 \$500,000 in the first year is from the general fund to pay for the department's share of costs associated with the cleanup of contaminated state rail bank property. This appropriation is available until expended.			
31.5			
31.6			
31.7			
31.8			
31.9			250,000
31.10 (e) <b>Safe Routes to School</b>		250,000	<u>500,000</u>
31.11 This appropriation <u>\$250,000 in the first</u>			
31.12 <u>year and \$500,000 in the second year is</u>			
31.13 from the general fund for non-infrastructure			
31.14 activities in the safe routes to school program			
31.15 under Minnesota Statutes, section 174.40,			
31.16 subdivision 7a.			
31.17	<b>EFFECTIVE DATE.</b> This section is effective the day following final enactment.		
31.18 Sec. 13. Laws 2013, chapter 117, article 1, section 3, subdivision 3, is amended to read:			
31.19 Subd. 3. <b>State Roads</b>			
31.20		262,395,000	262,395,000
31.21 (a) <b>Operations and Maintenance</b>		<u>267,395,000</u>	<u>300,395,000</u>
31.22 <u>\$5,000,000 in each year is from the trunk</u>			
31.23 <u>highway fund for accelerated replacement of</u>			
31.24 <u>snow plowing equipment.</u>			
31.25 The base appropriation for operations and			
31.26 maintenance for fiscal years 2016 and 2017			
31.27 is <u>\$267,395,000 in each year.</u>			
31.28			206,720,000
31.29 (b) <b>Program Planning and Delivery</b>		206,795,000	<u>209,720,000</u>
31.30	Appropriations by Fund		
31.31	2014	2015	
31.32 H.U.T.D.	75,000	0	
31.33		206,720,000	
31.34 Trunk Highway	206,720,000	<u>209,720,000</u>	

32.1       The base appropriation for program planning  
32.2       and delivery for fiscal years 2016 and 2017  
32.3       is \$206,720,000 in each year.

32.4       \$250,000 in each year is for the department's  
32.5       administrative costs for creation and  
32.6       operation of the Joint Program Office for  
32.7       Economic Development and Alternative  
32.8       Finance, including costs of hiring a  
32.9       consultant and preparing required reports.

32.10      \$130,000 in each year is available for  
32.11      administrative costs of the targeted group  
32.12      business program.

32.13      \$266,000 in each year is available for grants  
32.14      to metropolitan planning organizations  
32.15      outside the seven-county metropolitan area.

32.16      \$75,000 in each year is available for a  
32.17      transportation research contingent account  
32.18      to finance research projects that are  
32.19      reimbursable from the federal government or  
32.20      from other sources. If the appropriation for  
32.21      either year is insufficient, the appropriation  
32.22      for the other year is available for it.

32.23      \$900,000 in each year is available for  
32.24      grants for transportation studies outside  
32.25      the metropolitan area to identify critical  
32.26      concerns, problems, and issues. These  
32.27      grants are available: (1) to regional  
32.28      development commissions; (2) in regions  
32.29      where no regional development commission  
32.30      is functioning, to joint powers boards  
32.31      established under agreement of two or  
32.32      more political subdivisions in the region to  
32.33      exercise the planning functions of a regional  
32.34      development commission; and (3) in regions  
32.35      where no regional development commission

33.1 or joint powers board is functioning, to the  
33.2 department's district office for that region.

33.3 \$75,000 in the first year is from the highway  
33.4 user tax distribution fund to the commissioner  
33.5 for a grant to the Humphrey School of Public  
33.6 Affairs at the University of Minnesota for  
33.7 WorkPlace Telework program congestion  
33.8 relief efforts consisting of maintenance of  
33.9 Web site tools and content. This is a onetime  
33.10 appropriation and is available in the second  
33.11 year.

### **33.12 (c) State Road Construction Activity**

**33.13 (1) Economic Recovery Funds - Federal  
33.14 Highway Aid**

1,000,000                  1,000,000

33.15 This appropriation is to complete projects  
33.16 using funds made available to the  
33.17 commissioner of transportation under  
33.18 title XII of the American Recovery and  
33.19 Reinvestment Act of 2009, Public Law  
33.20 111-5, and implemented under Minnesota  
33.21 Statutes, section 161.36, subdivision 7. The  
33.22 base appropriation is \$1,000,000 in fiscal  
33.23 year 2016 and \$0 in fiscal year 2017.

33.24		909,400,000
33.25	(2) State Road Construction	923,400,000

~~815,600,000~~  
816,425,000

33.26 It is estimated that these appropriations will  
33.27 be funded as follows:

## Appropriations by Fund

33.29	Federal Highway		
33.30	Aid	489,200,000	482,200,000
33.31		420,200,000	333,400,000
33.32	Highway User Taxes	434,200,000	334,225,000

33.33 The commissioner of transportation shall  
33.34 notify the chairs and ranking minority  
33.35 members of the legislative committees with  
33.36 jurisdiction over transportation finance of

34.1 any significant events that should cause these  
34.2 estimates to change.

34.3 This appropriation is for the actual  
34.4 construction, reconstruction, and  
34.5 improvement of trunk highways, including  
34.6 design-build contracts and consultant usage  
34.7 to support these activities. This includes the  
34.8 cost of actual payment to landowners for  
34.9 lands acquired for highway rights-of-way,  
34.10 payment to lessees, interest subsidies, and  
34.11 relocation expenses.

34.12 The base appropriation for state road  
34.13 construction for fiscal years 2016 and 2017  
34.14 is ~~\$645,000,000~~ \$645,567,000 in each year.

34.15 \$10,000,000 in each year is from the  
34.16 trunk highway fund for the transportation  
34.17 economic development program under  
34.18 Minnesota Statutes, section 174.12.

34.19 The commissioner may expend up to one-half  
34.20 of one percent of the federal appropriations  
34.21 under this clause as grants to opportunity  
34.22 industrialization centers and other nonprofit  
34.23 job training centers for job training programs  
34.24 related to highway construction.

34.25 The commissioner may transfer up to  
34.26 \$15,000,000 each year from the trunk  
34.27 highway fund to the transportation revolving  
34.28 loan fund.

34.29 The commissioner may receive money  
34.30 covering other shares of the cost of  
34.31 partnership projects. These receipts are  
34.32 appropriated to the commissioner for these  
34.33 projects.

35.1    \$14,000,000 in the first year is from the trunk  
35.2    highway fund for the specific improvements  
35.3    to "Old Highway 14" described in the  
35.4    settlement agreement and release executed  
35.5    January 7, 2014, between the state and Steele  
35.6    and Waseca Counties.

35.7 \$825,000 in the second year is from the trunk highway fund for costs of implementing highway work zone safety initiatives.

35.8

35.9

35.10     The base appropriation for this purpose is  
35.11     \$567,000 in each of fiscal years 2016 and  
35.12     2017.

35.13 (d) Highway Debt Service 158,417,000 189,821,000

35.14      \$148,917,000 in the first year and  
35.15      \$180,321,000 in the second year are for  
35.16      transfer to the state bond fund. If an  
35.17      appropriation is insufficient to make all  
35.18      transfers required in the year for which it is  
35.19      made, the commissioner of management and  
35.20      budget shall notify the senate Committee  
35.21      on Finance and the house of representatives  
35.22      Committee on Ways and Means of the  
35.23      amount of the deficiency and shall then  
35.24      transfer that amount under the statutory open  
35.25      appropriation. Any excess appropriation  
35.26      cancels to the trunk highway fund.

35.27 (e) Electronic Communications 5,171,000 5,171,000

## Appropriations by Fund

35.29	General	3,000	3,000
35.30	Trunk Highway	5,168,000	5,168,000

- 35.31 The general fund appropriation is to equip
- 35.32 and operate the Roosevelt signal tower for
- 35.33 Lake of the Woods weather broadcasting.

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

36.1        Sec. 14. Laws 2013, chapter 117, article 1, section 3, subdivision 6, is amended to read:

36.2        **Subd. 6. Transfers**

36.3        (a) With the approval of the commissioner of  
36.4        management and budget, the commissioner  
36.5        of transportation may transfer unencumbered  
36.6        balances among the appropriations from the  
36.7        trunk highway fund and the state airports  
36.8        fund made in this section. No transfer  
36.9        may be made from the appropriations for  
36.10       state road construction or for debt service.  
36.11       Transfers under this paragraph may not be  
36.12       made between funds. Transfers under this  
36.13       paragraph must be reported immediately to  
36.14       the chairs and ranking minority members of  
36.15       the legislative committees with jurisdiction  
36.16       over transportation finance.

36.17       (b) The commissioner shall transfer from  
36.18       the flexible highway account in the county  
36.19       state-aid highway fund: (1) \$5,700,000 in the  
36.20       first year and \$21,000,000 in the second year  
36.21       to the trunk highway fund; (2) \$13,000,000  
36.22       in the first year to the municipal turnback  
36.23       account in the municipal state-aid street fund;  
36.24       (3) \$10,000,000 in the second year to the  
36.25       municipal turnback account in the municipal  
36.26       state-aid street fund; and (4) the remainder  
36.27       in each year to the county turnback account  
36.28       in the county state-aid highway fund. The  
36.29       funds transferred are for highway turnback  
36.30       purposes as provided under Minnesota  
36.31       Statutes, section 161.081, subdivision 3.

36.32       Sec. 15. Laws 2013, chapter 117, article 1, section 4, is amended to read:

36.33	Sec. 4. <b>METROPOLITAN COUNCIL</b>	\$	<b>107,889,000</b>	\$	<b>76,970,000</b>
36.34					<u><b>76,910,000</b></u>

- 37.1 This appropriation is from the general fund
- 37.2 for transit system operations under Minnesota
- 37.3 Statutes, sections 473.371 to 473.449.

37.4 The base appropriation for fiscal years 2016  
37.5 and 2017 is \$76,686,000 \$76,626,000 in  
37.6 each year.

37.7 \$37,000,000 in the first year is for the  
37.8 Southwest Corridor light rail transit line  
37.9 from the Hiawatha light rail transit line in  
37.10 downtown Minneapolis to Eden Prairie, to be  
37.11 used for environmental studies, preliminary  
37.12 engineering, acquisition of real property, or  
37.13 interests in real property, and design. This  
37.14 is a onetime appropriation and is available  
37.15 until expended.

37.16 Sec. 16. Laws 2013, chapter 117, article 1, section 5, subdivision 2, is amended to read:

## **37.17 Subd. 2. Administration and Related Services**

37.18 (a) Office of Communications 504,000 504,000

## 37.19 Appropriations by Fund

37.20	General	111,000	111,000
37.21	Trunk Highway	393,000	393,000

37.22		<b>8,439,000</b>
37.23	<b>(b) Public Safety Support</b>	<b>8,439,000</b>

## 37.24 Appropriations by Fund

37.25			<u>3,467,000</u>
37.26	General	3,467,000	<u>3,527,000</u>
37.27	H.U.T.D.	1,366,000	1,366,000
37.28	Trunk Highway	3,606,000	3,606,000

37.29     \$380,000 in each year is from the general  
37.30     fund for payment of public safety officer  
37.31     survivor benefits under Minnesota Statutes,  
37.32     section 299A.44. If the appropriation for  
37.33     either year is insufficient, the appropriation  
37.34     for the other year is available for it.

38.1    \$1,367,000 in each year is from the general  
38.2    fund to be deposited in the public safety  
38.3    officer's benefit account. This money  
38.4    is available for reimbursements under  
38.5    Minnesota Statutes, section 299A.465.

38.6    \$600,000 in each year is from the general  
38.7    fund and \$100,000 in each year is from the  
38.8    trunk highway fund for soft body armor  
38.9    reimbursements under Minnesota Statutes,  
38.10   section 299A.38.

38.11   \$792,000 in each year is from the general  
38.12   fund for transfer by the commissioner of  
38.13   management and budget to the trunk highway  
38.14   fund on December 31, 2013, and December  
38.15   31, 2014, respectively, in order to reimburse  
38.16   the trunk highway fund for expenses not  
38.17   related to the fund. These represent amounts  
38.18   appropriated out of the trunk highway  
38.19   fund for general fund purposes in the  
38.20   administration and related services program.

38.21   \$610,000 in each year is from the highway  
38.22   user tax distribution fund for transfer by the  
38.23   commissioner of management and budget  
38.24   to the trunk highway fund on December 31,  
38.25   2013, and December 31, 2014, respectively,  
38.26   in order to reimburse the trunk highway  
38.27   fund for expenses not related to the fund.

38.28   These represent amounts appropriated out  
38.29   of the trunk highway fund for highway  
38.30   user tax distribution fund purposes in the  
38.31   administration and related services program.

38.32   \$716,000 in each year is from the highway  
38.33   user tax distribution fund for transfer by the  
38.34   commissioner of management and budget to  
38.35   the general fund on December 31, 2013, and

39.1 December 31, 2014, respectively, in order to  
39.2 reimburse the general fund for expenses not  
39.3 related to the fund. These represent amounts  
39.4 appropriated out of the general fund for  
39.5 operation of the criminal justice data network  
39.6 related to driver and motor vehicle licensing.

39.7 Before January 15, 2015, the commissioner  
39.8 of public safety shall review the amounts and  
39.9 purposes of the transfers under this paragraph  
39.10 and shall recommend necessary changes to  
39.11 the legislative committees with jurisdiction  
39.12 over transportation finance.

39.13      \$60,000 in the second year is appropriated

39.14      from the general fund for light rail safety

39.15      oversight. The base appropriation from the

39.16      general fund for this purpose in fiscal years

39.17      2016 and 2017 is \$60,000 each year.

39.18 (c) Technology and Support Service 3,685,000 3,685,000

## Appropriations by Fund

39.20	General	1,322,000	1,322,000
39.21	H.U.T.D.	19,000	19,000
39.22	Trunk Highway	2,344,000	2,344,000

39.23 Sec. 17. Laws 2013, chapter 117, article 1, section 5, subdivision 3, is amended to read:

**39.24 Subd. 3. State Patrol**

39.25 (a) Patrolling Highways 72,522,000 72,522,000

## Appropriations by Fund

39.27	General	37,000	37,000
39.28	H.U.T.D.	92,000	92,000
39.29	Trunk Highway	72,393,000	72,393,000

39.30 (b) Commercial Vehicle Enforcement 7,796,000 7,796,000

39.31			<u>4,355,000</u>
39.32	(c) <b>Capitol Security</b>	4,355,000	<u>5,355,000</u>

39.33 This appropriation is from the general fund.

40.1 \$1,250,000 in each year 2014 and \$2,250,000  
40.2 in 2015 and each subsequent year is to  
40.3 implement the recommendations of the  
40.4 advisory committee on Capitol Area Security  
40.5 under Minnesota Statutes, section 299E.04,  
40.6 including the creation of an emergency  
40.7 manager position under Minnesota Statutes,  
40.8 section 299E.01, subdivision 2, and an  
40.9 increase in the number of State Patrol  
40.10 troopers and other security officers assigned  
40.11 to the Capitol complex.

40.12 The commissioner may not: (1) spend  
40.13 any money from the trunk highway fund  
40.14 for capitol security; or (2) permanently  
40.15 transfer any state trooper from the patrolling  
40.16 highways activity to capitol security.

40.17 The commissioner may not transfer any  
40.18 money appropriated to the commissioner  
40.19 under this section: (1) to capitol security; or  
40.20 (2) from capitol security.

40.21 (d) Vehicle Crimes Unit 693,000 693,000

40.22 This appropriation is from the highway user  
40.23 tax distribution fund.

40.24 This appropriation is to investigate: (1)  
40.25 registration tax and motor vehicle sales tax  
40.26 liabilities from individuals and businesses  
40.27 that currently do not pay all taxes owed;  
40.28 and (2) illegal or improper activity related  
40.29 to sale, transfer, titling, and registration of  
40.30 motor vehicles

40.31 Sec. 18. Laws 2013, chapter 117, article 1, section 5, subdivision 4, is amended to read:

## **40.32 Subd. 4. Driver and Vehicle Services**

40.33			<b>28,430,000</b>
40.34	<b>(a) Vehicle Services</b>	27,909,000	28,453,000

41.1	Appropriations by Fund		
41.2			<del>19,771,000</del>
41.3	Special Revenue	19,673,000	<u>20,217,000</u>
41.4	H.U.T.D.	8,236,000	8,236,000

41.5 The special revenue fund appropriation is  
41.6 from the vehicle services operating account.

41.7 \$650,000 in each year is from the special  
41.8 revenue fund for seven additional positions  
41.9 to enhance customer service related to  
41.10 vehicle title issuance.

41.11 \$521,000 in the second year is from  
41.12 the special revenue fund for the vehicle  
41.13 services portion of a new telephone  
41.14 system and is for transfer to the Office of  
41.15 Enterprise Technology for construction and  
41.16 development of the system. This is a onetime  
41.17 appropriation and is available until expended.

41.18 \$23,000 in the second year is from the special  
41.19 revenue fund for expenses related to the task  
41.20 force on motor vehicle insurance coverage  
41.21 verification.

41.22 The base appropriation from the special  
41.23 revenue fund is ~~\$27,909,000~~ \$19,673,000  
41.24 for fiscal year 2016 and ~~\$27,909,000~~  
41.25 \$19,673,000 for fiscal year 2017.

41.26			<del>29,162,000</del>
41.27	(b) Driver Services	28,749,000	<u>29,185,000</u>

41.28	Appropriations by Fund		
41.29			<del>29,161,000</del>
41.30	Special Revenue	28,748,000	<u>29,184,000</u>
41.31	Trunk Highway	1,000	1,000

41.32 The special revenue fund appropriation is  
41.33 from the driver services operating account.

42.1    \$71,000 in the second year is from the special  
42.2    revenue fund for one additional position  
42.3    related to facial recognition.

42.4    \$279,000 in the second year is from  
42.5    the special revenue fund for the driver  
42.6    services portion of a new telephone  
42.7    system and is for transfer to the Office of  
42.8    Enterprise Technology for construction and  
42.9    development of the system. This is a onetime  
42.10   appropriation and is available until expended.

42.11   \$37,000 in the first year and \$33,000 in the  
42.12   second year are from the special revenue  
42.13   fund for one half-time position to assist with  
42.14   the Novice Driver Improvement Task Force  
42.15   under Minnesota Statutes, section 171.0701,  
42.16   subdivision 1a. The base appropriation for  
42.17   this position is \$6,000 in fiscal year 2016 and  
42.18   \$0 in fiscal year 2017.

42.19   \$67,000 in the second year is from the  
42.20   special revenue fund for one new position to  
42.21   administer changes to the ignition interlock  
42.22   program. The base appropriation for this  
42.23   position in fiscal years 2016 and 2017 is  
42.24   \$62,000 in each year.

42.25   \$23,000 in the second year is from the special  
42.26   revenue fund for expenses related to the task  
42.27   force on motor vehicle insurance coverage  
42.28   verification.

42.29   The base appropriation from the special  
42.30   revenue fund is \$28,851,000 \$28,850,000  
42.31   for fiscal year 2016 and \$28,845,000  
42.32   \$28,844,000 for fiscal year 2017.

42.33   Sec. 19. **TRANSFER; EMERGENCY MANAGEMENT.**

On July 1, 2014, the commissioner of management and budget shall transfer \$3,000,000 from the general fund to the disaster assistance contingency account created in 2014 Senate File No. 2601, if enacted.

ARTICLE 3

## RAILROAD SAFETY

Section 1. Minnesota Statutes 2012, section 115E.08, is amended by adding a subdivision to read:

Subd. 3a. Railroad preparedness; public safety. The commissioner of public safety shall carry out public safety protection activities related to railroad spill and discharge preparedness. Duties under this subdivision include, but are not limited to:

(1) assisting local emergency managers and fire officials to understand the hazards of oil and hazardous substances, as well as general strategies for hazard identification, initial isolation, and other actions necessary to ensure public safety;

(2) assisting railroad companies to develop suggested protocols and practices for local first responder use in protecting the public's safety;

(3) facilitating cooperation between railroads, county and city emergency managers, and other public safety organizations;

(4) participating in major exercises and training sessions;

(5) assisting local units of government to incorporate railroad hazard and response information into local emergency operations plans:

(6) monitoring the public safety-related training and planning requirements of section 115E.03; and

(7) referring noncompliance with section 115E.03 to the Pollution Control Agency.

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

Sec. 2. Minnesota Statutes 2012, section 219.015, subdivision 1, is amended to read:

**Subdivision 1. Position Positions established; duties.** (a) The commissioner of transportation shall establish a position of three state rail safety inspector positions in the Office of Freight and Commercial Vehicle Operations of the Minnesota Department of Transportation. On or after July 1, 2015, the commissioner may establish a fourth state rail safety inspector position following consultation with railroad companies

The commissioner shall apply to and enter into agreements with the Federal Railroad Administration (FRA) of the United States Department of Transportation to participate in the federal State Rail Safety Partnership Participation Program for training and

44.1 certification of an inspector under authority of United States Code, title 49, sections 20103,  
44.2 20105, 20106, and 20113, and Code of Federal Regulations, title 49, part 212.

44.3       **The**(b) A state rail safety inspector shall inspect mainline track, secondary track, and  
44.4 yard and industry track; inspect railroad right-of-way, including adjacent or intersecting  
44.5 drainage, culverts, bridges, overhead structures, and traffic and other public crossings;  
44.6 inspect yards and physical plants; review and enforce safety requirements; review  
44.7 maintenance and repair records; and review railroad security measures.

44.8       (c) A state rail safety inspector may perform, but is not limited to, the duties  
44.9 described in the federal State Rail Safety Participation Program. An inspector may train,  
44.10 be certified, and participate in any of the federal State Rail Safety Participation Program  
44.11 disciplines, including: track, signal and train control, motive power and equipment,  
44.12 operating practices compliance, hazardous materials, and highway-rail grade crossings.

44.13       (d) To the extent delegated by the Federal Railroad Administration and authorized  
44.14 by the commissioner, thean inspector may issue citations for violations of this chapter, or  
44.15 to ensure railroad employee and public safety and welfare.

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

44.17 Sec. 3. Minnesota Statutes 2012, section 219.015, subdivision 2, is amended to read:

44.18       **Subd. 2. Railroad company assessment; account; appropriation.** (a) As provided  
44.19 in this subdivision, the commissioner shall annually assess railroad companies that are  
44.20 (1) defined as common carriers under section 218.011<sub>2</sub>; (2) classified by federal law or  
44.21 regulation as Class I Railroads, or Class I Rail Carriers, Class II Railroads, or Class II  
44.22 Carriers; and (3) operating in this state<sub>2</sub>.

44.23       (b) The assessment must be by a division of state rail safety inspector program costs  
44.24 in equal proportion between carriers based on route miles operated in Minnesota, assessed  
44.25 in equal amounts for 365 days of the calendar year. The commissioner shall assess all  
44.26 start-up or re-establishment costs, and all related costs of initiating the state rail safety  
44.27 inspector program beginning July 1, 2008. The, and ongoing state rail inspector duties  
44.28 must begin and be assessed on January 1, 2009.

44.29       (c) The assessments must be deposited in a special account in the special revenue  
44.30 fund, to be known as the state rail safety inspection account. Money in the account is  
44.31 appropriated to the commissioner and may be expended to cover the costs incurred for the  
44.32 establishment and ongoing responsibilities of the state rail safety inspector program.

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

45.1        Sec. 4. **[299A.55] RAILROAD SAFETY; OIL AND OTHER HAZARDOUS**  
45.2        **MATERIALS.**

45.3        Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms  
45.4        have the meanings given.

45.5        (b) "Applicable rail carrier" means a railroad company that is subject to an  
45.6        assessment under section 219.015, subdivision 2.

45.7        (c) "Hazardous substance" has the meaning given in section 115B.02, subdivision 8.

45.8        (d) "Oil" has the meaning given in section 115E.01, subdivision 8.

45.9        Subd. 2. **Railroad safety account.** (a) A railroad safety account is created in the  
45.10        special revenue fund. The account consists of funds collected under subdivision 4 and  
45.11        funds donated, allotted, transferred, or otherwise provided to the account.

45.12        (b) Money in the account is annually appropriated to the commissioner of public  
45.13        safety for the purposes specified in subdivision 3.

45.14        Subd. 3. **Allocation of railroad safety funds.** (a) Subject to funding appropriated  
45.15        for this subdivision, the commissioner shall provide funds for training and response  
45.16        preparedness related to derailments, discharge incidents, or spills involving trains carrying  
45.17        oil or other hazardous substances.

45.18        (b) The commissioner shall allocate available funds to the Board of Firefighter  
45.19        Training and Education under section 299N.02 and the Division of Homeland Security  
45.20        and Emergency Management.

45.21        (c) Prior to making allocations under paragraph (b), the commissioner shall consult  
45.22        with the Fire Service Advisory Committee under section 299F.012, subdivision 2.

45.23        (d) The commissioner and the entities identified in paragraph (b) shall prioritize  
45.24        uses of funds based on:

45.25        (1) firefighter training needs;

45.26        (2) community risk from discharge incidents or spills;

45.27        (3) geographic balance; and

45.28        (4) recommendations of the Fire Service Advisory Committee.

45.29        (e) The following are permissible uses of funds provided under this subdivision:

45.30        (1) training costs, which may include, but are not limited to, training curriculum,  
45.31        trainers, trainee overtime salary, other personnel overtime salary, and tuition;

45.32        (2) costs of gear and equipment related to hazardous materials readiness, response,  
45.33        and management, which may include, but are not limited to, original purchase,  
45.34        maintenance, and replacement;

45.35        (3) supplies related to the uses under clauses (1) and (2); and

45.36        (4) emergency preparedness planning and coordination.

46.1        (f) Notwithstanding paragraph (b), from funds in the railroad safety account  
46.2        provided for the purposes under this subdivision, the commissioner may retain a balance  
46.3        in the account for budgeting in subsequent fiscal years.

46.4        Subd. 4. Assessment; oil and hazardous substances. (a) The commissioner of  
46.5        public safety shall annually assess \$1,250,000 to railroad companies based on the formula  
46.6        specified in paragraph (b). The commissioner shall deposit funds collected under this  
46.7        subdivision in the railroad safety account under subdivision 2.

46.8        (b) The assessment for each railroad is the total annual assessment amount, divided  
46.9        in equal proportion between applicable rail carriers based on route miles operated in  
46.10        Minnesota.

46.11        (c) This subdivision expires on July 1, 2016.

46.12        Sec. 5. **LEGISLATIVE REPORT ON INCIDENT PREPAREDNESS FOR OIL**  
**AND OTHER HAZARDOUS MATERIALS TRANSPORTATION BY RAIL.**

46.13        By January 15, 2015, the commissioner of public safety shall submit a report on  
46.14        incident and emergency response preparedness for oil and other hazardous materials  
46.15        transported by rail to the chairs and ranking minority members of the legislative  
46.16        committees with jurisdiction over transportation and public safety policy and finance.

46.17        At a minimum, the report must:

- 46.18        (1) summarize the preparedness and emergency response framework in the state;
- 46.19        (2) provide an assessment of costs and needs of fire departments and other  
46.20        emergency first responders for training and equipment to respond to discharge or spill  
46.21        incidents involving oil and other hazardous materials transported by rail;
- 46.22        (3) summarize the allocation and uses of funds under Minnesota Statutes, section  
46.23        299A.55; and
- 46.24        (4) provide recommendations for any legislative changes.

46.25        Sec. 6. **IMPROVEMENTS STUDY ON GRADE CROSSINGS AND**  
**RAIL SAFETY FOR OIL AND OTHER HAZARDOUS MATERIALS**  
**TRANSPORTATION.**

46.26        (a) The commissioner of transportation shall conduct a study on highway-rail grade  
46.27        crossing improvements for oil and other hazardous materials transported by rail, and on  
46.28        rail safety. At a minimum, the study must:

- 46.29        (1) provide information that assists in risk management associated with  
46.30        transportation of oil and other hazardous materials by rail;

(2) develop criteria to prioritize needs and improvements at highway-rail grade crossings;

(3) consider alternatives for safety improvements including, but not limited to, active warning devices such as gates and signals, closings, and grade separation;

(4) provide findings and recommendations that serve to direct accelerated investments in highway-rail grade crossing safety improvements; and

(5) analyze state inspection activities and staffing for track and hazardous materials under Minnesota Statutes, section 219.015.

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

## ARTICLE 4

## **TRANSPORTATION FINANCE PROVISIONS**

Section 1. Minnesota Statutes 2012, section 165.15, subdivision 2, is amended to read:

**Subd. 2. Use of funds.** (a) Income derived from the investment of principal in the account may be used by the commissioner of transportation for operations and routine maintenance of the Stillwater lift bridge, including bridge safety inspections and reactive repairs. No money from this account may be used for any purposes except those described in this section, and no money from this account may be transferred to any other account in the state treasury without specific legislative authorization. Any money transferred from the trunk highway fund may only be used for trunk highway purposes. For the purposes of this section:

(1) "Income" is the amount of interest on debt securities and dividends on equity securities. Any gains or losses from the sale of securities must be added to the principal of the account.

(2) "Routine maintenance" means activities that are predictable and repetitive, but not activities that would constitute major repairs or rehabilitation.

(b) Investment management fees incurred by the State Board of Investment are eligible expenses for reimbursement from the account.

(c) The commissioner of transportation has authority to approve or deny expenditures of funds in the account.

**Sec. 2. [168.1299] MINNESOTA GOLF PLATES.**

48.1        Subdivision 1. **Issuance and design.** Notwithstanding section 168.1293, the  
48.2        commissioner shall issue special Minnesota golf plates or a single motorcycle plate to  
48.3        an applicant who:

48.4        (1) is a registered owner of a passenger automobile, one-ton pickup truck,  
48.5        motorcycle, or recreational vehicle;  
48.6        (2) pays a fee of \$10 and any other fees required by this chapter;  
48.7        (3) contributes a minimum of \$30 annually after January 1, 2017, to the Minnesota  
48.8        Section PGA Foundation account; and  
48.9        (4) complies with this chapter and rules governing registration of motor vehicles  
48.10       and licensing of drivers.

48.11       Subd. 2. **Design.** After consultation with the Minnesota Section PGA and the  
48.12       Minnesota Golf Association, the commissioner shall design the special plate.

48.13       Subd. 3. **Plates transfer.** On payment of a fee of \$5, plates issued under this section  
48.14       may be transferred to another passenger automobile, one-ton pickup truck, motorcycle,  
48.15       or other recreational vehicle registered to the individual to whom the special plates were  
48.16       issued.

48.17       Subd. 4. **Fees.** Fees collected under subdivision 1, clause (2), and subdivision 3 are  
48.18       credited to the vehicle services operating account in the special revenue fund.

48.19       Subd. 5. **Contributions.** Contributions collected under subdivision 1, clause (3),  
48.20       are credited first to the commissioner of public safety for the cost of administering the  
48.21       Minnesota Section PGA Foundation account, which is established in the special revenue  
48.22       fund. After the commissioner's administration costs are paid each year, remaining  
48.23       contributions are credited to the Minnesota Section PGA Foundation account. Money in  
48.24       the account is appropriated to the commissioner of public safety for distribution to the  
48.25       Minnesota Section PGA Foundation, to be used to enhance and promote the game of  
48.26       golf throughout Minnesota.

48.27       **EFFECTIVE DATE.** Subdivisions 1 to 4 are effective January 1, 2015, for special  
48.28       Minnesota golf plates issued on or after that date. Subdivision 5 is effective January 1, 2017.

48.29       Sec. 3. Minnesota Statutes 2012, section 169.011, is amended by adding a subdivision  
48.30       to read:

48.31       Subd. 95. **Work zone.** "Work zone" means a segment of street or highway for which:  
48.32       (1) a road authority or its agent is constructing, reconstructing, or maintaining the  
48.33       physical structure of the roadway, which may include, but is not limited to, shoulders,  
48.34       features adjacent to the roadway, and utilities and highway appurtenances, whether  
48.35       underground or overhead; and

49.1        (2) any of the following applies:

49.2        (i) official traffic-control devices that indicate the segment of street or highway under  
49.3 construction, reconstruction, or maintenance, are erected;

49.4        (ii) one or more lanes of traffic are closed;

49.5        (iii) a flagger under section 169.06, subdivision 4a, is present;

49.6        (iv) a construction zone speed limit under section 169.14, subdivision 4, is  
49.7 established; or

49.8        (v) a workers present speed limit under section 169.14, subdivision 5d, is in effect.

49.9        **EFFECTIVE DATE.** This section is effective August 1, 2014.

49.10      Sec. 4. Minnesota Statutes 2012, section 169.06, subdivision 4, is amended to read:

49.11      **Subd. 4. Obedience to traffic-control signal or flagger authorized persons;**

49.12      **presumptions.** (a) The driver of any vehicle shall obey the instructions of any official  
49.13 traffic-control device applicable thereto placed in accordance with the provisions of this  
49.14 chapter, unless otherwise directed by a police officer or by a flagger authorized under this  
49.15 subdivision, subject to the exceptions granted the driver of an authorized emergency  
49.16 vehicle in this chapter.

49.17      (b) No provision of this chapter for which official traffic-control devices are required  
49.18 shall be enforced against an alleged violator if at the time and place of the alleged  
49.19 violation an official device is not in proper position and sufficiently legible to be seen by  
49.20 an ordinarily observant person. Whenever a particular section does not state that official  
49.21 traffic-control devices are required, such section shall be effective even though no devices  
49.22 are erected or in place.

49.23      (c) Whenever official traffic-control devices are placed in position approximately  
49.24 conforming to the requirements of this chapter, such devices shall be presumed to have  
49.25 been so placed by the official act or direction of lawful authority, unless the contrary  
49.26 shall be established by competent evidence.

49.27      (d) Any official traffic-control device placed pursuant to the provisions of this  
49.28 chapter and purporting to conform to the lawful requirements pertaining to such devices  
49.29 shall be presumed to comply with the requirements of this chapter, unless the contrary  
49.30 shall be established by competent evidence.

49.31      (e) ~~A flagger in a designated work zone may stop vehicles and hold vehicles in place~~  
49.32 ~~until it is safe for the vehicles to proceed. A person operating a motor vehicle that has~~  
49.33 ~~been stopped by a flagger in a designated work zone may proceed after stopping only on~~  
49.34 ~~instruction by the flagger.~~

50.1           (f) An overdimensional load escort driver with a certificate issued under section  
50.2       299D.085, while acting as a flagger escorting a legal overdimensional load, may stop  
50.3       vehicles and hold vehicles in place until it is safe for the vehicles to proceed. A person  
50.4       operating a motor vehicle that has been stopped by an escort driver acting as a flagger may  
50.5       proceed only on instruction by the flagger or a police officer.

50.6           (g) (f) A person may stop and hold vehicles in place until it is safe for the vehicles to  
50.7       proceed, if the person: (1) holds a motorcycle road guard certificate issued under section  
50.8       171.60; (2) meets the safety and equipment standards for operating under the certificate;  
50.9       (3) is acting as a flagger escorting a motorcycle group ride; (4) has notified each statutory  
50.10      or home rule charter city through which the motorcycle group is proceeding; and (5)  
50.11      has obtained consent from the chief of police, or the chief's designee, of any city of the  
50.12      first class through which the group is proceeding. A flagger operating as provided under  
50.13      this paragraph may direct operators of motorcycles within a motorcycle group ride or  
50.14      other vehicle traffic, notwithstanding any contrary indication of a traffic-control device,  
50.15      including stop signs or traffic-control signals. A person operating a vehicle that has been  
50.16      stopped by a flagger under this paragraph may proceed only on instruction by the flagger  
50.17      or a police officer.

50.18           **EFFECTIVE DATE.** This section is effective August 1, 2014.

50.19           Sec. 5. Minnesota Statutes 2012, section 169.06, is amended by adding a subdivision  
50.20      to read:

50.21           Subd. 4a. Obedience to work zone flagger; violation, penalty. (a) A flagger in a  
50.22      work zone may stop vehicles and hold vehicles in place until it is safe for the vehicles to  
50.23      proceed. A person operating a motor vehicle that has been stopped by a flagger in a work  
50.24      zone may proceed after stopping only on instruction by the flagger or a police officer.

50.25           (b) A person convicted of operating a motor vehicle in violation of a speed limit  
50.26      in a work zone, or any other provision of this section while in a work zone, shall be  
50.27      required to pay a fine of \$300. This fine is in addition to the surcharge under section  
50.28      357.021, subdivision 6.

50.29           (c) If a motor vehicle is operated in violation of paragraph (a), the owner of the  
50.30      vehicle, or for a leased motor vehicle the lessee of the vehicle, is guilty of a petty  
50.31      misdemeanor and is subject to a fine as provided in paragraph (b). The owner or lessee may  
50.32      not be fined under this paragraph if (1) another person is convicted for that violation, or (2)  
50.33      the motor vehicle was stolen at the time of the violation. This paragraph does not apply to a  
50.34      lessor of a motor vehicle if the lessor keeps a record of the name and address of the lessee.

51.1       (d) Paragraph (c) does not prohibit or limit the prosecution of a motor vehicle  
51.2       operator for violating paragraph (a).

51.3       (e) A violation under paragraph (c) does not constitute grounds for revocation or  
51.4       suspension of a driver's license.

51.5       **EFFECTIVE DATE.** This section is effective August 1, 2014, and applies to  
51.6       violations committed on or after that date.

51.7       Sec. 6. Minnesota Statutes 2012, section 169.14, subdivision 5d, is amended to read:

51.8       **Subd. 5d. Speed zoning limit in work zone; surcharge when workers present.**

51.9       (a) Notwithstanding subdivision 2 and subject to subdivision 3, the speed limit on a  
51.10      road having an established speed limit of 50 miles per hour or greater is adjusted to 45  
51.11      miles per hour in a work zone when (1) at least one lane or portion of a lane of traffic is  
51.12      closed in either direction, and (2) workers are present. A speed in excess of the adjusted  
51.13      speed limit is unlawful.

51.14       (b) Paragraph (a) does not apply to a segment of road in which:

51.15       (1) positive barriers are placed between workers and the traveled portion of the  
51.16      highway;

51.17       (2) the work zone is in place for less than 24 hours;

51.18       (3) a different speed limit for the work zone is determined by the road authority  
51.19      following an engineering and traffic investigation and based on accepted engineering  
51.20      practice; or

51.21       (4) a different speed limit for the work zone is established by the road authority  
51.22      under paragraph (c).

51.23       (c) The commissioner, on trunk highways and temporary trunk highways, and  
51.24      local authorities, on streets and highways under their jurisdiction, may authorize the use  
51.25      of reduced maximum speed limits in highway work zones. The commissioner or local  
51.26      authority is not required to conduct when workers are present, without an engineering and  
51.27      traffic investigation before authorizing a reduced speed limit in a highway work zone  
51.28      required. The work zone speed limit must not reduce the speed limit on the affected  
51.29      street or highway by more than:

51.30       (b) The minimum highway work zone speed limit is 20 miles per hour. The work  
51.31      zone speed limit must not reduce the established speed limit on the affected street or  
51.32      highway by more than 15 miles per hour, except that the highway work zone speed limit  
51.33      must not exceed 40 miles per hour. The commissioner or local authority shall post the limits  
51.34      of the work zone. Highway work zone speed limits are effective on erection of appropriate

regulatory speed limit signs. The signs must be removed or covered when they are not required. A speed greater than the posted highway work zone speed limit is unlawful.

(e) Notwithstanding paragraph (b), on divided highways the commissioner or local authority may establish a highway work zone speed limit that does not exceed 55 miles per hour.

(d) Notwithstanding paragraph (b), on two-lane highways having one lane for each direction of travel with a posted speed limit of 60 miles per hour or greater, the commissioner or local authority may establish a highway work zone speed limit that does not exceed 40 miles per hour.

(e) For purposes of this subdivision, "highway work zone" means a segment of highway or street where a road authority or its agent is constructing, reconstructing, or maintaining the physical structure of the roadway, its shoulders, or features adjacent to the roadway, including underground and overhead utilities and highway appurtenances, when workers are present.

(f) Notwithstanding section 609.0331 or 609.101 or other law to the contrary, a person who violates a speed limit established under this subdivision, or who violates any other provision of this section while in a highway work zone, is assessed an additional surcharge equal to the amount of the fine imposed for the speed violation, but not less than \$25.

(1) 20 miles per hour on a street or highway having an established speed limit of 55 miles per hour or greater; and

(2) 15 miles per hour on a street or highway having an established speed limit of 50 miles per hour or less.

(d) A work zone speed limit under paragraph (c) is effective on erection of appropriate regulatory speed limit signs. The signs must be removed or covered when they are not required. A speed in excess of the posted work zone speed limit is unlawful.

(e) For any speed limit under this subdivision, a road authority shall erect signs identifying the speed limit and indicating the beginning and end of the speed limit zone.

**EFFECTIVE DATE.** This section is effective August 1, 2014, and applies to violations committed on or after that date.

Sec. 7. Minnesota Statutes 2012, section 169.14, is amended by adding a subdivision to read:

**Subd. 6a. Work zone speed limit violations.** A person convicted of operating a motor vehicle in violation of a speed limit in a work zone, or any other provision of this section while in a work zone, shall be required to pay a fine of \$300. This fine is in addition to the surcharge under section 357.021, subdivision 6.

53.1       **EFFECTIVE DATE.** This section is effective August 1, 2014, and applies to  
53.2       violations committed on or after that date.

53.3       Sec. 8. Minnesota Statutes 2012, section 169.305, subdivision 1, is amended to read:

53.4       Subdivision 1. **Entrance and exit; crossover; use regulations; signs; rules.** (a) No  
53.5       person shall drive a vehicle onto or from any controlled-access highway except at such  
53.6       entrances and exits as are established by public authority.

53.7       (b) When special crossovers between the main roadways of a controlled-access  
53.8       highway are provided for emergency vehicles or maintenance equipment and such  
53.9       crossovers are signed to prohibit "U" turns, it shall be unlawful for any vehicle, except  
53.10       an emergency vehicle, maintenance equipment, or construction equipment including  
53.11       contractor's and state-owned equipment when operating within a marked construction  
53.12       zone, or a vehicle operated by a commercial vehicle inspector of the Department of  
53.13       Public Safety or certified under section 169.781, to use such crossover. Vehicles owned  
53.14       and operated by elderly and needy persons under contract with the commissioner of  
53.15       transportation pursuant to section 160.282 for maintenance services on highway rest  
53.16       stop and tourist centers outside the seven-county metropolitan area as defined in section  
53.17       473.121, may also use these crossovers while those persons are proceeding to or from  
53.18       work in the rest area or tourist center if authorized by the commissioner, and the vehicle  
53.19       carries on its roof a distinctive flag designed and issued by the commissioner. For the  
53.20       purposes of this clause "emergency vehicle" includes a tow truck or towing vehicle if it is  
53.21       on the way to the location of an accident or a disabled vehicle.

53.22       (c) The commissioner of transportation may by order, and any public authority may  
53.23       by ordinance, with respect to any controlled-access highway under their jurisdictions  
53.24       prohibit or regulate the use of any such highway by pedestrians, bicycles, or other  
53.25       nonmotorized traffic, or by motorized bicycles, or by any class or kind of traffic which is  
53.26       found to be incompatible with the normal and safe flow of traffic.

53.27       (d) The commissioner of transportation or the public authority adopting any such  
53.28       prohibitory rules shall erect and maintain official signs on the controlled-access highway  
53.29       on which such rules are applicable and when so erected no person shall disobey the  
53.30       restrictions stated on such signs.

53.31       Sec. 9. Minnesota Statutes 2012, section 169.826, is amended by adding a subdivision  
53.32       to read:

54.1        Subd. 7. **Expiration date.** Upon request of the permit applicant the expiration  
54.2        date for a permit issued under this section must be the same as the expiration date of the  
54.3        permitted vehicle's registration.

54.4        **EFFECTIVE DATE.** This section is effective November 30, 2016, and applies  
54.5        to permits issued on and after that date.

54.6        Sec. 10. Minnesota Statutes 2012, section 169.8261, is amended by adding a  
54.7        subdivision to read:

54.8        Subd. 3. **Expiration date.** Upon request of the permit applicant the expiration  
54.9        date for a permit issued under this section must be the same as the expiration date of the  
54.10        permitted vehicle's registration.

54.11        **EFFECTIVE DATE.** This section is effective November 30, 2016, and applies  
54.12        to permits issued on and after that date.

54.13        Sec. 11. Minnesota Statutes 2012, section 169.86, subdivision 5, is amended to read:

54.14        Subd. 5. **Fees; proceeds deposited; appropriation.** The commissioner, with  
54.15        respect to highways under the commissioner's jurisdiction, may charge a fee for each  
54.16        permit issued. The fee for an annual permit that expires by law on the date of the  
54.17        vehicle registration expiration must be based on the proportion of the year that remains  
54.18        until the expiration date. Unless otherwise specified, all fees for permits issued by the

54.19        commissioner of transportation must be deposited in the state treasury and credited to  
54.20        the trunk highway fund. Except for those annual permits for which the permit fees are  
54.21        specified elsewhere in this chapter, the fees are:

54.22        (a) \$15 for each single trip permit.

54.23        (b) \$36 for each job permit. A job permit may be issued for like loads carried on  
54.24        a specific route for a period not to exceed two months. "Like loads" means loads of the  
54.25        same product, weight, and dimension.

54.26        (c) \$60 for an annual permit to be issued for a period not to exceed 12 consecutive  
54.27        months. Annual permits may be issued for:

54.28        (1) motor vehicles used to alleviate a temporary crisis adversely affecting the safety  
54.29        or well-being of the public;

54.30        (2) motor vehicles that travel on interstate highways and carry loads authorized  
54.31        under subdivision 1a;

54.32        (3) motor vehicles operating with gross weights authorized under section 169.826,  
54.33        subdivision 1a;

55.1                         (4) special pulpwood vehicles described in section 169.863;

55.2                         (5) motor vehicles bearing snowplow blades not exceeding ten feet in width;

55.3                         (6) noncommercial transportation of a boat by the owner or user of the boat;

55.4                         (7) motor vehicles carrying bales of agricultural products authorized under section

55.5                         169.862; and

55.6                         (8) special milk-hauling vehicles authorized under section 169.867.

55.7                         (d) \$120 for an oversize annual permit to be issued for a period not to exceed 12

55.8                         consecutive months. Annual permits may be issued for:

55.9                         (1) mobile cranes;

55.10                         (2) construction equipment, machinery, and supplies;

55.11                         (3) manufactured homes and manufactured storage buildings;

55.12                         (4) implements of husbandry;

55.13                         (5) double-deck buses;

55.14                         (6) commercial boat hauling and transporting waterfront structures, including, but

55.15                         not limited to, portable boat docks and boat lifts;

55.16                         (7) three-vehicle combinations consisting of two empty, newly manufactured trailers

55.17                         for cargo, horses, or livestock, not to exceed 28-1/2 feet per trailer; provided, however,

55.18                         the permit allows the vehicles to be moved from a trailer manufacturer to a trailer dealer

55.19                         only while operating on twin-trailer routes designated under section 169.81, subdivision 3,

55.20                         paragraph (c); and

55.21                         (8) vehicles operating on that portion of marked Trunk Highway 36 described in

55.22                         section 169.81, subdivision 3, paragraph (e).

55.23                         (e) For vehicles that have axle weights exceeding the weight limitations of sections

55.24                         169.823 to 169.829, an additional cost added to the fees listed above. However, this

55.25                         paragraph applies to any vehicle described in section 168.013, subdivision 3, paragraph

55.26                         (b), but only when the vehicle exceeds its gross weight allowance set forth in that

55.27                         paragraph, and then the additional cost is for all weight, including the allowance weight,

55.28                         in excess of the permitted maximum axle weight. The additional cost is equal to the

55.29                         product of the distance traveled times the sum of the overweight axle group cost factors

55.30                         shown in the following chart:

#### Overweight Axle Group Cost Factors

Weight (pounds) exceeding weight limitations on axles	Cost Per Mile For Each Group Of:		
	Two consecutive axles spaced within 8 feet or less	Three consecutive axles spaced within 9 feet or less	Four consecutive axles spaced within 14 feet or less
0-2,000	.12	.05	.04

56.1	2,001-4,000	.14	.06	.05
56.2	4,001-6,000	.18	.07	.06
56.3	6,001-8,000	.21	.09	.07
56.4	8,001-10,000	.26	.10	.08
56.5	10,001-12,000	.30	.12	.09
56.6		Not permitted		
56.7	12,001-14,000		.14	.11
56.8		Not permitted		
56.9	14,001-16,000		.17	.12
56.10		Not permitted		
56.11	16,001-18,000		.19	.15
56.12		Not permitted	Not permitted	
56.13	18,001-20,000			.16
56.14		Not permitted	Not permitted	
56.15	20,001-22,000			.20

56.16 The amounts added are rounded to the nearest cent for each axle or axle group. The  
 56.17 additional cost does not apply to paragraph (c), clauses (1) and (3).

56.18 For a vehicle found to exceed the appropriate maximum permitted weight, a cost-per-mile  
 56.19 fee of 22 cents per ton, or fraction of a ton, over the permitted maximum weight is imposed  
 56.20 in addition to the normal permit fee. Miles must be calculated based on the distance  
 56.21 already traveled in the state plus the distance from the point of detection to a transportation  
 56.22 loading site or unloading site within the state or to the point of exit from the state.

56.23 (f) As an alternative to paragraph (e), an annual permit may be issued for overweight,  
 56.24 or oversize and overweight, mobile cranes; construction equipment, machinery, and  
 56.25 supplies; implements of husbandry; and commercial boat hauling. The fees for the permit  
 56.26 are as follows:

Gross Weight (pounds) of Vehicle	Annual Permit Fee
90,000 or less	\$200
90,001 - 100,000	\$300
100,001 - 110,000	\$400
110,001 - 120,000	\$500
120,001 - 130,000	\$600
130,001 - 140,000	\$700
140,001 - 145,000	\$800
145,001 - 155,000	\$900

56.36 If the gross weight of the vehicle is more than 155,000 pounds the permit fee is determined  
 56.37 under paragraph (e).

56.38 (g) For vehicles which exceed the width limitations set forth in section 169.80 by  
 56.39 more than 72 inches, an additional cost equal to \$120 added to the amount in paragraph (a)  
 56.40 when the permit is issued while seasonal load restrictions pursuant to section 169.87 are  
 56.41 in effect.

57.1                         (h) \$85 for an annual permit to be issued for a period not to exceed 12 months, for  
57.2 refuse-compactor vehicles that carry a gross weight of not more than: 22,000 pounds on  
57.3 a single rear axle; 38,000 pounds on a tandem rear axle; or, subject to section 169.828,  
57.4 subdivision 2, 46,000 pounds on a tridem rear axle. A permit issued for up to 46,000 pounds  
57.5 on a tridem rear axle must limit the gross vehicle weight to not more than 62,000 pounds.

57.6                         (i) \$300 for a motor vehicle described in section 169.8261. The fee under this  
57.7 paragraph must be deposited as follows:

57.8                         (1) the first \$50,000 in each fiscal year must be deposited in the trunk highway fund for  
57.9 costs related to administering the permit program and inspecting and posting bridges; and

57.10                         (2) all remaining money in each fiscal year must be deposited in the bridge  
57.11 inspection and signing account as provided under subdivision 5b.

57.12                         (j) Beginning August 1, 2006, \$200 for an annual permit for a vehicle operating  
57.13 under authority of section 169.824, subdivision 2, paragraph (a), clause (2).

57.14                         **EFFECTIVE DATE.** This section is effective November 30, 2016, and applies  
57.15 to permits issued on and after that date.

57.16                         Sec. 12. Minnesota Statutes 2012, section 169.863, is amended by adding a subdivision  
57.17 to read:

57.18                         **Subd. 3. Expiration date.** Upon request of the permit applicant the expiration  
57.19 date for a permit issued under this section must be the same as the expiration date of the  
57.20 permitted vehicle's registration.

57.21                         **EFFECTIVE DATE.** This section is effective November 30, 2016, and applies  
57.22 to permits issued on and after that date.

57.23                         Sec. 13. Minnesota Statutes 2012, section 169.865, subdivision 1, is amended to read:

57.24                         Subdivision 1. **Six-axle vehicles.** (a) A road authority may issue an annual permit  
57.25 authorizing a vehicle or combination of vehicles with a total of six or more axles to haul raw  
57.26 or unprocessed agricultural products and be operated with a gross vehicle weight of up to:

57.27                         (1) 90,000 pounds; and

57.28                         (2) 99,000 pounds during the period set by the commissioner under section 169.826,  
57.29 subdivision 1.

57.30                         (b) Notwithstanding subdivision 3, paragraph (a), clause (4), a vehicle or  
57.31 combination of vehicles operated under this subdivision and transporting only sealed  
57.32 intermodal containers may be operated on an interstate highway if allowed by the United  
57.33 States Department of Transportation.

58.1                   (c) The fee for a permit issued under this subdivision is \$300, or a proportional  
58.2                   amount as provided in section 169.86, subdivision 5.

58.3                   **EFFECTIVE DATE.** This section is effective November 30, 2016, and applies  
58.4                   to permits issued on and after that date.

58.5                   Sec. 14. Minnesota Statutes 2012, section 169.865, subdivision 2, is amended to read:

58.6                   Subd. 2. **Seven-axle vehicles.** (a) A road authority may issue an annual permit  
58.7                   authorizing a vehicle or combination of vehicles with a total of seven or more axles to  
58.8                   haul raw or unprocessed agricultural products and be operated with a gross vehicle weight  
58.9                   of up to:

58.10                  (1) 97,000 pounds; and

58.11                  (2) 99,000 pounds during the period set by the commissioner under section 169.826,  
58.12                  subdivision 1.

58.13                  (b) Drivers of vehicles operating under this subdivision must comply with driver  
58.14                  qualification requirements adopted under section 221.0314, subdivisions 2 to 5, and Code  
58.15                  of Federal Regulations, title 49, parts 40 and 382.

58.16                  (c) The fee for a permit issued under this subdivision is \$500, or a proportional  
58.17                  amount as provided in section 169.86, subdivision 5.

58.18                  **EFFECTIVE DATE.** This section is effective November 30, 2016, and applies  
58.19                  to permits issued on and after that date.

58.20                  Sec. 15. Minnesota Statutes 2012, section 169.865, is amended by adding a subdivision  
58.21                  to read:

58.22                  **Subd. 5. Expiration date.** Upon request of the permit applicant the expiration  
58.23                  date for a permit issued under this section must be the same as the expiration date of the  
58.24                  permitted vehicle's registration.

58.25                  **EFFECTIVE DATE.** This section is effective November 30, 2016, and applies  
58.26                  to permits issued on and after that date.

58.27                  Sec. 16. Minnesota Statutes 2012, section 169.866, subdivision 3, is amended to read:

58.28                  Subd. 3. **Permit fee; appropriation.** Vehicle permits issued under subdivision 1  
58.29                  must be annual permits. The fee is \$850 for each vehicle, or a proportional amount as  
58.30                  provided in section 169.86, subdivision 5, and must be deposited in the trunk highway  
58.31                  fund. An amount sufficient to administer the permit program is appropriated from the  
58.32                  trunk highway fund to the commissioner for the costs of administering the permit program.

59.1       **EFFECTIVE DATE.** This section is effective November 30, 2016, and applies  
59.2       to permits issued on and after that date.

59.3       Sec. 17. Minnesota Statutes 2012, section 169.866, is amended by adding a subdivision  
59.4       to read:

59.5       **Subd. 4. Expiration date.** Upon request of the permit applicant the expiration  
59.6       date for a permit issued under this section must be the same as the expiration date of the  
59.7       permitted vehicle's registration.

59.8       **EFFECTIVE DATE.** This section is effective November 30, 2016, and applies  
59.9       to permits issued on and after that date.

59.10      Sec. 18. Minnesota Statutes 2012, section 171.02, subdivision 3, is amended to read:

59.11       **Subd. 3. Motorized bicycle.** (a) A motorized bicycle may not be operated on any  
59.12       public roadway by any person who does not possess a valid driver's license, unless the  
59.13       person has obtained a motorized bicycle operator's permit or motorized bicycle instruction  
59.14       permit from the commissioner of public safety. The operator's permit may be issued to  
59.15       any person who has attained the age of 15 years and who has passed the examination  
59.16       prescribed by the commissioner. The instruction permit may be issued to any person who  
59.17       has attained the age of 15 years and who has successfully completed an approved safety  
59.18       course and passed the written portion of the examination prescribed by the commissioner.

59.19       (b) This course must consist of, but is not limited to, a basic understanding of:

59.20           (1) motorized bicycles and their limitations;  
59.21           (2) motorized bicycle laws and rules;  
59.22           (3) safe operating practices and basic operating techniques;  
59.23           (4) helmets and protective clothing;  
59.24           (5) motorized bicycle traffic strategies; and  
59.25           (6) effects of alcohol and drugs on motorized bicycle operators.

59.26       (c) The commissioner may adopt rules prescribing the content of the safety course,  
59.27       examination, and the information to be contained on the permits. A person operating a  
59.28       motorized bicycle under a motorized bicycle permit is subject to the restrictions imposed  
59.29       by section 169.974, subdivision 2, on operation of a motorcycle under a two-wheel  
59.30       instruction permit.

59.31       (d) The fees for motorized bicycle operator's permits are as follows:

59.32           (1) Examination and operator's permit, valid for one year	\$	6.75
59.33           (2) Duplicate	\$	3.75

59.34	<u>(3)</u> (1) <u>Renewal</u> Motorized bicycle operator's permit before age 21	\$ 9.75
59.35	and valid until age 21	
60.1	<u>(4)</u> (2) Renewal permit age 21 or older and valid for four years	\$ 15.75
60.2	<u>(5)</u> (3) Duplicate of any renewal permit	\$ 5.25
60.3	<u>(6)</u> (4) Written examination and instruction permit, valid for 30 days	\$ 6.75

60.4 Sec. 19. Minnesota Statutes 2012, section 171.06, subdivision 2, is amended to read:

60.5       Subd. 2. **Fees.** (a) The fees for a license and Minnesota identification card are  
60.6 as follows:

60.7	Classified Driver's License	D-\$17.25	C-\$21.25	B-\$28.25	A-\$36.25
60.8	Classified Under-21 D.L.	D-\$17.25	C-\$21.25	B-\$28.25	A-\$16.25
60.9	Enhanced Driver's License	D-\$32.25	C-\$36.25	B-\$43.25	A-\$51.25
60.10	Instruction Permit				\$5.25
60.11	Enhanced Instruction				
60.12	Permit				\$20.25
60.13	<u>Commercial Learner's</u>				
60.14	<u>Permit</u>				<u>\$2.50</u>
60.15	Provisional License				\$8.25
60.16	Enhanced Provisional				
60.17	License				\$23.25
60.18	Duplicate License or				
60.19	duplicate identification				
60.20	card				\$6.75
60.21	Enhanced Duplicate				
60.22	License or enhanced				
60.23	duplicate identification				
60.24	card				\$21.75
60.25	Minnesota identification				
60.26	card or Under-21				
60.27	Minnesota identification				
60.28	card, other than duplicate,				
60.29	except as otherwise				
60.30	provided in section 171.07,				
60.31	subdivisions 3 and 3a				\$11.25
60.32	Enhanced Minnesota				
60.33	identification card				\$26.25

60.34 In addition to each fee required in this paragraph, the commissioner shall collect a  
60.35 surcharge of: (1) \$1.75 until June 30, 2012; and (2) \$1.00 from July 1, 2012, to June 30,  
60.36 2016. Surcharges collected under this paragraph must be credited to the driver and vehicle  
60.37 services technology account in the special revenue fund under section 299A.705.

60.38       (b) Notwithstanding paragraph (a), an individual who holds a provisional license and  
60.39 has a driving record free of (1) convictions for a violation of section 169A.20, 169A.33,  
60.40 169A.35, or sections 169A.50 to 169A.53, (2) convictions for crash-related moving  
60.41 violations, and (3) convictions for moving violations that are not crash related, shall have a

60.42 \$3.50 credit toward the fee for any classified under-21 driver's license. "Moving violation"  
60.43 has the meaning given it in section 171.04, subdivision 1.

61.1 (c) In addition to the driver's license fee required under paragraph (a), the  
61.2 commissioner shall collect an additional \$4 processing fee from each new applicant  
61.3 or individual renewing a license with a school bus endorsement to cover the costs for  
61.4 processing an applicant's initial and biennial physical examination certificate. The  
61.5 department shall not charge these applicants any other fee to receive or renew the  
61.6 endorsement.

61.7 (d) In addition to the fee required under paragraph (a), a driver's license agent may  
61.8 charge and retain a filing fee as provided under section 171.061, subdivision 4.

61.9 (e) In addition to the fee required under paragraph (a), the commissioner shall  
61.10 charge a filing fee at the same amount as a driver's license agent under section 171.061,  
61.11 subdivision 4. Revenue collected under this paragraph must be deposited in the driver  
61.12 services operating account.

61.13 (f) An application for a Minnesota identification card, instruction permit, provisional  
61.14 license, or driver's license, including an application for renewal, must contain a provision  
61.15 that allows the applicant to add to the fee under paragraph (a), a \$2 donation for the  
61.16 purposes of public information and education on anatomical gifts under section 171.075.

61.17 Sec. 20. **[171.161] COMMERCIAL DRIVER'S LICENSE; FEDERAL**  
61.18 **CONFORMITY.**

61.19 Subdivision 1. Conformity with federal law. The commissioner of public safety  
61.20 shall ensure the programs and policies related to commercial drivers' licensure and the  
61.21 operation of commercial motor vehicles in Minnesota conform with the requirements of  
61.22 Code of Federal Regulations, title 49, part 383.

61.23 Subd. 2. Conflicts. To the extent a requirement of sections 171.162 to 171.169, or  
61.24 any other state or local law, conflicts with a provision of Code of Federal Regulations, title  
61.25 49, part 383, the federal provision prevails.

61.26 Sec. 21. Minnesota Statutes 2012, section 174.02, is amended by adding a subdivision  
61.27 to read:

61.28 Subd. 10. Products and services; billing. The commissioner of transportation may  
61.29 bill operations units of the department for costs of centrally managed products or services  
61.30 that benefit multiple operations units. These costs may include equipment acquisition and  
61.31 rental, labor, materials, and other costs determined by the commissioner. Receipts must be  
61.32 credited to the special products and services account, which is established in the trunk

61.33 highway fund, and are appropriated to the commissioner to pay the costs for which the  
61.34 billings are made.

62.1 Sec. 22. Minnesota Statutes 2013 Supplement, section 174.12, subdivision 2, is  
62.2 amended to read:

62.3       **Subd. 2. Transportation economic development accounts.** (a) A transportation  
62.4 economic development account is established in the special revenue fund under the  
62.5 budgetary jurisdiction of the legislative committees having jurisdiction over transportation  
62.6 finance. Money in the account may be expended only as appropriated by law. The account  
62.7 may not contain money transferred or otherwise provided from the trunk highway fund.

62.8       (b) A transportation economic development account is established in the trunk  
62.9 highway fund. The account consists of funds donated, allotted, transferred, or otherwise  
62.10 provided to the account. Money in the account may be used only for trunk highway  
62.11 purposes. All funds in the account ~~available prior to August 1, 2013,~~ are available until  
62.12 expended.

62.13 Sec. 23. Minnesota Statutes 2013 Supplement, section 174.42, subdivision 2, is  
62.14 amended to read:

62.15       **Subd. 2. Funding requirement.** In each federal fiscal year, the commissioner  
62.16 shall obtain a total amount in federal authorizations for reimbursement on transportation  
62.17 alternatives projects that is equal to or greater than the annual average of federal  
62.18 authorizations on transportation alternatives projects calculated over ~~the preeeding four~~  
62.19 federal fiscal years 2010 to 2012.

62.20       **EFFECTIVE DATE.** This section is effective the day following final enactment and  
62.21 applies to authorizations for federal fiscal year 2015 and subsequent federal fiscal years.

62.22 Sec. 24. **[219.375] RAILROAD YARD LIGHTING.**

62.23       Subdivision 1. General requirements. (a) All railroad common carriers, and their  
62.24 officers, agents, and employees, operating a railroad in this state are required to maintain  
62.25 lighting between sunset and sunrise above switches in railroad yards where from one  
62.26 half-hour before sunset to one half-hour after sunrise:

62.27       (1) cars or locomotives are switched or inspected; or  
62.28       (2) cars are switched to assemble or disassemble trains.

62.29 Railroad common carriers shall provide lighting immediately adjacent to those portions  
62.30 of railroad yard tracks where railroad common carrier employees frequently work on

the ground performing switching, inspection, and repair activities. For purposes of this section, "frequently work" means at least five days per week.

(b) Railroad yard lighting over switches and inspection areas must:

(1) conform with the guidelines set forth by the American Railway Engineering and Manufacturing Association (AREMA);

(2) be displayed only at times when activities related to switching, inspection, assembly, and disassembly of trains are taking place;

(3) include at least one lighting source for each two-yard track switch segment; and

(4) be displayed from a height of at least 30 feet above the railroad yard lead-track area.

(c) Lighting over switches and other light sources within railroad yards or at other railroad locations must be:

(1) maintained to illuminate as designed by the railroad or licensed contractor;

(2) compliant with the Minnesota Electrical Code;

(3) kept clear of obstructions; and

(4) focused on the railroad common carrier property designed to be illuminated.

(d) The energy source for lighting is permitted, though not required, to:

(1) be direct wired from a carrier facility power source, have solar panel power with a battery storage source, or have another constant energy source; or

(2) be designed to have standard or light-emitting diode fixtures or electrical circuits that include power saving or ambient atmosphere actuating switches.

(e) Railroad common carriers must replace damaged or nonoperative lighting within 48 hours after light source damage has been reported to the carrier.

Subd. 2. **Allowances for unusual conditions.** Railroad common carriers are not required to comply with the requirements of this section during:

(1) maintenance activities;

(2) derailments;

(3) any period of heavy rain or snow, washouts, or similar weather or seismic conditions; or

(4) a reasonable period after any occurrence identified in clauses (1) to (3), but no longer than is necessary to achieve compliance with this section.

Subd. 3. **Lighting orders; commissioner authority.** (a) When the commissioner finds that railroad common carrier employees who frequently work immediately adjacent to a portion of track performing switching, inspection, maintenance, repair, or fueling activities are exposed to hazard resulting from the lack of lighting, or to the condition of lighting constructed before July 1, 2014, the commissioner may order a railroad common

63.34 carrier to construct lighting adjacent to a portion of track where employees are performing  
63.35 switching, inspection, maintenance, repair or fueling activities, or require a railroad  
64.1 common carrier to modify existing lighting to conform with the standards set forth by  
64.2 AREMA lighting standards, within a reasonable period of time.

64.3 (b) A railroad common carrier, person, or corporation may appeal an order under this  
64.4 subdivision. An appeal under this paragraph is subject to the processes and requirements  
64.5 of chapter 14.

64.6 Subd. 4. **Failure to correct.** If a railroad common carrier, person, or corporation  
64.7 fails to correct a violation of this section within the time provided in an order issued by  
64.8 the commissioner of transportation under subdivision 3, and the railroad common carrier,  
64.9 person, or corporation does not appeal the order, the failure to correct the violation as  
64.10 ordered by the commissioner constitutes a new and separate offense distinct from the  
64.11 original violation of this section.

64.12 Subd. 5. **Complaints.** No formal complaint of an alleged violation of this section  
64.13 may be filed until the filing party has attempted to address the alleged violations with the  
64.14 railroad common carrier. Any complaint of an alleged violation must contain a written  
64.15 statement that the filing party has made a reasonable, good faith attempt to address the  
64.16 alleged violation.

64.17 Subd. 6. **Waiver.** Upon written request of a railroad common carrier, the  
64.18 commissioner of transportation may waive any portion of this section if conditions do not  
64.19 reasonably permit compliance. The commissioner's decision is subject to the requirements  
64.20 under section 218.041 and shall include an on-site inspection of the area for which the  
64.21 waiver has been requested. The inspection shall occur between sunset and sunrise, and all  
64.22 parties of interest shall be permitted to attend.

64.23 Subd. 7. **Violations and penalties.** A railroad common carrier, corporation, or  
64.24 person who violates this section is liable to a penalty not to exceed \$500 for each violation.

64.25 Subd. 8. **Exceptions; applicability.** (a) This section establishes minimum standards  
64.26 for railroad yard lighting. Nothing in this section shall be construed to preclude design of  
64.27 railroad yard towers with multiple lighting sources, a brighter lighting design, or other  
64.28 features that exceed the requirements of this section.

64.29 (b) This section applies to all Class One and Class Two railroad common carrier  
64.30 railroad yards. This section does not apply to an entity that owns or operates track in  
64.31 Minnesota that is not a Class One or Class Two railroad common carrier as classified  
64.32 by the Federal Railroad Administration.

64.33 (c) Railroad yards and other locations where lighting exists on July 1, 2014, are  
64.34 compliant with subdivision 1, paragraphs (b) and (c).

64.35

**EFFECTIVE DATE.** This section is effective November 1, 2016.

65.1

**Sec. 25. [299A.017] STATE SAFETY OVERSIGHT.**

65.2

Subdivision 1. **Office created.** The commissioner of public safety shall establish an Office of State Safety Oversight in the Department of Public Safety for safety oversight of rail fixed guideway public transportation systems within the state. The commissioner shall designate a director of the office.

65.6       Subd. 2. **Authority.** The director shall implement and has regulatory authority to enforce the requirements for the state set forth in United States Code, title 49, sections 5329 and 5330, federal regulations adopted pursuant to those sections, and successor or supplemental requirements.

65.10      Sec. 26. Minnesota Statutes 2012, section 299F.012, subdivision 1, is amended to read:

65.11       Subdivision 1. **Authorized programs within department.** From the revenues appropriated from the fire safety account, established under section 297I.06, subdivision 3, the commissioner of public safety may expend funds for the activities and programs identified by the advisory committee established under subdivision 2 and recommended to the commissioner of public safety. The commissioner shall not expend funds without the recommendation of the advisory committee established under subdivision 2. The commissioner shall not expend funds without the recommendation of the advisory committee established under subdivision 2. These funds are to be used to provide resources needed for identified activities and programs of the Minnesota fire service and to ensure the State Fire Marshal Division responsibilities are fulfilled.

65.21      Sec. 27. Minnesota Statutes 2012, section 299F.012, subdivision 2, is amended to read:

65.22       Subd. 2. **Fire Service Advisory Committee.** (a) The Fire Service Advisory Committee shall provide recommendations to the commissioner of public safety on fire service-related issues and shall consist of representatives of each of the following organizations: two appointed by the president of the Minnesota State Fire Chiefs Association, two appointed by the president of the Minnesota State Fire Department Association, two appointed by the president of the Minnesota Professional Fire Fighters, two appointed by the president of the League of Minnesota Cities, one appointed by the president of the Minnesota Association of Townships, one appointed by the president of the Insurance Federation of Minnesota, one appointed jointly by the presidents of the Minnesota Chapter of the International Association of Arson Investigators and the Fire Marshals Association of Minnesota, and the commissioner of public safety or the

commissioner's designee. The commissioner of public safety must ensure that at least three of the members of the advisory committee work and reside in counties outside of the seven-county metropolitan area. The committee shall provide funding recommendations to the commissioner of public safety from the fire safety fund for the following purposes:

- (1) for the Minnesota Board of Firefighter Training and Education;
- (2) for programs and staffing for the State Fire Marshal Division; and
- (3) for fire-related regional response team programs and any other fire service programs that have the potential for statewide impact.

(b) The committee under paragraph (a) does not expire.

**Sec. 28. [473.4056] LIGHT RAIL TRANSIT VEHICLE DESIGN.**

Subdivision 1. Adoption of standards. (a) By January 1, 2015, the Metropolitan Council shall adopt and may thereafter amend standards for the design of light rail vehicles that are reasonably necessary to provide access for, and to protect the health and safety of, persons who use the service. All light rail transit vehicles procured on and after January 1, 2015, must conform to the standards then in effect.

(b) The Transportation Accessibility Advisory Committee must review the standards and all subsequent amendments before the Metropolitan Council adopts them.

(c) The Metropolitan Council shall post adopted standards, including amendments, on its Web site.

Subd. 2. Minimum standards. Standards adopted under this section must include, but are not limited to:

- (1) two dedicated spaces for wheelchair users in each car;
- (2) seating for a companion adjacent to at least two wheelchair-dedicated spaces; and
- (3) further specifications that meet or exceed the standards established in the Americans with Disabilities Act.

**Sec. 29. HIGHWAY 14 TURNBACK.**

Notwithstanding Minnesota Statutes, sections 161.081, subdivision 3, and 161.16, or any other law to the contrary, the commissioner of transportation may:

- (1) by temporary order, take over the road described as "Old Highway 14" in the settlement agreement and release executed January 7, 2014, between the state and Waseca and Steele Counties;

- (2) expend \$35,000,000 or the amount necessary to complete the work required under the settlement agreement; and

66.32        (3) upon completion of the work described in the settlement agreement, release "Old  
66.33        Highway 14" back to Steele and Waseca Counties.

67.1        Upon completion of the work described in the settlement agreement between the  
67.2        state and Waseca and Steele Counties, the counties shall accept responsibility for the road  
67.3        described in the agreement as "Old Highway 14."

67.4        Sec. 30. **EVALUATION OF CERTAIN TRUNK HIGHWAY SPEED LIMITS.**

67.5        Subdivision 1. **Engineering and traffic investigations.** The commissioner of  
67.6        transportation shall perform engineering and traffic investigations on trunk highway  
67.7        segments that are two-lane, two-way roadways with a posted speed limit of 55 miles per  
67.8        hour. On determining upon the basis of the investigation that the 55 miles per hour speed  
67.9        limit can be reasonably and safely increased under the conditions found to exist on any  
67.10        of the trunk highway segments examined, the commissioner may designate an increased  
67.11        limit applicable to those segments and erect appropriate signs designating the speed limit.  
67.12        The new speed limit shall be effective when the signs are erected. Of all the roadways  
67.13        to be studied under this section, approximately one-fifth must be subject to investigation  
67.14        each year until the statewide study is complete in 2019.

67.15        Subd. 2. **Report.** By January 15 annually, the commissioner shall provide to  
67.16        the chairs and ranking minority members of the senate and house of representatives  
67.17        committees with jurisdiction over transportation policy and finance a list of trunk  
67.18        highways or segments of trunk highways that were subject to an engineering and safety  
67.19        investigation in the previous calendar year, specifying in each case the applicable speed  
67.20        limits before and after the investigation.

67.21        **EFFECTIVE DATE.** This section is effective the day following final enactment  
67.22        and expires on the earlier of January 15, 2019, or the date the final report is submitted to  
67.23        the legislative committees under this section.

67.24        Sec. 31. **TASK FORCE ON MOTOR VEHICLE INSURANCE COVERAGE**  
67.25        **VERIFICATION.**

67.26        Subdivision 1. **Establishment.** The task force on motor vehicle insurance coverage  
67.27        verification is established to review and evaluate approaches to insurance coverage  
67.28        verification and recommend legislation to create and fund a program in this state.

67.29        Subd. 2. **Membership; meetings; staff.** (a) The task force shall be composed of  
67.30        13 members, who must be appointed by July 1, 2014, and who serve at the pleasure of  
67.31        their appointing authorities:

67.32        (1) the commissioner of public safety or a designee;

67.33        (2) the commissioner of commerce or a designee;  
68.1        (3) two members of the house of representatives, one appointed by the speaker of the  
68.2        house and one appointed by the minority leader;  
68.3        (4) two members of the senate, one appointed by the Subcommittee on Committees  
68.4        of the Committee on Rules and Administration and one appointed by the minority leader;  
68.5        (5) a representative of Minnesota Deputy Registrars Association;  
68.6        (6) a representative of AAA Minnesota;  
68.7        (7) a representative of AARP Minnesota;  
68.8        (8) a representative of the Insurance Federation of Minnesota;  
68.9        (9) a representative of the Minnesota Bankers Association;  
68.10        (10) a representative of the Minnesota Bar Association; and  
68.11        (11) a representative of the Minnesota Police and Peace Officers Association.  
68.12        (b) Compensation and expense reimbursement must be as provided under Minnesota  
68.13        Statutes, section 15.059, subdivision 3, to members of the task force.  
68.14        (c) The commissioner of public safety shall convene the task force by August  
68.15        1, 2014, and shall appoint a chair from the membership of the task force. Staffing and  
68.16        technical assistance must be provided by the Department of Public Safety.  
68.17        Subd. 3. **Duties.** The task force shall review and evaluate programs established in  
68.18        other states as well as programs proposed by third parties, identify one or more programs  
68.19        recommended for implementation in this state, and, as to the recommended programs,  
68.20        adopt findings concerning:  
68.21        (1) comparative costs of programs;  
68.22        (2) implementation considerations, and in particular, identifying the appropriate  
68.23        supervising agency and assessing compatibility with existing and planned computer  
68.24        systems;  
68.25        (3) effectiveness in verifying existence of motor vehicle insurance coverage;  
68.26        (4) identification of categories of authorized users;  
68.27        (5) simplicity of access and use for authorized users;  
68.28        (6) data privacy considerations;  
68.29        (7) data retention policies; and  
68.30        (8) statutory changes necessary for implementation.  
68.31        Subd. 4. **Report.** By February 1, 2015, the task force must submit to the  
68.32        chairs and ranking minority members of the house of representatives and senate  
68.33        committees and divisions with primary jurisdiction over commerce and transportation its  
68.34        written recommendations, including any draft legislation necessary to implement the  
68.35        recommendations.

69.1       Subd. 5. **Sunset.** The task force shall sunset the day after submitting the report  
69.2       under subdivision 4, or February 2, 2015, whichever is earlier.

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

69.4       **Sec. 32. COMMUNITY DESTINATION SIGN PILOT PROGRAM.**

69.5       Subdivision 1. **Definition.** (a) For purposes of this section, the following terms  
69.6       have the meanings given.

69.7       (b) "City" means the city of Two Harbors.

69.8       (c) "General retail services" means a business that sells goods or services at retail  
69.9       and directly to an end-use consumer. General retail services includes but is not limited to:

69.10       (1) personal services;

69.11       (2) repair services;

69.12       (3) hardware stores;

69.13       (4) lumber or building supply stores; and

69.14       (5) automotive parts sellers.

69.15       Subd. 2. **Pilot program established.** In consultation with the city of Two Harbors,  
69.16       the commissioner of transportation shall establish a community destination sign pilot  
69.17       program for wayfinding within the city to destinations or attractions of interest to the  
69.18       traveling public.

69.19       For purposes of Minnesota Statutes, chapter 173, signs under the pilot program are  
69.20       official signs.

69.21       Subd. 3. **Signage, design.** (a) The pilot program must include as eligible attractions  
69.22       and destinations:

69.23       (1) minor traffic generators; and

69.24       (2) general retail services, specified by business name, that are identified in a  
69.25       community wayfinding program established by the city.

69.26       (b) The commissioner of transportation, in coordination with the city, may establish  
69.27       sign design specifications for signs under the pilot program. Design specifications must  
69.28       allow for placement of:

69.29       (1) a city name and city logo or symbol; and

69.30       (2) up to five attractions or destinations on a community destination sign assembly.

69.31       Subd. 4. **Program costs.** The city shall pay costs of design, construction,  
69.32       erection, and maintenance of the signs and sign assemblies under the pilot program. The  
69.33       commissioner shall not impose fees for the pilot program.

69.34       Subd. 5. **Expiration.** The pilot program under this section expires on January  
69.35       1, 2022.

**EFFECTIVE DATE.** This section is effective the day after the governing body of the city of Two Harbors and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

## ARTICLE 5

## **CRIMINAL JUSTICE**

## **Section 1. SUMMARY OF APPROPRIATIONS.**

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

		<u>2014</u>	<u>2015</u>	<u>Total</u>
70.9				
70.10	<u>General</u>	\$ <u>-0-</u>	\$ <u>30,787,000</u>	\$ <u>30,787,000</u>
70.11	<u>Total</u>	\$ <u>-0-</u>	\$ <u>30,787,000</u>	\$ <u>30,787,000</u>

## **Sec. 2. APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to the appropriations in Laws 2013, chapter 86, article 1, to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2014" and "2015" used in this article mean that the addition to the appropriation listed under them is available for the fiscal year ending June 30, 2014, or June 30, 2015, respectively. Supplemental appropriations for the fiscal year ending June 30, 2014, are effective the day following final enactment.

**APPROPRIATIONS**  
**Available for the Year**  
**Ending June 30**  
**2014**                   **2015**

### Sec. 3. CORRECTIONS

70.26	<u>Subdivision 1. Total Appropriation</u>	\$	<u>-0-</u>	<u>\$ 30,089,000</u>
70.27	<u>The amounts that may be spent for each</u>			
70.28	<u>purpose are specified in the following</u>			
70.29	<u>subdivisions.</u>			
70.30	<u>This includes a onetime appropriation of</u>			
70.31	<u>\$11,089,000.</u>			
70.32	<b>Subd. 2. Correctional Institutions</b>		<b>-0-</b>	<b>27,289,000</b>

71.1	<u>Subd. 3. Community Services</u>	<u>-0-</u>	<u>1,900,000</u>
71.2	<u>Subd. 4. Operations Support</u>	<u>-0-</u>	<u>900,000</u>
71.3	Sec. 4. <b>PUBLIC SAFETY</b>	<u>\$</u>	<u>-0- \$</u>
71.4	<u>Expungement</u>		<u>600,000</u>
71.5	<u>To implement the expungement law changes</u>		
71.6	<u>in 2014 S.F. No. 2214, if enacted.</u>		
71.7	Sec. 5. <b>HUMAN SERVICES</b>	<u>\$</u>	<u>-0- \$</u>
71.8	<u>Expungement</u>		<u>98,000</u>
71.9	<u>To implement the expungement law changes</u>		
71.10	<u>in 2014 S.F. No. 2214, if enacted.</u>		

## ARTICLE 6

### CRIMINAL JUSTICE-RELATED PROVISIONS

71.13       Section 1. Minnesota Statutes 2012, section 260B.198, subdivision 7, is amended to  
71.14       read:

71.15       Subd. 7. **Continuance.** (a) When it is in the best interests of the child to do so and  
71.16       not inimical to public safety and when the child has admitted the allegations contained in  
71.17       the petition before the judge or referee, or when a hearing has been held as provided for in  
71.18       section 260B.163 and the allegations contained in the petition have been duly proven but,  
71.19       in either case, before a finding of delinquency has been entered, the court may continue  
71.20       the case for a period not to exceed 90 180 days on any one order. Such a continuance may  
71.21       be extended for one additional successive period not to exceed 90 days and only after the  
71.22       court has reviewed the case and entered its order for an additional continuance without a  
71.23       finding of delinquency. The continuance may be extended for one additional successive  
71.24       period not to exceed 180 days, but only with the consent of the prosecutor and only after  
71.25       the court has reviewed the case and entered its order for the additional continuance  
71.26       without a finding of delinquency. During this a continuance the court may enter an order  
71.27       in accordance with the provisions of subdivision 1, clause (1) or (2) except clause (4), or  
71.28       enter an order to hold the child in detention for a period not to exceed 15 days on any one  
71.29       order for the purpose of completing any consideration, or any investigation or examination  
71.30       ordered in accordance with the provisions of section 260B.157.

(b) A prosecutor may appeal a continuance ordered in contravention of this subdivision. This subdivision does not extend the court's jurisdiction under section 260B.193 and does not apply to an extended jurisdiction juvenile proceeding.

**EFFECTIVE DATE.** This section is effective August 1, 2014, and applies to offenses committed on or after that date.

Sec. 2. Minnesota Statutes 2012, section 645.241, is amended to read:

## **645.241 PUNISHMENT FOR PROHIBITED ACTS.**

(a) Except as provided in paragraph (b), when the performance of any act is prohibited by a statute, and no penalty for the violation of the same shall be imposed in any statute, the doing of such act shall be a misdemeanor.

(b) When the performance of any act is prohibited by a statute enacted or amended after September 1, 2014, and no penalty for the violation of the same shall be imposed in any statute, the doing of such act shall be a petty misdemeanor.

Sec. 3. Laws 2013, chapter 86, article 1, section 13, is amended to read:

**Sec. 13. PEACE OFFICER STANDARDS  
AND TRAINING (POST) BOARD** \$ 3,870,000 \$ 3,870,000

**(a) Excess Amounts Transferred**

This appropriation is from the peace officer training account in the special revenue fund.

Any new receipts credited to that account in the first year in excess of \$3,870,000 must be transferred and credited to the general fund.

Any new receipts credited to that account in the second year in excess of \$3,870,000 must be transferred and credited to the general fund.

**(b) Peace Officer Training**

## **Reimbursements**

\$2,734,000 each year is for reimbursements to local governments for peace officer training costs.

73.1      **(c) Training; Sexually Exploited and**  
73.2      **Trafficked Youth**

73.3 Of the appropriation in paragraph (b),  
73.4 \$100,000 the first year is for reimbursements  
73.5 to local governments for peace officer  
73.6 training costs on sexually exploited and  
73.7 trafficked youth, including effectively  
73.8 identifying sex trafficked victims and  
73.9 traffickers, investigation techniques, and  
73.10 assisting sexually exploited youth. These  
73.11 funds are available until June 30, 2016.

73.12 Reimbursement shall be provided on a flat  
73.13 fee basis of \$100 per diem per officer.

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

ARTICLE 7

## **STATE DEPARTMENTS AND VETERANS**

## **73.17 Section 1. STATE DEPARTMENTS AND VETERANS APPROPRIATIONS.**

73.18       The sums shown in the columns marked "Appropriations" are added to the  
73.19       appropriations in Laws 2013, chapter 142, article 1, to the agencies and for the purposes  
73.20       specified in this article. The appropriations are from the general fund, or another named  
73.21       fund, and are available for the fiscal years indicated for each purpose. The figures "2014"  
73.22       and "2015" used in this article mean that the addition to the appropriation listed under  
73.23       them is available for the fiscal year ending June 30, 2014, or June 30, 2015, respectively.  
73.24       Supplemental appropriations for the fiscal year ending June 30, 2014, are effective the  
73.25       day following final enactment.

	<u><b>APPROPRIATIONS</b></u>
	<u><b>Available for the Year</b></u>
	<u><b>Ending June 30</b></u>
	<u><b>2014</b></u>
	<u><b>2015</b></u>
73.26	\$ 1,000,000
73.27	\$ 1,000,000
73.28	\$ 1,000,000
73.29	\$ 1,000,000

**73.30 Sec. 2. STATE DEPARTMENTS AND**  
**73.31 VETERANS APPROPRIATIONS**

Subdivision 1. Legislative Coordinating Commission

-0-

455,000

74.1	\$300,000 is for operating costs of the joint legislative offices.		
74.3	\$155,000 is for the Legislative Water Commission established in section 4.		
74.5	\$145,000 each fiscal year is added to the base through fiscal year 2019.		
74.7	<b>Subd. 2. Administration</b>	<u>-0-</u>	<u>400,000</u>
74.8	\$150,000 is for developing and implementing		
74.9	a certification program for veteran-owned		
74.10	small businesses in accordance with		
74.11	Minnesota Statutes, section 16C.19.		
74.12	\$112,000 each year is added to the base.		
74.13	\$250,000 is appropriated for up to five		
74.14	grants of up to \$50,000 each to conduct		
74.15	a housing needs assessment for veterans.		
74.16	Up to five percent may be used by the		
74.17	commissioner to administer these grants. The		
74.18	grants may be awarded to any government		
74.19	or nongovernmental organization. The		
74.20	assessment, which may be a study or		
74.21	a survey, may examine the need for		
74.22	scattered site housing for veterans and their		
74.23	families who are homeless or in danger of		
74.24	homelessness or for housing that addresses		
74.25	the health care needs of disabled or aging		
74.26	veterans. The assessment must be started by		
74.27	July 30, 2015, and completed by July 30,		
74.28	2016. The commissioner of administration		
74.29	must provide copies of any completed		
74.30	assessment to the chairs and ranking minority		
74.31	members of the legislative committees with		
74.32	jurisdiction over housing and veterans affairs		
74.33	no later than January 1, 2017. This is a		
74.34	onetime appropriation.		
74.35	<b>Subd. 3. Racing Commission</b>	<u>100,000</u>	<u>85,000</u>

75.1    These appropriations are from the racing  
75.2    and card playing regulation accounts in the  
75.3    special revenue fund. These appropriations  
75.4    are onetime and are available in either year  
75.5    of the biennium.

75.6    Subd. 4. **Amateur Sports Commission**                          -0-                          50,000

75.7    \$50,000 is to develop a pilot program to  
75.8    prevent and reduce childhood obesity. This  
75.9    appropriation is onetime and is available  
75.10   until June 30, 2017.

75.11   Subd. 5. **Minnesota Historical Society**                          -0-                          22,000

75.12   \$22,000 is for a grant to Farm America for  
75.13   repairs and maintenance of the Minnesota  
75.14   Agricultural Interpretive Center and for audit  
75.15   expenses. This is a onetime appropriation  
75.16   and is available until June 30, 2017.

75.17   Subd. 6. **Board of the Arts**                                  -0-                          600,000

75.18   For arts education in partnership with the  
75.19   President's Turnaround Arts Initiative. This  
75.20   appropriation is canceled if the federal grant  
75.21   under the initiative is not awarded. This  
75.22   appropriation is available until June 30,  
75.23   2015. This is a onetime appropriation.

75.24   Subd. 7. **Minnesota Humanities Center**                          -0-                          225,000

75.25   \$125,000 is for the Veterans' Voices  
75.26   program to educate and engage the  
75.27   community regarding veterans' contributions,  
75.28   knowledge, skills, and experiences. Of  
75.29   this amount, \$25,000 is for transfer to the  
75.30   Association of Minnesota Public Education  
75.31   Radio Stations for statewide programming to  
75.32   promote the Veterans' Voices program. This  
75.33   is a onetime appropriation.

76.1	\$100,000 is from the arts and cultural		
76.2	heritage fund for professional development		
76.3	for kindergarten through grade 12 educators		
76.4	to better culturally engage their work with		
76.5	at-risk student populations. This may include		
76.6	new and original literature that addresses		
76.7	literacy of emerging cultural communities.		
76.8	This is a onetime appropriation.		
76.9	<b>Subd. 8. Department of Education</b>	<u>-0-</u>	<u>44,000</u>
76.10	This appropriation is to implement expedited		
76.11	and temporary licensing provisions of		
76.12	Minnesota Statutes, section 197.4552. This		
76.13	is a onetime appropriation.		
76.14	<b>Subd. 9. Board of Accountancy</b>	<u>-0-</u>	<u>44,000</u>
76.15	This appropriation is to implement expedited		
76.16	and temporary licensing provisions of		
76.17	Minnesota Statutes, section 197.4552. This		
76.18	is a onetime appropriation.		
76.19	<b>Subd. 10. Board of Architecture, Engineering,</b>		
76.20	<b>Land Surveying, Landscape, Architecture,</b>		
76.21	<b>Geoscience, and Interior Design</b>	<u>-0-</u>	<u>44,000</u>
76.22	This appropriation is to implement expedited		
76.23	and temporary licensing provisions of		
76.24	Minnesota Statutes, section 197.4552. This		
76.25	is a onetime appropriation.		
76.26	<b>Subd. 11. Board of Cosmetologist Examiners</b>	<u>-0-</u>	<u>20,000</u>
76.27	This appropriation is to implement expedited		
76.28	and temporary licensing provisions of		
76.29	Minnesota Statutes, section 197.4552. This		
76.30	is a onetime appropriation.		
76.31	<b>Subd. 12. Board of Barber Examiners</b>	<u>-0-</u>	<u>10,000</u>
76.32	This appropriation is to implement expedited		
76.33	and temporary licensing provisions of		

77.1     Minnesota Statutes, section 197.4552. This  
77.2       is a onetime appropriation.

77.3 Subd. 13. **Board of Private Detectives** -0- **44,000**

77.4 This appropriation is to implement expedited  
77.5 and temporary licensing provisions of  
77.6 Minnesota Statutes, section 197.4552. This  
77.7 is a onetime appropriation.

77.10 This appropriation is from the state  
77.11 government special revenue fund to  
77.12 implement expedited and temporary licensing  
77.13 provisions of Minnesota Statutes, section  
77.14 197.4552. This is a onetime appropriation.

77.16 This appropriation is from the state  
77.17 government special revenue fund to  
77.18 implement expedited and temporary licensing  
77.19 provisions of Minnesota Statutes, section  
77.20 197.4552. This is a onetime appropriation.

77.21 Subd. 16. **Board of Dietetics and Nutrition** -0-  
77.22 **Practice** 10,000

77.23 This appropriation is from the state  
77.24 government special revenue fund to  
77.25 implement expedited and temporary licensing  
77.26 provisions of Minnesota Statutes, section  
77.27 197.4552. This is a onetime appropriation.

77.30 This appropriation is from the state  
77.31 government special revenue fund to  
77.32 implement expedited and temporary licensing  
77.33 provisions of Minnesota Statutes, section  
77.34 197.4552. This is a onetime appropriation.

78.1	<u>Subd. 18. <b>Board of Nursing Home Administrators</b></u>	<u>-0-</u>	<u>1,000</u>
78.3	<u>This appropriation is from the state government special revenue fund to implement expedited and temporary licensing provisions of Minnesota Statutes, section 197.4552. This is a onetime appropriation.</u>		
78.8	<u>Subd. 19. <b>Board of Optometry</b></u>	<u>-0-</u>	<u>10,000</u>
78.9	<u>This appropriation is from the state government special revenue fund to implement expedited and temporary licensing provisions of Minnesota Statutes, section 197.4552. This is a onetime appropriation.</u>		
78.14	<u>Subd. 20. <b>Board of Podiatric Medicine</b></u>	<u>-0-</u>	<u>10,000</u>
78.15	<u>This appropriation is from the state government special revenue fund to implement expedited and temporary licensing provisions of Minnesota Statutes, section 197.4552. This is a onetime appropriation.</u>		
78.20	<u>Subd. 21. <b>Board of Social Work</b></u>	<u>-0-</u>	<u>3,000</u>
78.21	<u>This appropriation is from the state government special revenue fund to implement expedited and temporary licensing provisions of Minnesota Statutes, section 197.4552. This is a onetime appropriation.</u>		
78.26	Sec. 3. Minnesota Statutes 2012, section 3.099, subdivision 3, is amended to read:		
78.27	Subd. 3. <b>Leaders.</b> The senate Committee on Rules and Administration for the senate and the house of representatives Committee on Rules and Legislative Administration for the house of representatives may each designate for their respective body up to <u>three</u> <u>four</u> leadership positions to receive up to 140 percent of the compensation of other members.		
78.31	At the commencement of each biennial legislative session, each house of the legislature shall adopt a resolution designating its majority and minority leader.		

79.1       The majority leader is the person elected by the caucus of members in each house  
79.2       which is its largest political affiliation. The minority leader is the person elected by the  
79.3       caucus which is its second largest political affiliation.

79.4       **EFFECTIVE DATE.** This section is effective January 6, 2015.

79.5       **Sec. 4. [3.886] LEGISLATIVE WATER COMMISSION.**

79.6       **Subdivision 1. Establishment.** A Legislative Water Commission is established.

79.7       **Subd. 2. Membership.** (a) The Legislative Water Commission consists of 12  
79.8       members appointed as follows:

79.9       (1) six members of the senate, including three majority party members appointed by  
79.10       the majority leader and three minority party members appointed by the minority leader; and

79.11       (2) six members of the house of representatives, including three majority party  
79.12       members appointed by the speaker of the house and three minority party members  
79.13       appointed by the minority leader.

79.14       (b) Members serve at the pleasure of the appointing authority and continue to serve  
79.15       until their successors are appointed or until a member is no longer a member of the  
79.16       legislative body that appointed the member to the commission. Vacancies shall be filled in  
79.17       the same manner as the original positions. Vacancies occurring on the commission do not  
79.18       affect the authority of the remaining members of the Legislative Water Commission to  
79.19       carry out the function of the commission.

79.20       (c) Members shall elect a chair, vice chair, and other officers as determined by  
79.21       the commission. The chair may convene meetings as necessary to conduct the duties  
79.22       prescribed by this section.

79.23       **Subd. 3. Commission staffing.** The Legislative Coordinating Commission must  
79.24       employ staff and contract with consultants as necessary to enable the Legislative Water  
79.25       Commission to carry out its duties and functions.

79.26       **Subd. 4. Powers and duties.** (a) The Legislative Water Commission shall review  
79.27       water policy reports and recommendations of the Environmental Quality Board, the Board  
79.28       of Water and Soil Resources, the Pollution Control Agency, the Department of Natural  
79.29       Resources, the Metropolitan Council, and other water-related reports as may be required  
79.30       by law or the legislature.

79.31       (b) The commission may conduct public hearings and otherwise secure data and  
79.32       comments.

79.33       (c) The commission shall make recommendations as it deems proper to assist the  
79.34       legislature in formulating legislation.

80.1        (d) Data or information compiled by the Legislative Water Commission or its  
80.2        subcommittees shall be made available to the Legislative-Citizen Commission on  
80.3        Minnesota Resources, the Clean Water Council, and standing and interim committees of  
80.4        the legislature on request of the chair of the respective commission, council, or committee.

80.5        (e) The commission shall coordinate with the Clean Water Council.

80.6        Subd. 5. Compensation. Members may receive per diem under section 3.099 for  
80.7        attending commission meetings, and may be reimbursed for expenses incurred doing  
80.8        the work of the commission, but shall not receive any other compensation for serving  
80.9        on the commission.

80.10      Subd. 6. Expiration. This section expires July 1, 2019.

80.11      Sec. 5. Minnesota Statutes 2013 Supplement, section 15A.082, subdivision 1, is  
80.12      amended to read:

80.13      Subdivision 1. **Creation.** A Compensation Council is created each odd-numbered  
80.14      year to assist the legislature in establishing the compensation of constitutional officers,  
80.15      ~~members of the legislature~~, justices of the Supreme Court, judges of the Court of Appeals  
80.16      and district court, and the heads of state and metropolitan agencies included in section  
80.17      15A.0815.

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

80.19      Sec. 6. Minnesota Statutes 2013 Supplement, section 15A.082, subdivision 3, is  
80.20      amended to read:

80.21      Subd. 3. **Submission of recommendations.** (a) By ~~March~~ April 15 in each  
80.22      odd-numbered year, the Compensation Council shall submit to the speaker of the house  
80.23      and the president of the senate salary recommendations for constitutional officers,  
80.24      ~~legislators~~, justices of the Supreme Court, and judges of the Court of Appeals and district  
80.25      court. The recommended salary for each other office must take effect on the first Monday  
80.26      in January of the next odd-numbered year, with no more than one adjustment, to take  
80.27      effect on January 1 of the year after that. The salary recommendations for ~~legislators~~,  
80.28      judges, and constitutional officers take effect if an appropriation of money to pay the  
80.29      recommended salaries is enacted after the recommendations are submitted and before  
80.30      their effective date. Recommendations may be expressly modified or rejected. ~~The salary~~  
80.31      ~~recommendations for legislators are subject to additional terms that may be adopted~~  
80.32      ~~according to section 3.099, subdivisions 1 and 3.~~

80.33      (b) The council shall also submit to the speaker of the house and the president of  
80.34      the senate recommendations for the salary ranges of the heads of state and metropolitan

81.1 agencies, to be effective retroactively from January 1 of that year if enacted into law. The  
81.2 recommendations shall include the appropriate group in section 15A.0815 to which each  
81.3 agency head should be assigned and the appropriate limitation on the maximum range of  
81.4 the salaries of the agency heads in each group, expressed as a percentage of the salary of  
81.5 the governor.

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

81.7 Sec. 7. Minnesota Statutes 2012, section 15A.082, subdivision 4, is amended to read:

81.8       **Subd. 4. Criteria.** In making compensation recommendations, the council shall  
81.9 consider the amount of compensation paid in government service and the private sector  
81.10 to persons with similar qualifications, the amount of compensation needed to attract  
81.11 and retain experienced and competent persons, and the ability of the state to pay the  
81.12 recommended compensation. ~~In making recommendations for legislative compensation,~~  
81.13 ~~the council shall also consider the average length of a legislative session, the amount of~~  
81.14 ~~work required of legislators during interim periods, and opportunities to earn income from~~  
81.15 ~~other sources without neglecting legislative duties.~~

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

81.17 Sec. 8. Minnesota Statutes 2012, section 16C.16, subdivision 6a, is amended to read:

81.18       **Subd. 6a. Veteran-owned small businesses.** (a) Except when mandated by the  
81.19 federal government as a condition of receiving federal funds, the commissioner shall  
81.20 award up to a six percent preference, but no less than the percentage awarded to any  
81.21 other group under this section, in the amount bid on state procurement to certified small  
81.22 businesses that are majority-owned and operated by veterans.

81.23       (1) ~~recently separated veterans who have served in active military service, at any~~  
81.24 ~~time on or after September 11, 2001, and who have been discharged under honorable~~  
81.25 ~~conditions from active service, as indicated by the person's United States Department of~~  
81.26 ~~Defense form DD-214 or by the commissioner of veterans affairs;~~

81.27       (2) ~~veterans with service-connected disabilities, as determined at any time by the~~  
81.28 ~~United States Department of Veterans Affairs; or~~

81.29       (3) ~~any other veteran-owned small businesses certified under section 16C.19,~~  
81.30 ~~paragraph (d).~~

81.31       (b) The purpose of this designation is to facilitate the transition of veterans from  
81.32 military to civilian life, and to help compensate veterans for their sacrifices, including but

82.1 not limited to their sacrifice of health and time, to the state and nation during their military  
82.2 service, as well as to enhance economic development within Minnesota.

82.3 Sec. 9. Minnesota Statutes 2012, section 16C.19, is amended to read:

82.4 **16C.19 ELIGIBILITY; RULES.**

82.5 (a) A small business wishing to participate in the programs under section 16C.16,  
82.6 subdivisions 4 to 7, must be certified by the commissioner. The commissioner shall adopt  
82.7 by rule standards and procedures for certifying that ~~small businesses~~, small targeted  
82.8 group businesses, ~~and~~ small businesses located in economically disadvantaged areas,  
82.9 and veteran-owned small businesses are eligible to participate under the requirements  
82.10 of sections 16C.16 to 16C.21. The commissioner shall adopt by rule standards and  
82.11 procedures for hearing appeals and grievances and other rules necessary to carry out the  
82.12 duties set forth in sections 16C.16 to 16C.21.

82.13 (b) The commissioner may make rules which exclude or limit the participation of  
82.14 nonmanufacturing business, including third-party lessors, brokers, franchises, jobbers,  
82.15 manufacturers' representatives, and others from eligibility under sections 16C.16 to 16C.21.

82.16 (c) The commissioner may make rules that set time limits and other eligibility limits  
82.17 on business participation in programs under sections 16C.16 to 16C.21.

82.18 (d) ~~Notwithstanding paragraph (e), for purposes of sections 16C.16 to 16C.21, a~~  
82.19 ~~veteran-owned small business, the principal place of business of which is in Minnesota,~~  
82.20 ~~is certified if it has been verified by the United States Department of Veterans Affairs as~~  
82.21 ~~being either a veteran-owned small business or a service-disabled veteran-owned small~~  
82.22 ~~business, in accordance with Public Law 109-461 and Code of Federal Regulations,~~  
82.23 ~~title 38, part 74 Until rules are adopted pursuant to paragraph (a) for the purpose of~~  
82.24 ~~certifying veteran-owned small businesses, the provisions of Minnesota Rules, part~~  
82.25 ~~1230.1700, may be read to include veteran-owned small businesses. In addition to the~~  
82.26 ~~documentation required in Minnesota Rules, part 1230.1700, the veteran owner must~~  
82.27 ~~have been discharged under honorable conditions from active service, as indicated by the~~  
82.28 ~~veteran owner's most current United States Department of Defense form DD-214.~~

82.29 Sec. 10. Minnesota Statutes 2012, section 122A.18, is amended by adding a  
82.30 subdivision to read:

82.31 Subd. 7c. **Temporary military license.** The Board of Teaching shall establish  
82.32 a temporary license in accordance with section 197.4552 for teaching. The fee for a  
82.33 temporary license under this subdivision shall be \$87.90 for an on-line application or  
82.34 \$86.40 for a paper application.

83.1 Sec. 11. **[148.595] TEMPORARY MILITARY PERMIT; FEE.**

83.2       The Board of Optometry shall establish a temporary permit in accordance with  
83.3       section 197.4552. The fee for the temporary military permit is \$250.

83.4       Sec. 12. Minnesota Statutes 2012, section 148.624, is amended by adding a subdivision  
83.5       to read:

83.6       **Subd. 5. Temporary military permit.** The board shall issue a temporary permit to  
83.7       members of the military in accordance with section 197.4552. The fee for the temporary  
83.8       permit is \$250.

83.9       Sec. 13. Minnesota Statutes 2013 Supplement, section 148B.17, subdivision 2, is  
83.10      amended to read:

83.11       **Subd. 2. Licensure and application fees.** Nonrefundable licensure and application  
83.12      fees established by the board shall not exceed the following amounts:

83.13       (1) application fee for national examination is \$110;

83.14       (2) application fee for Licensed Marriage and Family Therapist (LMFT) state  
83.15      examination is \$110;

83.16       (3) initial LMFT license fee is prorated, but cannot exceed \$125;

83.17       (4) annual renewal fee for LMFT license is \$125;

83.18       (5) late fee for LMFT license renewal is \$50;

83.19       (6) application fee for LMFT licensure by reciprocity is \$220;

83.20       (7) fee for initial Licensed Associate Marriage and Family Therapist (LAMFT)  
83.21      license is \$75;

83.22       (8) annual renewal fee for LAMFT license is \$75;

83.23       (9) late fee for LAMFT renewal is \$25;

83.24       (10) fee for reinstatement of license is \$150; **and**

83.25       (11) fee for emeritus status is \$125; **and**

83.26       **(12) fee for temporary license for members of the military is \$100.**

83.27       Sec. 14. Minnesota Statutes 2012, section 148B.53, subdivision 3, is amended to read:

83.28       **Subd. 3. Fee.** Nonrefundable fees are as follows:

83.29       (1) initial license application fee for licensed professional counseling (LPC) - \$150;

83.30       (2) initial license fee for LPC - \$250;

83.31       (3) annual active license renewal fee for LPC - \$250 or equivalent;

83.32       (4) annual inactive license renewal fee for LPC - \$125;

84.1                         (5) initial license application fee for licensed professional clinical counseling  
84.2                         (LPCC) - \$150;  
84.3                         (6) initial license fee for LPCC - \$250;  
84.4                         (7) annual active license renewal fee for LPCC - \$250 or equivalent;  
84.5                         (8) annual inactive license renewal fee for LPCC - \$125;  
84.6                         (9) license renewal late fee - \$100 per month or portion thereof;  
84.7                         (10) copy of board order or stipulation - \$10;  
84.8                         (11) certificate of good standing or license verification - \$25;  
84.9                         (12) duplicate certificate fee - \$25;  
84.10                         (13) professional firm renewal fee - \$25;  
84.11                         (14) sponsor application for approval of a continuing education course - \$60;  
84.12                         (15) initial registration fee - \$50;  
84.13                         (16) annual registration renewal fee - \$25; and  
84.14                         (17) approved supervisor application processing fee - \$30; and  
84.15                         (18) temporary license for members of the military - \$250.

84.16                         Sec. 15. Minnesota Statutes 2012, section 150A.091, is amended by adding a  
84.17                         subdivision to read:

84.18                         Subd. 9c. **Temporary permit.** Applications for a temporary military permit in  
84.19                         accordance with section 197.4552 shall submit a fee not to exceed the amount of \$250.

84.20                         Sec. 16. Minnesota Statutes 2012, section 153.16, is amended by adding a subdivision  
84.21                         to read:

84.22                         Subd. 4. **Temporary military permit.** The board shall establish a temporary permit  
84.23                         in accordance with section 197.4552. The fee for the temporary military permit is \$250.

84.24                         Sec. 17. Minnesota Statutes 2012, section 154.11, as amended by Laws 2013, chapter  
84.25                         85, article 5, section 12, is amended to read:

84.26                         **154.11 EXAMINATION OF NONRESIDENT BARBERS AND**  
84.27                         **INSTRUCTORS OF BARBERING; TEMPORARY APPRENTICE PERMITS;**  
84.28                         **TEMPORARY MILITARY LICENSE AND APPRENTICE PERMITS.**

84.29                         Subdivision 1. **Examination of nonresidents.** A person who meets all of the  
84.30                         requirements for barber registration in sections 154.001, 154.002, 154.003, 154.01 to  
84.31                         154.161, 154.19 to 154.21, and 154.24 to 154.26 and either has a license, certificate of  
84.32                         registration, or an equivalent as a practicing barber or instructor of barbing from another  
84.33                         state or country which in the discretion of the board has substantially the same requirements

85.1 for registering barbers and instructors of barbering as required by sections 154.001,  
85.2 154.002, 154.003, 154.01 to 154.161, 154.19 to 154.21, and 154.24 to 154.26 or can prove  
85.3 by sworn affidavits practice as a barber or instructor of barbering in another state or country  
85.4 for at least five years immediately prior to making application in this state, shall, upon  
85.5 payment of the required fee, be issued a certificate of registration without examination.

85.6       **Subd. 2. Temporary apprentice permits for nonresidents.** Any person who  
85.7 qualifies for examination as a registered barber under this section may apply for a  
85.8 temporary apprentice permit which is effective no longer than six months. All persons  
85.9 holding a temporary apprentice permit are subject to all provisions of sections 154.001,  
85.10 154.002, 154.003, 154.01 to 154.161, 154.19 to 154.21, and 154.24 to 154.26 and the  
85.11 rules adopted by the board under those sections concerning the conduct and obligations  
85.12 of registered apprentices.

85.13       **Subd. 3. Temporary military license.** The board shall establish a temporary license  
85.14 for barbers and master barbers and a temporary permit for apprentices in accordance with  
85.15 section 197.4552. The fee for a temporary license under this subdivision for a master  
85.16 barber is \$85. The fee for a temporary license under this subdivision for a barber is \$180.  
85.17 The fee for a temporary permit under this subdivision for an apprentice is \$80.

85.18       Sec. 18. Minnesota Statutes 2012, section 155A.27, is amended by adding a  
85.19 subdivision to read:

85.20       **Subd. 5a. Temporary military license.** The board shall establish temporary  
85.21 licenses for a cosmetologist, nail technician, and esthetician, in accordance with section  
85.22 197.4552. The fee for a temporary license under this subdivision for a cosmetologist, nail  
85.23 technician, or esthetician is \$100.

85.24       Sec. 19. Minnesota Statutes 2012, section 181.940, subdivision 2, is amended to read:

85.25       **Subd. 2. Employee.** "Employee" means a person who performs services for hire  
85.26 for has been employed by an employer from whom a leave is requested under sections  
85.27 181.940 to 181.944 for:

85.28       (1) at least 12 consecutive months immediately preceding the request or, if the  
85.29 employer is an educational institution, at least 12 months preceding the request; and

85.30       (2) for an average number of hours per week equal to one-half the full-time  
85.31 equivalent position in the employee's job classification as defined by the employer's  
85.32 personnel policies or practices or pursuant to the provisions of a collective bargaining  
85.33 agreement, during those 12 months.

86.1       For the purpose of this subdivision, "educational institution" means an elementary or  
86.2       secondary school.

86.3       Employee includes all individuals employed at any site owned or operated by the  
86.4       employer but does not include an independent contractor.

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

86.6       **Sec. 20. [197.4552] EXPEDITED AND TEMPORARY LICENSING FOR**  
86.7       **FORMER AND CURRENT MEMBERS OF THE MILITARY.**

86.8       Subdivision 1. Expedited licensing processing. Notwithstanding any other law to  
86.9       the contrary, each professional licensing board defined in section 214.01, subdivisions 2  
86.10      and 3, shall establish a procedure to expedite the issuance of a license or certification to  
86.11      perform professional services regulated by each board to a qualified individual who is:

86.12      (1) an active duty military member;

86.13      (2) the spouse of an active duty military member; or

86.14      (3) a veteran who has left service in the two years preceding the date of license or  
86.15      certification application, and has confirmation of an honorable or general discharge status.

86.16       Subd. 2. Temporary licenses. (a) Notwithstanding any other law to the contrary,  
86.17      each professional licensing board defined in section 214.01, subdivisions 2 and 3, shall  
86.18      establish a procedure to issue a temporary license or certification to perform professional  
86.19      services regulated by each board to a qualified individual who is:

86.20      (1) an active duty military member;

86.21      (2) the spouse of an active duty military member; or

86.22      (3) a veteran who has left service in the two years preceding the date of license or  
86.23      certification application, and has confirmation of an honorable or general discharge status.

86.24      (b) A qualified individual under paragraph (a) must provide evidence of:

86.25      (1) a current, valid license, certificate, or permit in another state without history of  
86.26      disciplinary action by a regulatory authority in the other state; and

86.27      (2) a current criminal background study without a criminal conviction that is  
86.28      determined by the board to adversely affect the applicants' ability to become licensed.

86.29      (c) A temporary license or certificate issued under this subdivision shall allow a  
86.30      qualified individual to perform regulated professional services for a limited length of time  
86.31      as determined by the licensing board. During the temporary license period, the individual  
86.32      shall complete the full application procedure as required by applicable law.

86.33       Subd. 3. Rulemaking. Each licensing board may adopt rules to carry out the  
86.34      provisions of this section.

87.1 Sec. 21. Minnesota Statutes 2012, section 326.04, is amended by adding a subdivision  
87.2 to read:

87.3       Subd. 1a. **Temporary military certificate.** The board shall establish a temporary  
87.4 certificate in accordance with section 197.4552.

87.5 Sec. 22. Minnesota Statutes 2012, section 326.10, is amended by adding a subdivision  
87.6 to read:

87.7       Subd. 10. **Temporary military license.** The board shall establish a temporary  
87.8 license in accordance with section 197.4552 for the practice of architecture, professional  
87.9 engineering, geosciences, land surveying, landscape architecture, and interior design.  
87.10 The fee for the temporary license under this subdivision for the practice of architecture,  
87.11 professional engineering, geosciences, land surveying, landscape architecture, or interior  
87.12 design is \$132.

87.13 Sec. 23. Minnesota Statutes 2012, section 326.3382, is amended by adding a  
87.14 subdivision to read:

87.15       Subd. 6. **Temporary military license.** The board shall establish a temporary  
87.16 license to engage in the business of private detective or protective agent in accordance  
87.17 with section 197.4552. The fee for the temporary license under this subdivision for a  
87.18 private detective is \$1,000. The fee for a temporary license under this subdivision for a  
87.19 protective agent is \$800.

87.20 Sec. 24. Minnesota Statutes 2012, section 326A.04, is amended by adding a  
87.21 subdivision to read:

87.22       Subd. 1a. **Temporary military certificate.** The board shall establish a temporary  
87.23 military certificate in accordance with section 197.4552.

87.24 Sec. 25. Minnesota Statutes 2013 Supplement, section 326A.04, subdivision 5, is  
87.25 amended to read:

87.26       Subd. 5. **Fee.** (a) The board shall charge a fee for each application for initial  
87.27 issuance or renewal of a certificate or temporary military certificate under this section as  
87.28 provided in paragraph (b). The fee for the temporary military certificate is \$100.

87.29       (b) The board shall charge the following fees:  
87.30           (1) initial issuance of certificate, \$150;  
87.31           (2) renewal of certificate with an active status, \$100 per year;  
87.32           (3) initial CPA firm permits, except for sole practitioners, \$100;

88.1                 (4) renewal of CPA firm permits, except for sole practitioners and those firms  
88.2        specified in clause (17), \$35 per year;

88.3                 (5) initial issuance and renewal of CPA firm permits for sole practitioners, except for  
88.4        those firms specified in clause (17), \$35 per year;

88.5                 (6) annual late processing delinquency fee for permit, certificate, or registration  
88.6        renewal applications not received prior to expiration date, \$50;

88.7                 (7) copies of records, per page, 25 cents;

88.8                 (8) registration of noncertificate holders, nonlicensees, and nonregistrants in  
88.9        connection with renewal of firm permits, \$45 per year;

88.10                (9) applications for reinstatement, \$20;

88.11               (10) initial registration of a registered accounting practitioner, \$50;

88.12               (11) initial registered accounting practitioner firm permits, \$100;

88.13               (12) renewal of registered accounting practitioner firm permits, except for sole  
88.14        practitioners, \$100 per year;

88.15               (13) renewal of registered accounting practitioner firm permits for sole practitioners,  
88.16        \$35 per year;

88.17               (14) CPA examination application, \$40;

88.18               (15) CPA examination, fee determined by third-party examination administrator;

88.19               (16) renewal of certificates with an inactive status, \$25 per year; and

88.20               (17) renewal of CPA firm permits for firms that have one or more offices located in  
88.21        another state, \$68 per year.

88.22               **Sec. 26. LEGISLATIVE WATER COMMISSION INITIAL APPOINTMENTS**  
88.23               **AND FIRST MEETING.**

88.24               Initial appointments to the Legislative Water Commission established in section  
88.25               4 must be made by September 1, 2014. The first meeting of the commission shall be  
88.26               convened by the chair of the commission by October 15, 2014. The commission shall  
88.27               select a chair from its membership at its first meeting.

88.28               **Sec. 27. STUDY OF SPECIAL REVENUE ACCOUNT FOR CENTRAL**  
88.29               **ACCOMMODATION.**

88.30               The commissioner of management and budget, in consultation with the Commission  
88.31               of Deaf, DeafBlind and Hard-of-Hearing Minnesotans, must report to the chairs  
88.32               and ranking minority members of the senate Finance Committee and the house of  
88.33               representatives Ways and Means Committee and the governor by January 5, 2015, on  
88.34               advantages and disadvantages of creating an account for the special revenue fund in the

89.1 state treasury to pay for costs of providing accommodations to executive branch state  
 89.2 employees with disabilities. The report must include:

89.3 (1) a summary of money spent by executive branch state agencies in fiscal years  
 89.4 2012 and 2013 for providing accommodations to executive branch state employees, to  
 89.5 the extent that such expenditures can be determined; and  
 89.6 (2) recommendations for laws and policies needed to implement an account in the  
 89.7 special revenue fund, if one is recommended under this section; or other recommendations  
 89.8 related to best practices in provision of accommodations for employees with disabilities  
 89.9 in the executive branch.

## ARTICLE 8

### ENVIRONMENT AND AGRICULTURE

#### 89.12 Section 1. **SUMMARY OF APPROPRIATIONS.**

89.13 The amounts shown in this section summarize direct appropriations, by fund, made  
 89.14 in this article.

		<u>2014</u>	<u>2015</u>	<u>Total</u>
89.16	<u>General</u>	\$ <u>-0-</u>	\$ <u>3,321,000</u>	\$ <u>3,321,000</u>
89.17	<u>Environmental</u>	\$ <u>-0-</u>	\$ <u>750,000</u>	\$ <u>750,000</u>
89.18	<u>Remediation</u>	\$ <u>-0-</u>	\$ <u>650,000</u>	\$ <u>650,000</u>
89.19	<u>Natural Resources</u>	\$ <u>-0-</u>	\$ <u>(1,450,000)</u>	\$ <u>(1,450,000)</u>
89.20	<u>Game and Fish</u>	\$ <u>-0-</u>	\$ <u>2,400,000</u>	\$ <u>2,400,000</u>
89.21	<u>Clean Water</u>	\$ <u>-0-</u>	\$ <u>2,500,000</u>	\$ <u>2,500,000</u>
89.22	<u>Environment and Natural</u>			
89.23	<u>Resources Trust</u>	\$ <u>-0-</u>	\$ <u>490,000</u>	\$ <u>490,000</u>
89.24	<b><u>Total</u></b>	\$ <b><u>-0-</u></b>	\$ <b><u>8,661,000</u></b>	\$ <b><u>8,661,000</u></b>

#### 89.25 Sec. 2. **APPROPRIATIONS.**

89.26 The sums shown in the columns marked "Appropriations" are added to or, if shown  
 89.27 in parentheses, subtracted from the appropriations in Laws 2013, chapter 114, to the  
 89.28 agencies and for the purposes specified in this article. The appropriations are from the  
 89.29 general fund, or another named fund, and are available for the fiscal years indicated for  
 89.30 each purpose. The figures "2014" and "2015" used in this article mean that the addition to  
 89.31 the appropriation listed under them is available for the fiscal year ending June 30, 2014, or  
 89.32 June 30, 2015, respectively. Supplemental appropriations for the fiscal year ending June  
 89.33 30, 2014, are effective the day following final enactment.

#### **APPROPRIATIONS** **Available for the Year**

		<u>Ending June 30</u>	
		<u>2014</u>	<u>2015</u>
90.3	Sec. 3. <b>POLLUTION CONTROL AGENCY</b>	\$	<u>-0-</u> \$ <b>1,600,000</b>
90.4	\$750,000 in 2015 is from the environmental		
90.5	fund for SCORE block grants to counties.		
90.6	\$200,000 in 2015 is from the clean water		
90.7	fund for coordination with the state of		
90.8	Wisconsin and the National Park Service		
90.9	on comprehensive phosphorus reduction		
90.10	activities in the Lake St. Croix portion		
90.11	of the St. Croix River. The agency shall		
90.12	work with the St. Croix Basin Water		
90.13	Resources Planning Team and the St. Croix		
90.14	River Association in implementing the		
90.15	water monitoring and phosphorus reduction		
90.16	activities. This is a onetime appropriation and		
90.17	is subject to the availability of appropriations		
90.18	in Laws 2013, chapter 137, article 2, section		
90.19	2, subdivision 2.		
90.20	\$650,000 in 2015 from the remediation		
90.21	fund for additional staff and administrative		
90.22	expenses to manage and oversee investigation		
90.23	and mitigation efforts at superfund sites.		
90.24	This is a onetime appropriation.		
90.25	Sec. 4. <b>NATURAL RESOURCES</b>		
90.26	<u>Subdivision 1. Total Appropriation</u>	\$	<u>-0-</u> \$ <b>3,421,000</b>
90.27	<u>Appropriations by Fund</u>		
90.28	<u>General</u>	<u>-0-</u>	<u>2,471,000</u>
90.29	<u>Natural Resources</u>	<u>-0-</u>	<u>(1,450,000)</u>
90.30	<u>Game and Fish</u>	<u>-0-</u>	<u>2,400,000</u>
90.31	The amounts that may be spent for each		
90.32	purpose are specified in the following		
90.33	subdivisions.		

## **Subd. 2. Land and Minerals Management**

## Appropriations by Fund

<u>General</u>	<u>-0-</u>	<u>2,450,000</u>
Natural Resources	-0-	(1,450,000)

91.5     \$1,450,000 in 2015 is a reduction to the  
91.6     appropriation from the minerals management  
91.7     account in the natural resources fund for  
91.8     minerals resource management.

91.9      \$1,450,000 in 2015 is for minerals resource  
91.10     management.

91.11     \$1,000,000 in 2015 is to extinguish the  
91.12     school trust interest in the school trust lands  
91.13     identified in Minnesota Statutes, section  
91.14     84.027, subdivision 18, paragraph (c). This  
91.15     is a onetime appropriation.

**91.16 Subd. 3. Ecological and Water Resources**

-0-      (1,679,000)

91.17     \$1,700,000 in 2015 is a reduction to surface  
91.18     and groundwater management. This is a  
91.19     onetime reduction.

91.20     \$21,000 in 2015 for a grant to the  
91.21     Mississippi Headwaters Board for the cost  
91.22     of implementing the comprehensive plan for  
91.23     the upper Mississippi within the areas under  
91.24     the board's jurisdiction.

**91.25      Subd. 4. Parks and Trails Management**

-0- 1,700,000

91.26     \$1,700,000 in 2015 is for parks and  
91.27     trails management. This is a onetime  
91.28     appropriation.

**91.29 Subd. 5. Fish and Wildlife Management**

-0- 2,400,000

\$2,000,000 in 2015 is from the game and fish fund for shooting sports facility grants under Minnesota Statutes, section 87A.10. This is a onetime appropriation and is available until June 30, 2017.

\$400,000 in 2015 is from the heritage enhancement account in the game and fish fund for a grant to Let's Go Fishing of Minnesota to provide community outreach to senior citizens, youth, and veterans and for the costs associated with establishing and recruiting new chapters. The grants must be matched with cash or in-kind contributions from nonstate sources. Of this amount, \$25,000 is for Asian Outdoor Heritage for youth fishing recruitment efforts and outreach in the metropolitan area. The commissioner may spend up to three percent of the appropriation to administer the grant.

This is a onetime appropriation and is available until June 30, 2016.

92.17 Sec. 5. **BOARD OF WATER AND SOIL**  
92.18 **RESOURCES** \$ -0- \$ 1,150,000

92.19     \$1,150,000 in 2015 from the clean water  
92.20     fund is added to the appropriation to the  
92.21     Board of Water and Soil Resources for  
92.22     grants in Laws 2013, chapter 137, article 2,  
92.23     section 7, paragraph (b). This is a onetime  
92.24     appropriation.

92.25 Sec. 6. ADMINISTRATION \$ -0- \$ **185,000**

92.26     \$185,000 in 2015 is for activities and the  
92.27     administrative expenses of the school trust  
92.28     lands director and additional staff, under  
92.29     Minnesota Statutes, section 127A.353.

92.30 Sec. 7. **LEGISLATIVE COORDINATING**  
92.31 **COMMISSION** \$ -0- \$ **15,000**

92.32 \$15,000 in 2015 is for the administrative expenses of the Permanent School Fund

92.33 Commission under Minnesota Statutes,

93.1 section 127A.30, and for compensation  
93.2 and expense reimbursement of commission  
93.3 members.

93.4 Sec. 8. UNIVERSITY OF MINNESOTA \$ -0- \$ 1,640,000

93.5 \$490,000 in 2015 is from the environment  
93.6 and natural resources trust fund to develop  
93.7 and support a terrestrial invasive species  
93.8 research center at the University of  
93.9 Minnesota that will develop new techniques  
93.10 to control terrestrial invasive species. This  
93.11 is a onetime appropriation and is available  
93.12 until June 30, 2019.

93.13 \$170,000 from the environment and natural  
93.14 resources trust fund appropriated in Laws  
93.15 2011, First Special Session, chapter 2, article  
93.16 3, section 2, subdivision 9, paragraph (d),  
93.17 Reinvest in Minnesota Wetlands Reserve  
93.18 Acquisition and Restoration Program  
93.19 Partnership, is transferred to the Board of  
93.20 Regents to develop and support a terrestrial  
93.21 invasive species research center at the  
93.22 University of Minnesota that will develop  
93.23 new techniques to control terrestrial invasive  
93.24 species and is available until June 30, 2019.

93.25 \$1,150,000 in 2015 from the clean water  
93.26 fund is for the Forever Green Agricultural  
93.27 Initiative and to protect the state's natural  
93.28 resources while increasing efficiency,  
93.29 profitability, and productivity of Minnesota  
93.30 farmers by incorporating perennial and  
93.31 winter annual crops into existing agricultural  
93.32 practices. This is a onetime appropriation and  
93.33 is subject to the availability of appropriations  
93.34 in Laws 2013, chapter 137, article 2, section  
93.35 2, subdivision 2.

94.1	Sec. 9. <b><u>AGRICULTURE</u></b>	\$	<u>-0-</u> \$	<b><u>550,000</u></b>
94.2	<u>\$350,000 in 2015 is for an increase in retail food handler inspections.</u>			
94.3				
94.4	<u>\$1,500,000 in 2015 is a reduction to the agricultural growth, research, and innovation program. This is a onetime reduction and none of this reduction may be allocated to the county fair arts access grants.</u>			
94.5				
94.6				
94.7				
94.8				
94.9	<u>\$1,500,000 in 2015 is for a grant to Second Harvest Heartland to compensate Minnesota agricultural producers and processors for costs incurred to harvest and package for transfer surplus fruits, vegetables, or other agricultural commodities that would otherwise go unharvested or be discarded.</u>			
94.10				
94.11				
94.12				
94.13				
94.14				
94.15				
94.16	<u>Surplus commodities must be distributed statewide to food shelves and other charitable organizations that are eligible to receive food from the food banks. Second Harvest Heartland may use up to five percent of the grant for administrative expenses. This is a onetime appropriation.</u>			
94.17				
94.18				
94.19				
94.20				
94.21				
94.22				
94.23	<u>\$200,000 in 2015 is added to the appropriation in Laws 2013, chapter 114, article 1, section 3, subdivision 5, for distribution to the state's county fairs.</u>			
94.24				
94.25				
94.26				
94.27	Sec. 10. <b><u>METROPOLITAN COUNCIL</u></b>	\$	<u>-0-</u> \$	<b><u>100,000</u></b>
94.28	<u>\$800,000 from the environment and natural resources trust fund appropriated in Laws 2011, First Special Session, chapter 2, article 3, section 2, subdivision 9, paragraph (d), Reinvest in Minnesota Wetland Reserve Acquisition and Restoration Program Partnership is transferred to the Metropolitan</u>			
94.29				
94.30				
94.31				
94.32				
94.33				
94.34				

95.1     Council for a grant to the White Bear Lake  
95.2     Conservation District to contract with an  
95.3     engineering firm for a detailed feasibility  
95.4     study of the lake augmentation option for  
95.5     White Bear Lake and is available until  
95.6     June 30, 2016. The detailed feasibility  
95.7     study must, at a minimum, provide for an  
95.8     evaluation of alternative routes; preliminary  
95.9     design; identify regulatory issues; provide  
95.10    preliminary cost estimates; and identify  
95.11    any other considerations that would affect  
95.12    the project's feasibility. The White Bear  
95.13    Lake Conservation District must choose  
95.14    an engineering firm that has demonstrated  
95.15    significant experience working with issues  
95.16    concerning water resources, watershed  
95.17    management and water supply management,  
95.18    and has demonstrated knowledge of the  
95.19    characterization of groundwater and surface  
95.20    water interaction in White Bear Lake and  
95.21    the effect of withdrawals from groundwater  
95.22    under White Bear Lake.

95.23    \$100,000 in 2015 is for a grant to the city of  
95.24    Shoreview for a feasibility study regarding  
95.25    the lowering of the water level of Turtle Lake  
95.26    and the possible effects of an augmentation  
95.27    of the lake.

95.28    Sec. 11. Laws 2013, chapter 114, article 3, section 3, subdivision 6, is amended to read:

95.29    **Subd. 6. Remediation Fund**

95.30    The commissioner shall transfer up  
95.31    to \$46,000,000 \$47,150,000 from the  
95.32    environmental fund to the remediation fund  
95.33    for the purposes of the remediation fund

96.1 under Minnesota Statutes, section 116.155,  
96.2 subdivision 2.

96.3 **Sec. 12. REPEALER.**

96.4 Laws 2010, chapter 215, article 3, section 3, subdivision 6, as amended by Laws  
96.5 2010, First Special Session chapter 1, article 6, section 6, and Laws 2013, chapter 114,  
96.6 article 3, section 9, is repealed.

96.7 **ARTICLE 9**

96.8 **ENVIRONMENT AND AGRICULTURE FISCAL IMPLEMENTATION**  
96.9 **PROVISIONS**

96.10 Section 1. Minnesota Statutes 2012, section 16A.125, subdivision 5, is amended to read:

96.11 Subd. 5. **Forest trust lands.** (a) The term "state forest trust fund lands" as used  
96.12 in this subdivision, means public land in trust under the Constitution set apart as "forest  
96.13 lands under the authority of the commissioner" of natural resources as defined by section  
96.14 89.001, subdivision 13.

96.15 (b) The commissioner of management and budget shall credit the revenue from the  
96.16 forest trust fund lands to the forest suspense account. The account must specify the trust  
96.17 funds interested in the lands and the respective receipts of the lands.

96.18 (c) After a fiscal year, the commissioner of management and budget shall certify  
96.19 the costs incurred for forestry during that year under appropriations for the improvement,  
96.20 administration, and management of state forest trust fund lands and construction and  
96.21 improvement of forest roads to enhance the forest value of the lands. The certificate  
96.22 must specify the trust funds interested in the lands. After presentation to the Legislative  
96.23 Permanent School Fund Commission, the commissioner of natural resources shall  
96.24 supply the commissioner of management and budget with the information needed for the  
96.25 certificate. The certificate shall include an analysis that compares costs certified under this  
96.26 section with costs incurred on other public and private lands with similar land assets.

96.27 (d) After a fiscal year, the commissioner shall distribute the receipts credited to the  
96.28 suspense account during that fiscal year as follows:

96.29 (1) the amount of the certified costs incurred by the state for forest management,  
96.30 forest improvement, and road improvement during the fiscal year shall be transferred to  
96.31 the forest management investment account established under section 89.039;

96.32 (2) the amount of costs incurred by the Legislative Permanent School Fund  
96.33 Commission under section 127A.30, and by the school trust lands director under section  
96.34 127A.353, shall be transferred to the general fund;

97.1        (3) the balance of the certified costs incurred by the state during the fiscal year  
97.2 shall be transferred to the general fund; and

97.3        (3) (4) the balance of the receipts shall then be returned prorated to the trust funds in  
97.4 proportion to their respective interests in the lands which produced the receipts.

97.5        Sec. 2. Minnesota Statutes 2012, section 18B.01, is amended by adding a subdivision  
97.6 to read:

97.7        Subd. 1c. **Apiary.** "Apiary" means a place where a collection of one or more hives  
97.8 or colonies of bees or the nuclei of bees are kept.

97.9        Sec. 3. Minnesota Statutes 2012, section 18B.01, is amended by adding a subdivision  
97.10 to read:

97.11        Subd. 2a. **Bee.** "Bee" means any stage of the common honeybee, *Apis mellifera* (L).

97.12        Sec. 4. Minnesota Statutes 2012, section 18B.01, is amended by adding a subdivision  
97.13 to read:

97.14        Subd. 2b. **Bee owner.** "Bee owner" means a person who owns an apiary.

97.15        Sec. 5. Minnesota Statutes 2012, section 18B.01, is amended by adding a subdivision  
97.16 to read:

97.17        Subd. 4c. **Colony.** "Colony" means the aggregate of worker bees, drones, the queen,  
97.18 and developing young bees living together as a family unit in a hive or other dwelling.

97.19        Sec. 6. Minnesota Statutes 2012, section 18B.01, is amended by adding a subdivision  
97.20 to read:

97.21        Subd. 11a. **Hive.** "Hive" means a frame hive, box hive, box, barrel, log gum, skep,  
97.22 or any other receptacle or container, natural or artificial, or any part of one, which is  
97.23 used as domicile for bees.

97.24        Sec. 7. Minnesota Statutes 2012, section 18B.01, is amended by adding a subdivision  
97.25 to read:

97.26        Subd. 20a. **Pollinator.** "Pollinator" means an insect that pollinates flowers.

97.27        Sec. 8. Minnesota Statutes 2012, section 18B.03, is amended by adding a subdivision  
97.28 to read:

98.1       Subd. 4. Pollinators. The commissioner may take enforcement action under  
98.2       chapter 18D for a violation of this chapter, or any rule adopted under this chapter,  
98.3       that results in harm to pollinators, including but not limited to applying a product in  
98.4       a manner inconsistent with the product's label or labeling and resulting in pollinator  
98.5       death or willfully applying pesticide in a manner inconsistent with the product label or  
98.6       labeling. The commissioner must deposit any penalty collected under this subdivision in  
98.7       the pesticide regulatory account in section 18B.05.

98.8       Sec. 9. Minnesota Statutes 2012, section 18B.04, is amended to read:

98.9       **18B.04 PESTICIDE IMPACT ON ENVIRONMENT.**

98.10      (a) The commissioner shall:

98.11       (1) determine the impact of pesticides on the environment, including the impacts on  
98.12       surface water and groundwater in this state;  
98.13       (2) develop best management practices involving pesticide distribution, storage,  
98.14       handling, use, and disposal; and

98.15       (3) cooperate with and assist other state agencies and local governments to protect  
98.16       public health, pollinators, and the environment from harmful exposure to pesticides.

98.17      (b) The commissioner may assemble a pollinator emergency response team of  
98.18       experts under section 16C.10, subdivision 2, to consult in the investigation of pollinator  
98.19       deaths or illnesses. The pollinator emergency response team may include representatives  
98.20       from local, state, and federal agencies; academia, including the University of Minnesota;  
98.21       or other professionals as deemed necessary by the commissioner.

98.22       Sec. 10. **[18B.055] COMPENSATION FOR BEES KILLED BY PESTICIDE;**  
98.23       **APPROPRIATION.**

98.24       Subdivision 1. Compensation required. (a) The commissioner of agriculture must  
98.25       compensate a person for an acute pesticide poisoning resulting in the death of bees or loss  
98.26       of bee colonies owned by the person, provided:

98.27       (1) the person who applied the pesticide cannot be determined;

98.28       (2) the person who applied the pesticide did so in a manner consistent with the  
98.29       pesticide product's label or labeling; or

98.30       (3) the person who applied the pesticide did so in a manner inconsistent with the  
98.31       pesticide product's label or labeling.

98.32       (b) Except as provided in this section, the bee owner is entitled to the fair market  
98.33       value of the dead bees and bee colonies losses as determined by the commissioner upon  
98.34       recommendation by academic experts and bee keepers. In any fiscal year, a bee owner

99.1 must not be compensated for a claim that is less than \$100 or compensated more than  
99.2 \$20,000 for all eligible claims.

99.3 (c) To be eligible for compensation under this section, the bee owner must be  
99.4 registered with a commonly utilized pesticide registry program, as designated by the  
99.5 commissioner of agriculture.

99.6 Subd. 2. **Applicator responsible.** In the event a person applies a pesticide in a  
99.7 manner inconsistent with the pesticide product's label or labeling requirements as approved  
99.8 by the commissioner and is determined to have caused the acute pesticide poisoning of bees,  
99.9 resulting in death or loss of a bee colony kept for commercial purposes, then the person so  
99.10 identified must bear the responsibility of restitution for the value of the bees to the owner.  
99.11 In these cases the commissioner must not provide compensation as provided in this section.

99.12 Subd. 3. **Claim form.** The bee owner must file a claim on forms provided by the  
99.13 commissioner and available on the Department of Agriculture's Web site.

99.14 Subd. 4. **Determination.** The commissioner must determine whether the death of  
99.15 the bees or loss of bee colonies was caused by an acute pesticide poisoning, whether the  
99.16 pesticide applicator can be determined, and whether the pesticide applicator applied the  
99.17 pesticide product in a manner consistent with the pesticide product's label or labeling.

99.18 Subd. 5. **Payments; denial of compensation.** (a) If the commissioner determines  
99.19 the bee death or loss of bee colony was caused by an acute pesticide poisoning and  
99.20 either the pesticide applicator cannot be determined or the pesticide applicator applied  
99.21 the pesticide product in a manner consistent with the pesticide product's label or labeling,  
99.22 the commissioner may award compensation from the pesticide regulatory account. If the  
99.23 pesticide applicator can be determined and the applicator applied the pesticide product  
99.24 in a manner inconsistent with the product's label or labeling, the commissioner may  
99.25 collect a penalty from the pesticide applicator sufficient to compensate the bee owner  
99.26 for the fair market value of the dead bees and bee colonies losses, and must award the  
99.27 money to the bee owner.

99.28 (b) If the commissioner denies compensation claimed by a bee owner under this  
99.29 section, the commissioner must issue a written decision based upon the available evidence.  
99.30 The decision must include specification of the facts upon which the decision is based and  
99.31 the conclusions on the material issues of the claim. The commissioner must mail a copy  
99.32 of the decision to the bee owner.

99.33 (c) A decision to deny compensation claimed under this section is not subject to the  
99.34 contested case review procedures of chapter 14, but may be reviewed upon a trial de  
99.35 novo in a court in the county where the loss occurred. The decision of the court may be  
99.36 appealed as in other civil cases. Review in court may be obtained by filing a petition for

100.1 review with the administrator of the court within 60 days following receipt of a decision  
100.2 under this section. Upon the filing of a petition, the administrator must mail a copy to the  
100.3 commissioner and set a time for hearing within 90 days of the filing.

100.4       **Subd. 6. Deduction from payment.** The commissioner must reduce payments  
100.5 made under this section by any compensation received by the bee owner for dead bees and  
100.6 bee colonies losses as proceeds from an insurance policy or from another source.

100.7       **Subd. 7. Appropriation.** The amount necessary to pay claims under this section,  
100.8 not to exceed \$150,000 per fiscal year, is appropriated from the pesticide regulatory  
100.9 account in section 18B.05.

100.10 Sec. 11. Minnesota Statutes 2012, section 85.34, subdivision 7, is amended to read:

100.11       **Subd. 7. Disposition of proceeds.** (a) All revenue derived from the lease of the Fort  
100.12 Snelling upper bluff, with the exception of payment for costs of the water line as described  
100.13 in subdivision 6, shall be deposited in the natural resources fund and credited to a state  
100.14 park account. Interest earned on the money in the account accrues to the account.

100.15       (b) Revenue and expenses from the upper bluff shall be tracked separately within  
100.16 the account. Money in the account derived from the leasing or operation of the property  
100.17 described in subdivision 1 may be is appropriated annually to the commissioner for  
100.18 the payment of expenses attributable to the leasing, development, and operation of the  
100.19 property described in subdivision 1, including, but not limited to, the maintenance, repair,  
100.20 and rehabilitation of historic buildings and landscapes.

100.21 Sec. 12. Minnesota Statutes 2012, section 85A.02, subdivision 2, is amended to read:

100.22       **Subd. 2. Zoological Garden.** The board shall acquire, construct, equip, operate  
100.23 and maintain the Minnesota Zoological Garden at a site in Dakota County legally  
100.24 described in Laws 1975, chapter 382, section 12. The Zoological Garden shall consist  
100.25 of adequate facilities and structures for the collection, habitation, preservation, care,  
100.26 exhibition, examination or study of wild and domestic animals, including, but not limited  
100.27 to mammals, birds, fish, amphibians, reptiles, crustaceans and mollusks. The board  
100.28 may provide such lands, buildings and equipment as it deems necessary for parking,  
100.29 transportation, entertainment, education or instruction of the public in connection with  
100.30 such Zoological Garden. The Zoological Garden is the official pollinator bank for the state  
100.31 of Minnesota. For purposes of this subdivision, "pollinator bank" means a program to  
100.32 avert the extinction of pollinator species by cultivating insurance breeding populations.

100.33 Sec. 13. **[87A.10] SHOOTING SPORTS FACILITY GRANTS.**

101.1       The commissioner of natural resources shall administer a program to provide  
101.2       cost-share grants to local recreational shooting clubs for up to 50 percent of the costs  
101.3       of developing or rehabilitating shooting sports facilities for public use. A facility  
101.4       rehabilitated or developed with a grant under this section must be open to the general  
101.5       public at reasonable times and for a reasonable fee on a walk-in basis. The commissioner  
101.6       shall give preference to projects that will provide the most opportunities for youth.

101.7       **Sec. 14. [92.83] CONDEMNATION OF SCHOOL TRUST LAND.**

101.8       Subdivision 1. Purpose. The purpose of this section is to extinguish the school trust  
101.9       interest in school trust lands where long-term economic return is prohibited by designation  
101.10       or policy while producing economic benefits for Minnesota's public schools. For the  
101.11       purposes of satisfying the Minnesota Constitution, article XI, section 8, which limits the  
101.12       sale of school trust lands to a public sale, the commissioner of natural resources shall  
101.13       acquire school trust lands through condemnation, as provided in subdivision 2.

101.14       Subd. 2. Commencement of condemnation proceedings. When the commissioner  
101.15       of natural resources has determined sufficient money is available to acquire any of the  
101.16       lands identified under section 84.027, subdivision 18, paragraph (c), the commissioner  
101.17       shall proceed to extinguish the school trust interest by condemnation action. When  
101.18       requested by the commissioner, the attorney general shall commence condemnation of  
101.19       the identified school trust lands.

101.20       Subd. 3. Payment. The portion of the payment of the award and judgment that  
101.21       is for the value of the land shall be deposited into the permanent school fund. The  
101.22       remainder of the award and judgment payment shall first be remitted for reimbursement  
101.23       to the accounts from which expenses were paid, with any remainder deposited into the  
101.24       permanent school fund.

101.25       **Sec. 15. Minnesota Statutes 2012, section 93.22, subdivision 1, is amended to read:**

101.26       Subdivision 1. Generally. (a) All payments under sections 93.14 to 93.285 shall be  
101.27       made to the Department of Natural Resources and shall be credited according to this section.

101.28       (b) Twenty Ten percent of all payments under sections 93.14 to 93.285 shall be  
101.29       credited to the minerals management account in the natural resources fund as costs for  
101.30       the administration and management of state mineral resources by the commissioner of  
101.31       natural resources.

101.32       (c) The remainder of the payments shall be credited as follows:

- 102.1       (1) if the lands or minerals and mineral rights covered by a lease are held by the state  
102.2 by virtue of an act of Congress, payments made under the lease shall be credited to the  
102.3 permanent fund of the class of land to which the leased premises belong;
- 102.4       (2) if a lease covers the bed of navigable waters, payments made under the lease  
102.5 shall be credited to the permanent school fund of the state;
- 102.6       (3) if the lands or minerals and mineral rights covered by a lease are held by the state  
102.7 in trust for the taxing districts, payments made under the lease shall be distributed annually  
102.8 on the first day of September to the respective counties in which the lands lie, to be  
102.9 apportioned among the taxing districts interested therein as follows: county, three-ninths;  
102.10 town or city, two-ninths; and school district, four-ninths;
- 102.11       (4) if the lands or mineral rights covered by a lease became the absolute property of  
102.12 the state under the provisions of chapter 84A, payments made under the lease shall be  
102.13 distributed as follows: county containing the land from which the income was derived,  
102.14 five-eighths; and general fund of the state, three-eighths; and
- 102.15       (5) except as provided under this section and except where the disposition of  
102.16 payments may be otherwise directed by law, payments made under a lease shall be paid  
102.17 into the general fund of the state.

102.18 Sec. 16. Minnesota Statutes 2012, section 93.2236, is amended to read:

102.19       **93.2236 MINERALS MANAGEMENT ACCOUNT.**

- 102.20       (a) The minerals management account is created as an account in the natural  
102.21 resources fund. Interest earned on money in the account accrues to the account. Money in  
102.22 the account may be spent or distributed only as provided in paragraphs (b) and (c).
- 102.23       (b) If the balance in the minerals management account exceeds \$3,000,000  
102.24 \$1,500,000 on June 30, the amount exceeding \$3,000,000 \$1,500,000 must be distributed  
102.25 to the permanent school fund, the permanent university fund, and taxing districts as  
102.26 provided in section 93.22, subdivision 1, paragraph (c). The amount distributed to each  
102.27 fund must be in the same proportion as the total mineral lease revenue received in the  
102.28 previous biennium from school trust lands, university lands, and lands held by the state in  
102.29 trust for taxing districts.
- 102.30       (c) Subject to appropriation by the legislature, money in the minerals management  
102.31 account may be spent by the commissioner of natural resources for mineral resource  
102.32 management and projects to enhance future mineral income and promote new mineral  
102.33 resource opportunities.

103.1 Sec. 17. Minnesota Statutes 2012, section 103G.251, is amended to read:

103.2 **103G.251 INVESTIGATION OF ACTIVITIES ~~WITHOUT PERMIT~~**

103.3 **AFFECTING WATERS OF THE STATE.**

103.4 Subdivision 1. **Investigations.** If the commissioner determines that an investigation  
103.5 is in the public interest, the commissioner may investigate and monitor activities being  
103.6 conducted with or without a permit that may affect waters of the state.

103.7 Subd. 2. **Findings and order.** (a) With or without a public hearing, the  
103.8 commissioner may make findings and issue orders related to activities being conducted  
103.9 without a permit that affect waters of the state as otherwise authorized under this chapter.

103.10 (b) A copy of the findings and order must be served on the person to whom the  
103.11 order is issued.

103.12 (c) If the commissioner issues the findings and order without a hearing, the person to  
103.13 whom the order is issued may file a demand for a hearing with the commissioner. The  
103.14 demand for a hearing must be accompanied by the bond as provided in section 103G.311,  
103.15 subdivision 6, and the hearing must be held in the same manner and with the same  
103.16 requirements as a hearing held under section 103G.311, subdivision 5. The demand for  
103.17 a hearing and bond must be filed by 30 days after the person is served with a copy of  
103.18 the commissioner's order.

103.19 (d) The hearing must be conducted as a contested case hearing under chapter 14.

103.20 (e) If the person to whom the order is addressed does not demand a hearing or  
103.21 demands a hearing but fails to file the required bond:

103.22 (1) the commissioner's order becomes final at the end of 30 days after the person is  
103.23 served with the order; and

103.24 (2) the person may not appeal the order.

103.25 (f) An order of the commissioner may be recorded or filed by the commissioner in  
103.26 the office of the county recorder or registrar of titles, as appropriate, in the county where  
103.27 the real property is located as a deed restriction on the property that runs with the land  
103.28 and is binding on the owners, successors, and assigns until the conditions of the order  
103.29 are met or the order is rescinded.

103.30 Sec. 18. Minnesota Statutes 2012, section 103G.271, subdivision 5, is amended to read:

103.31 Subd. 5. **Prohibition on once-through water use permits.** (a) Except as provided  
103.32 in paragraph (c), the commissioner may not, ~~after December 31, 1990,~~ issue a water  
103.33 use permit to increase the volume of appropriation from a groundwater source for a  
103.34 once-through cooling system ~~using in excess of 5,000,000 gallons annually.~~

104.1       (b) Except as provided in paragraph (c), once-through system water use permits  
104.2 using in excess of 5,000,000 gallons annually, must be terminated by the commissioner  
104.3 ~~by the end of their design life but not later than December 31, 2010~~, unless the discharge  
104.4 is into a public water basin within a nature preserve approved by the commissioner and  
104.5 established prior to January 1, 2001. Existing once-through systems must not be expanded  
104.6 and are required to convert to water efficient alternatives within the design life of existing  
104.7 equipment.

104.8       (c) Notwithstanding paragraphs (a) and (b), the commissioner, with the approval of  
104.9 the commissioners of health and the Pollution Control Agency, may issue once-through  
104.10 system water use permits on an annual basis for aquifer storage and recovery systems that  
104.11 return all once-through system water to the source aquifer. Water use permit processing  
104.12 fees in subdivision 6, paragraph (a), apply to all water withdrawals under this paragraph,  
104.13 including any reuse of water returned to the source aquifer.

104.14       **EFFECTIVE DATE.** This section is effective January 1, 2015.

104.15       Sec. 19. Minnesota Statutes 2012, section 103G.271, subdivision 6, is amended to read:

104.16       Subd. 6. **Water use permit processing fee.** (a) Except as described in paragraphs  
104.17 (b) to ~~(f)~~ (g), a water use permit processing fee must be prescribed by the commissioner in  
104.18 accordance with the schedule of fees in this subdivision for each water use permit in force  
104.19 at any time during the year. Fees collected under this paragraph are credited to the water  
104.20 management account in the natural resources fund. The schedule is as follows, with the  
104.21 stated fee in each clause applied to the total amount appropriated:

104.22       (1) \$140 for amounts not exceeding 50,000,000 gallons per year;

104.23       (2) \$3.50 per 1,000,000 gallons for amounts greater than 50,000,000 gallons but less  
104.24 than 100,000,000 gallons per year;

104.25       (3) \$4 per 1,000,000 gallons for amounts greater than 100,000,000 gallons but less  
104.26 than 150,000,000 gallons per year;

104.27       (4) \$4.50 per 1,000,000 gallons for amounts greater than 150,000,000 gallons but  
104.28 less than 200,000,000 gallons per year;

104.29       (5) \$5 per 1,000,000 gallons for amounts greater than 200,000,000 gallons but less  
104.30 than 250,000,000 gallons per year;

104.31       (6) \$5.50 per 1,000,000 gallons for amounts greater than 250,000,000 gallons but  
104.32 less than 300,000,000 gallons per year;

104.33       (7) \$6 per 1,000,000 gallons for amounts greater than 300,000,000 gallons but less  
104.34 than 350,000,000 gallons per year;

- 105.1                 (8) \$6.50 per 1,000,000 gallons for amounts greater than 350,000,000 gallons but  
105.2 less than 400,000,000 gallons per year;
- 105.3                 (9) \$7 per 1,000,000 gallons for amounts greater than 400,000,000 gallons but less  
105.4 than 450,000,000 gallons per year;
- 105.5                 (10) \$7.50 per 1,000,000 gallons for amounts greater than 450,000,000 gallons but  
105.6 less than 500,000,000 gallons per year; and
- 105.7                 (11) \$8 per 1,000,000 gallons for amounts greater than 500,000,000 gallons per year.
- 105.8                 (b) For once-through cooling systems, a water use processing fee must be prescribed  
105.9 by the commissioner in accordance with the following schedule of fees for each water use  
105.10 permit in force at any time during the year:
- 105.11                 (1) for nonprofit corporations and school districts, \$200 per 1,000,000 gallons; and
- 105.12                 (2) for all other users, \$420 per 1,000,000 gallons.
- 105.13                 (c) The fee is payable based on the amount of water appropriated during the year  
105.14 and, except as provided in paragraph (f), the minimum fee is \$100.
- 105.15                 (d) For water use processing fees other than once-through cooling systems:
- 105.16                 (1) the fee for a city of the first class may not exceed \$250,000 per year;
- 105.17                 (2) the fee for other entities for any permitted use may not exceed:
- 105.18                 (i) \$60,000 per year for an entity holding three or fewer permits;
- 105.19                 (ii) \$90,000 per year for an entity holding four or five permits; or
- 105.20                 (iii) \$300,000 per year for an entity holding more than five permits;
- 105.21                 (3) the fee for agricultural irrigation may not exceed \$750 per year;
- 105.22                 (4) the fee for a municipality that furnishes electric service and cogenerates steam  
105.23 for home heating may not exceed \$10,000 for its permit for water use related to the  
105.24 cogeneration of electricity and steam; and
- 105.25                 (5) no fee is required for a project involving the appropriation of surface water to  
105.26 prevent flood damage or to remove flood waters during a period of flooding, as determined  
105.27 by the commissioner.
- 105.28                 (e) Failure to pay the fee is sufficient cause for revoking a permit. A penalty of two  
105.29 ten percent per month calculated from the original due date must be imposed on the unpaid  
105.30 balance of fees remaining 30 days after the sending of a second notice of fees due. A fee  
105.31 may not be imposed on an agency, as defined in section 16B.01, subdivision 2, or federal  
105.32 governmental agency holding a water appropriation permit.
- 105.33                 (f) The minimum water use processing fee for a permit issued for irrigation of  
105.34 agricultural land is \$20 for years in which:
- 105.35                 (1) there is no appropriation of water under the permit; or

106.1       (2) the permit is suspended for more than seven consecutive days between May 1  
106.2 and October 1.

106.3       (g) The commissioner shall waive the water use permit fee for installations and  
106.4 projects that use storm water runoff or where public entities are diverting water to treat a  
106.5 water quality issue and returning the water to its source without using the water for any  
106.6 other purpose, unless the commissioner determines that the proposed use adversely affects  
106.7 surface water or groundwater to a significant extent.

106.8       (g) (h) A surcharge of \$30 per million gallons in addition to the fee prescribed in  
106.9 paragraph (a) shall be applied to the volume of water used in each of the months of June,  
106.10 July, and August that exceeds the volume of water used in January for municipal water  
106.11 use, irrigation of golf courses, and landscape irrigation. The surcharge for municipalities  
106.12 with more than one permit shall be determined based on the total appropriations from all  
106.13 permits that supply a common distribution system.

106.14      Sec. 20. Minnesota Statutes 2012, section 103G.281, is amended by adding a  
106.15 subdivision to read:

106.16       Subd. 4. Penalty for noncompliant reporting. The commissioner may assess  
106.17 penalties for noncompliant reporting of water use information as provided in this section.  
106.18 The penalty is ten percent of the annual water use permit processing fee.

106.19      Sec. 21. **[103G.299] ADMINISTRATIVE PENALTIES.**

106.20       Subdivision 1. Authority to issue penalty orders. (a) As provided in paragraph  
106.21 (b), the commissioner may issue an order requiring violations to be corrected and  
106.22 administratively assessing monetary penalties for violations of sections 103G.271 and  
106.23 103G.275, and any rules adopted under those sections.

106.24       (b) An order under this section may be issued to a person for water appropriation  
106.25 activities without a required permit.

106.26       (c) The order must be issued as provided in this section and in accordance with  
106.27 the plan prepared under subdivision 12.

106.28       Subd. 2. Amount of penalty; considerations. (a) The commissioner may issue  
106.29 orders assessing administrative penalties based on potential for harm and deviation from  
106.30 compliance. For a violation that presents: (1) a minor potential for harm and deviation  
106.31 from compliance, the penalty will be no more than \$1,000; (2) a moderate potential for  
106.32 harm and deviation from compliance, the penalty will be no more than \$10,000; and (3)  
106.33 a severe potential for harm and deviation from compliance, the penalty will be no more  
106.34 than \$20,000.

107.1       (b) In determining the amount of a penalty the commissioner may consider:

107.2       (1) the gravity of the violation, including potential for, or real, damage to the public  
107.3       interest or natural resources of the state;

107.4       (2) the history of past violations;

107.5       (3) the number of violations;

107.6       (4) the economic benefit gained by the person by allowing or committing the  
107.7       violation based on data from local or state bureaus or educational institutions; and

107.8       (5) other factors as justice may require, if the commissioner specifically identifies  
107.9       the additional factors in the commissioner's order.

107.10      (c) For a violation after an initial violation, including a continuation of the initial  
107.11       violation, the commissioner must, in determining the amount of a penalty, consider the  
107.12       factors in paragraph (b) and the:

107.13       (1) similarity of the most recent previous violation and the violation to be penalized;

107.14       (2) time elapsed since the last violation;

107.15       (3) number of previous violations; and

107.16       (4) response of the person to the most recent previous violation identified.

107.17       Subd. 3. **Contents of order.** An order assessing an administrative penalty under  
107.18       this section must include:

107.19       (1) a concise statement of the facts alleged to constitute a violation;

107.20       (2) a reference to the section of the statute, rule, order, or term or condition of  
107.21       a permit that has been violated;

107.22       (3) a statement of the amount of the administrative penalty to be imposed and the  
107.23       factors upon which the penalty is based; and

107.24       (4) a statement of the person's right to review of the order.

107.25       Subd. 4. **Corrective order.** (a) The commissioner may issue an order assessing a  
107.26       penalty and requiring the violations cited in the order to be corrected within a time period  
107.27       specified by the commissioner.

107.28       (b) The person to whom the order was issued must provide information to the  
107.29       commissioner before the 31st day after the order was received demonstrating that the  
107.30       violation has been corrected or that appropriate steps toward correcting the violation  
107.31       have been taken.

107.32       (c) The commissioner must determine whether the violation has been corrected and  
107.33       notify the person subject to the order of the commissioner's determination.

107.34       Subd. 5. **Penalty.** (a) Unless the person requests review of the order under  
107.35       subdivision 6 or 7 before the penalty is due, the penalty in the order is due and payable:

108.1       (1) on the 31st day after the order was received, if the person subject to the order  
108.2       fails to provide information to the commissioner showing that the violation has been  
108.3       corrected or that appropriate steps have been taken toward correcting the violation; or  
108.4       (2) on the 20th day after the person receives the commissioner's determination under  
108.5       subdivision 4, paragraph (c), if the person subject to the order has provided information  
108.6       to the commissioner that the commissioner determines is not sufficient to show that the  
108.7       violation has been corrected or that appropriate steps have been taken toward correcting  
108.8       the violation.

108.9       (b) The penalty is due by 31 days after the order was received, unless review of the  
108.10      order under subdivision 6 or 7 has been sought.

108.11       (c) Interest at the rate established in section 549.09 begins to accrue on penalties  
108.12      under this subdivision on the 31st day after the order with the penalty was received.

108.13       **Subd. 6. Expedited administrative hearing.** (a) Within 30 days after receiving  
108.14       an order or within 20 days after receiving notice that the commissioner has determined  
108.15       that a violation has not been corrected or appropriate steps have not been taken, the  
108.16       person subject to an order under this section may request an expedited hearing, using  
108.17       the procedures under Minnesota Rules, parts 1400.8510 to 1400.8612, to review the  
108.18       commissioner's determination. The hearing request must specifically state the reasons  
108.19       for seeking review of the order. The person to whom the order is directed and the  
108.20       commissioner are the parties to the expedited hearing. The commissioner must notify the  
108.21       person to whom the order is directed of the time and place of the hearing at least 20 days  
108.22       before the hearing. The expedited hearing must be held within 30 days after a request for  
108.23       hearing has been filed with the commissioner unless the parties agree to a later date.

108.24       (b) All written arguments must be submitted within ten days following the close of  
108.25       the hearing. The hearing must be conducted under Minnesota Rules, parts 1400.8510 to  
108.26       1400.8612, as modified by this subdivision.

108.27       (c) The administrative law judge must issue a report making recommendations about  
108.28       the commissioner's action to the commissioner within 30 days following the close of the  
108.29       record. The administrative law judge may not recommend a change in the amount of the  
108.30       proposed penalty unless the administrative law judge determines that, based on the factors  
108.31       in subdivision 2, the amount of the penalty is unreasonable.

108.32       (d) If the administrative law judge makes a finding that the hearing was requested  
108.33       solely for purposes of delay or that the hearing request was frivolous, the commissioner  
108.34       may add to the amount of the penalty the costs charged to the department by the Office of  
108.35       Administrative Hearings for the hearing.

109.1       (e) If a hearing has been held, the commissioner may not issue a final order until at  
109.2 least five days after receipt of the report of the administrative law judge. The person to  
109.3 whom an order is issued may, within those five days, comment to the commissioner on the  
109.4 recommendations, and the commissioner must consider the comments. The final order  
109.5 may be appealed in the manner provided in sections 14.63 to 14.69.

109.6       (f) If a hearing has been held and a final order issued by the commissioner, the  
109.7 penalty must be paid by 30 days after the date the final order is received unless review of  
109.8 the final order is requested under sections 14.63 to 14.69. If review is not requested or the  
109.9 order is reviewed and upheld, the amount due is the penalty, together with interest accruing  
109.10 from 31 days after the original order was received at the rate established in section 549.09.

109.11       Subd. 7. **Mediation.** In addition to review under subdivision 6, the commissioner  
109.12 may enter into mediation concerning an order issued under this section if the commissioner  
109.13 and the person to whom the order is issued both agree to mediation.

109.14       Subd. 8. **Penalties due and payable.** The commissioner may enforce penalties that  
109.15 are due and payable under this section in any manner provided by law for the collection  
109.16 of debts.

109.17       Subd. 9. **Revocation and suspension of permit.** If a person fails to pay a penalty  
109.18 owed under this section, the commissioner has grounds to revoke a permit or to refuse  
109.19 to amend a permit or issue a new permit.

109.20       Subd. 10. **Cumulative remedy.** The authority of the commissioner to issue a  
109.21 corrective order assessing penalties is in addition to other remedies available under statutory  
109.22 or common law, except that the state may not seek civil penalties under any other provision  
109.23 of law for the violations covered by the administrative penalty order. The payment of a  
109.24 penalty does not preclude the use of other enforcement provisions, under which penalties  
109.25 are not assessed, in connection with the violation for which the penalty was assessed.

109.26       Subd. 11. **Deposit of fees.** Fees collected under this section must be credited to the  
109.27 water management account in the natural resources fund.

109.28       Subd. 12. **Plan for use of administrative penalties.** The commissioner must  
109.29 prepare a plan for using the administrative penalty authority in this section. The plan must  
109.30 include explanations for how the commissioner will determine whether violations are  
109.31 minor, moderate, or severe. The commissioner must provide a 30-day period for public  
109.32 comment on the plan. The plan must be finalized within six months after the effective  
109.33 date of this section.

109.34       Sec. 22. Minnesota Statutes 2013 Supplement, section 116V.03, is amended to read:

109.35       **116V.03 APPROPRIATION.**

110.1        \$1,000,000 in fiscal year 2014 and each year thereafter is appropriated from the  
110.2 general fund to the commissioner of revenue for transfer to the agricultural project  
110.3 utilization account in the special revenue fund for the Agricultural Utilization Research  
110.4 Institute established under section 116V.01.

110.5 Sec. 23. Laws 2008, chapter 363, article 5, section 4, subdivision 7, as amended by  
110.6 Laws 2009, chapter 37, article 1, section 61, is amended to read:

110.7 Subd. 7. Fish and Wildlife Management 123,000 119,000

## 110.8 Appropriations by Fund

110.9	General	-0-	(427,000)
110.10	Game and Fish	123,000	546,000

110.11 \$329,000 in 2009 is a reduction for fish and  
110.12 wildlife management.

110.13    \$46,000 in 2009 is a reduction in the  
110.14    appropriation for the Minnesota Shooting  
110.15    Sports Education Center.

110.16 \$52,000 in 2009 is a reduction for licensing.

110.17 \$123,000 in 2008 and \$246,000 in 2009 are  
110.18 from the game and fish fund to implement  
110.19 fish virus surveillance, prepare infrastructure  
110.20 to handle possible outbreaks, and implement  
110.21 control procedures for highest risk waters  
110.22 and fish production operations. This is a  
110.23 onetime appropriation.

110.24 Notwithstanding Minnesota Statutes, section  
110.25 297A.94, paragraph (e), \$300,000 in 2009  
110.26 is from the second year appropriation  
110.27 in Laws 2007, chapter 57, article 1,  
110.28 section 4, subdivision 7, from the heritage  
110.29 enhancement account in the game and fish  
110.30 fund for shooting sports facilities and hunter  
110.31 education. Of this amount, \$200,000 is to  
110.32 study, predesign, and design a shooting sports  
110.33 facility in the seven-county metropolitan  
110.34 area and to establish basic hunter education,

111.1 firearms safety, and archery ranges on public  
111.2 land, and \$100,000 is for a grant to the Itasca  
111.3 County Gun Club for shooting sports facility  
111.4 improvements. This is available onetime  
111.5 only and is available until expended.

111.6 \$300,000 in 2009 is appropriated from the  
111.7 game and fish fund for only activities that  
111.8 improve, enhance, or protect fish and wildlife  
111.9 resources. This is a onetime appropriation.

111.10 Sec. 24. Laws 2013, chapter 114, article 4, section 47, is amended by adding an  
111.11 effective date to read:

111.12 **EFFECTIVE DATE.** This section is effective June 1, 2013.

111.13 **EFFECTIVE DATE.** This section is effective retroactively from June 1, 2013.

111.14 Sec. 25. **BEE VALUATION PROTOCOL REQUIRED.**

111.15 No later than January 1, 2015, the commissioner of agriculture must report to  
111.16 the house of representatives and senate committees with jurisdiction over agriculture  
111.17 finance the protocol that the commissioner developed, in consultation with experts, for  
111.18 determining the fair market value of bees, hives, colonies, apiaries, and queen apiaries for  
111.19 purposes of compensation under Minnesota Statutes, section 18B.055.

## 111.20 ARTICLE 10

### 111.21 ECONOMIC DEVELOPMENT AND COMMERCE

111.22 Section 1. **SUMMARY OF APPROPRIATIONS.**

111.23 The amounts shown in this section summarize direct appropriations, by fund, made  
111.24 in this article.

		<u>2014</u>	<u>2015</u>	<u>Total</u>
111.25	<u>General</u>	\$ <u>(350,000)</u>	\$ <u>17,192,000</u>	\$ <u>16,842,000</u>
111.26	<u>Workforce Development</u>	\$ <u>-0-</u>	\$ <u>2,392,000</u>	\$ <u>2,392,000</u>
111.27	<b>Total</b>	<b>\$ (350,000)</b>	<b>\$ 19,584,000</b>	<b>\$ 19,234,000</b>

111.29 Sec. 2. **APPROPRIATIONS.**

111.30 The sums shown in the columns marked "Appropriations" are added to or, if shown  
111.31 in parentheses, subtracted from the appropriations in Laws 2013, chapter 85, to the

112.1 agencies and for the purposes specified in this article. The appropriations are from the  
 112.2 general fund, or another named fund, and are available for the fiscal years indicated for  
 112.3 each purpose. The figures "2014" and "2015" used in this article mean that the addition to  
 112.4 the appropriation listed under them is available for the fiscal year ending June 30, 2014, or  
 112.5 June 30, 2015, respectively. Supplemental appropriations for the fiscal year ending June  
 112.6 30, 2014, are effective the day following final enactment.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2014</u>	<u>2015</u>

112.11 Sec. 3. **DEPARTMENT OF EMPLOYMENT**  
 112.12 **AND ECONOMIC DEVELOPMENT**

112.13 Subdivision 1. **Total Appropriation** \$ -0- \$ **16,259,000**

112.14 Appropriations by Fund

112.15 <u>General</u>	<u>-0-</u>	<u>13,867,000</u>
112.16 <u>Workforce</u>		
112.17 <u>Development</u>	<u>-0-</u>	<u>2,392,000</u>

112.18 The amounts that may be spent for each  
 112.19 purpose are specified in the following  
 112.20 subdivisions.

112.21 Subd. 2. **Business and Community**  
 112.22 **Development** -0- **12,950,000**

112.23 \$2,400,000 in 2015 is for grants to the six  
 112.24 Minnesota regional initiative foundations for  
 112.25 business revolving loans or other lending  
 112.26 programs. This is a onetime appropriation  
 112.27 and is available until expended.

112.28 \$4,500,000 in 2015 is for the greater  
 112.29 Minnesota business development public  
 112.30 infrastructure grant program under Minnesota  
 112.31 Statutes, section 116J.431, for grants to  
 112.32 design, construct, prepare, and improve  
 112.33 infrastructure for economic development  
 112.34 for the cities of Thief River Falls, Eveleth,  
 112.35 Alexandria, Virginia, and Hibbing. This is a

113.1 onetime appropriation and is available until  
113.2 expended.

113.3 \$450,000 in 2015 is for grants to small  
113.4 business development centers under  
113.5 Minnesota Statutes, section 116J.68. This is  
113.6 a onetime appropriation and is available until  
113.7 expended.

113.8 \$450,000 in 2015 is for a grant to the  
113.9 neighborhood development center for  
113.10 the small business incubators program.  
113.11 Of this amount, \$200,000 is for capital  
113.12 improvements to existing small businesses;  
113.13 \$150,000 is for technical assistance to  
113.14 business entities operating within a small  
113.15 business incubator; and \$100,000 is for the  
113.16 creation and operation of a small business  
113.17 incubator revolving loan fund. This is a  
113.18 onetime appropriation and is available until  
113.19 expended.

113.20 \$150,000 in 2015 is for a grant to the city  
113.21 of Proctor to design and construct a sand  
113.22 and salt storage facility to prevent runoff  
113.23 into surface water. This appropriation is not  
113.24 available until the commissioner determines  
113.25 that at least an equal amount is committed to  
113.26 the project from nonstate sources.

113.27 \$5,000,000 in 2015 is for the Minnesota  
113.28 minerals 21st century fund under Minnesota  
113.29 Statutes, section 116J.423. This is a onetime  
113.30 appropriation.

113.31 Subd. 3. Workforce Development -0- 1,200,000

113.32 \$350,000 in 2015 is from the workforce  
113.33 development fund for a grant to the Northwest  
113.34 Indian Opportunities Industrialization  
113.35 Center and may be used for a green jobs

114.1 deconstruction pilot program. This is a  
114.2 onetime appropriation and is available until  
114.3 expended.

114.4 \$250,000 in 2015 is from the workforce  
114.5 development fund for a grant to the Northeast  
114.6 Minnesota Office of Job Training. This is a  
114.7 onetime appropriation and is available until  
114.8 expended.

114.9 \$600,000 in 2015 is from the workforce  
114.10 development fund for a grant to the Twin  
114.11 Cities RISE! to provide job training. This is  
114.12 a onetime appropriation and is available until  
114.13 expended.

114.14 **Subd. 4. General Support Services** -0- 500,000

114.15 \$500,000 in 2015 is for establishing  
114.16 and operating the interagency Olmstead  
114.17 Implementation Office. The base  
114.18 appropriation for the interagency office in  
114.19 fiscal year 2016 and later is \$1,000,000 each  
114.20 year.

114.21 **Subd. 5. Vocational Rehabilitation** -0- 1,609,000

114.22 Appropriations by Fund  
114.23 General -0- 417,000  
114.24 Workforce  
114.25 Development -0- 1,192,000

114.26 \$417,000 in 2015 from the general fund  
114.27 and \$500,000 in 2015 from the workforce  
114.28 development fund are for rate increases to  
114.29 providers of extended employment services  
114.30 for persons with severe disabilities under  
114.31 Minnesota Statutes, section 268A.15. This  
114.32 is a onetime appropriation and is available  
114.33 until expended.

114.34 \$692,000 in 2015 from the workforce  
114.35 development fund is for grants to the eight

115.1   Minnesota Centers for Independent Living  
115.2   for employment and job training support  
115.3   services. This is a onetime appropriation and  
115.4   is available until expended.

115.5   Sec. 4. **HOUSING FINANCE AGENCY**                     \$                         -0-   \$                     **3,100,000**

115.6   \$3,100,000 in 2015 is for the economic  
115.7   development and housing challenge program  
115.8   under Minnesota Statutes, section 462A.33,  
115.9   for targeted housing for rural comprehensive  
115.10   or technical colleges that offer natural  
115.11   resources or aviation maintenance programs  
115.12   and are located in communities or regions  
115.13   with low housing vacancy rates. This is a  
115.14   onetime appropriation and is available until  
115.15   expended.

115.16   Sec. 5. **BUREAU OF MEDIATION**  
115.17   **SERVICES**                             \$                         -0-   \$                     **125,000**

115.18   \$125,000 in 2015 is for the Public  
115.19   Employment Relations Board.

115.20   Sec. 6. **EXPLORE MINNESOTA TOURISM**   \$                         -0-   \$                     **100,000**

115.21   \$100,000 in 2015 is for a grant to the Mille  
115.22   Lacs Tourism Council to enhance marketing  
115.23   activities related to tourism promotion in  
115.24   the Mille Lacs Lake area. This is a onetime  
115.25   appropriation.

115.26   Sec. 7. **DEPARTMENT OF COMMERCE**                     \$                         **(350,000)**   \$                         -0-

115.27   \$350,000 in 2014 is a onetime reduction to  
115.28   the appropriation for the gold bullion dealer  
115.29   registration program.

115.30   Sec. 8. **TRANSFER.**

116.1        By June 30, 2015, the commissioner of management and budget shall transfer  
116.2        \$9,000,000 in assets of the workers' compensation assigned risk plan created under  
116.3        Minnesota Statutes, section 79.252, to the general fund.

116.4 Sec. 9. Laws 2013, chapter 85, article 1, section 3, subdivision 2, is amended to read:

**116.5 Subd. 2. Business and Community  
116.6 Development**

53,642,000      45,407,000

## Appropriations by Fund

116.8	General	52,942,000	44,707,000
116.9	Remediation	700,000	700,000

116.10 (a)(1) \$15,000,000 each year is for  
116.11 the Minnesota investment fund under  
116.12 Minnesota Statutes, section 116J.8731. This  
116.13 appropriation is available until spent.

116.14 (2) Of the amount available under clause

116.15 (1), up to \$3,000,000 in fiscal year 2014

116.16 is for a loan to facilitate initial investment

116.17 in the purchase and operation of a

116.18 biopharmaceutical manufacturing facility.

116.19 This loan is not subject to the loan limitation

116.20 under Minnesota Statutes, section 116J.8731,

116.21 and shall be forgiven by the commissioner

116.22 of employment and economic development

116.23 upon verification of meeting performance

116.24 goals. Purchases related to and for the

116.25 purposes of this loan award must be made

116.26 between January 1, 2013, and June 30, 20

116.27 The amount under this clause is available

116.28 until expended.

116.29 (3) Of the amount available under clause (1)

116.30 up to \$2,000,000 is available for subsequent

116.31 investment in the biopharmaceutical facility

116.32 project in clause (2). The amount under

116.33 clause is available until expended. Loan

116.34 thresholds under clause (2) must be achieved

117.1 are not subject to the loan limitations under  
117.2 Minnesota Statutes, section 116J.8731, and  
117.3 shall be forgiven by the commissioner of  
117.4 employment and economic development  
117.5 upon verification of meeting performance  
117.6 goals. Purchases related to and for the  
117.7 purposes of loan awards must be made during  
117.8 the biennium the loan was received.

117.9 (4) Notwithstanding any law to the contrary,  
117.10 the biopharmaceutical manufacturing facility  
117.11 in this paragraph shall be deemed eligible  
117.12 for the Minnesota job creation fund under  
117.13 Minnesota Statutes, section 116J.8748,  
117.14 by having at least \$25,000,000 in capital  
117.15 investment and 190 retained employees.

117.16 (5) For purposes of clauses (1) to (4),  
117.17 "biopharmaceutical" and "biologics" are  
117.18 interchangeable and mean medical drugs  
117.19 or medicinal preparations produced using  
117.20 technology that uses biological systems,  
117.21 living organisms, or derivatives of living  
117.22 organisms, to make or modify products or  
117.23 processes for specific use. The medical drugs  
117.24 or medicinal preparations include but are not  
117.25 limited to proteins, antibodies, nucleic acids,  
117.26 and vaccines.

117.27 (b) \$12,000,000 each year is for the  
117.28 Minnesota job creation fund under Minnesota  
117.29 Statutes, section 116J.8748. Of this amount,  
117.30 the commissioner of employment and  
117.31 economic development may use up to three  
117.32 percent for administrative expenses. This  
117.33 appropriation is available until spent. The  
117.34 base funding for this program shall be

118.1 \$12,500,000 each year in the fiscal year

118.2 2016-2017 biennium.

118.3 (c) \$1,272,000 each year is from the  
118.4 general fund for contaminated site cleanup  
118.5 and development grants under Minnesota  
118.6 Statutes, sections 116J.551 to 116J.558. This  
118.7 appropriation is available until expended.

118.8 (d) \$700,000 each year is from the  
118.9 remediation fund for contaminated site  
118.10 cleanup and development grants under  
118.11 Minnesota Statutes, sections 116J.551 to  
118.12 116J.558. This appropriation is available  
118.13 until expended.

118.14 (e) \$1,425,000 the first year and \$1,425,000  
118.15 the second year are from the general fund for  
118.16 the business development competitive grant  
118.17 program. Of this amount, up to five percent  
118.18 is for administration and monitoring of the  
118.19 business development competitive grant  
118.20 program. All grant awards shall be for two  
118.21 consecutive years. Grants shall be awarded  
118.22 in the first year.

118.23 (f) \$4,195,000 each year is from the general  
118.24 fund for the Minnesota job skills partnership  
118.25 program under Minnesota Statutes, sections  
118.26 116L.01 to 116L.17. If the appropriation for  
118.27 either year is insufficient, the appropriation  
118.28 for the other year is available. This  
118.29 appropriation is available until spent.

118.30 (g) \$6,000,000 the first year is from the  
118.31 general fund for the redevelopment program  
118.32 under Minnesota Statutes, section 116J.571.  
118.33 This is a onetime appropriation and is  
118.34 available until spent.

119.1 (h) \$12,000 each year is from the general  
119.2 fund for a grant to the Upper Minnesota Film  
119.3 Office.

119.4 (i) \$325,000 each year is from the general  
119.5 fund for the Minnesota Film and TV Board.

119.6 The appropriation in each year is available  
119.7 only upon receipt by the board of \$1 in  
119.8 matching contributions of money or in-kind  
119.9 contributions from nonstate sources for every  
119.10 \$3 provided by this appropriation, except that  
119.11 each year up to \$50,000 is available on July  
119.12 1 even if the required matching contribution  
119.13 has not been received by that date.

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

119.16 (k) \$5,000,000 each year is from the general  
119.17 fund for a grant to the Minnesota Film  
119.18 and TV Board for the film production jobs  
119.19 program under Minnesota Statutes, section  
119.20 116U.26. This appropriation is available  
119.21 until expended. The base funding for this  
119.22 program shall be \$1,500,000 each year in the  
119.23 fiscal year 2016-2017 biennium.

119.24 (l) \$375,000 each year is from the general  
119.25 fund for a grant to Enterprise Minnesota, Inc.,  
119.26 for the small business growth acceleration  
119.27 program under Minnesota Statutes, section  
119.28 116O.115. This is a onetime appropriation.

119.29 (m) \$160,000 each year is from the general  
119.30 fund for a grant to develop and implement  
119.31 a southern and southwestern Minnesota  
119.32 initiative foundation collaborative pilot  
119.33 project. Funds available under this paragraph  
119.34 must be used to support and develop  
119.35 entrepreneurs in diverse populations in

120.1 southern and southwestern Minnesota. This  
120.2 is a onetime appropriation and is available  
120.3 until expended.

120.4 (n) \$100,000 each year is from the general  
120.5 fund for the Center for Rural Policy  
120.6 and Development. This is a onetime  
120.7 appropriation.

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

120.10 (p) \$250,000 the first year is from the  
120.11 general fund for a onetime grant to the St.  
120.12 Paul Planning and Economic Development  
120.13 Department for neighborhood stabilization  
120.14 use in NSP3.

120.15 (q) \$1,235,000 the first year is from the  
120.16 general fund for a onetime grant to a city  
120.17 of the second class that is designated as an  
120.18 economically depressed area by the United  
120.19 States Department of Commerce. The  
120.20 appropriation is for economic development,  
120.21 redevelopment, and job creation programs  
120.22 and projects. This appropriation is available  
120.23 until expended.

120.24 (r) \$875,000 each year is from the general  
120.25 fund for the Host Community Economic  
120.26 Development Program established in  
120.27 Minnesota Statutes, section 116J.548.

120.28 (s) \$750,000 the first year is from the general  
120.29 fund for a onetime grant to the city of Morris  
120.30 for loans or grants to agricultural processing  
120.31 facilities for energy efficiency improvements.  
120.32 Funds available under this section shall be  
120.33 used to increase conservation and promote  
120.34 energy efficiency through retrofitting existing  
120.35 systems and installing new systems to

121.1 recover waste heat from industrial processes  
121.2 and reuse energy. This appropriation is not  
121.3 available until the commissioner determines  
121.4 that at least \$1,250,000 a match of \$750,000  
121.5 is committed to the project from nonpublic  
121.6 sources. This appropriation is available until  
121.7 expended.

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

121.9 Sec. 10. Laws 2013, chapter 85, article 1, section 3, subdivision 6, is amended to read:

121.10 Subd. 6. Vocational Rehabilitation 27,691,000 27,691,000

## Appropriations by Fund

121.12 General 20,861,000 20,861,000

## 121.13 Workforce

121.14 Development

6,830,000      6,830,000

121.15 (a) \$10,800,000 each year is from the general  
121.16 fund for the state's vocational rehabilitation  
121.17 program under Minnesota Statutes, chapter  
121.18 268A.

121.19 (b) \$2,261,000 each year is from the general  
121.20 fund for grants to centers for independent  
121.21 living under Minnesota Statutes, section  
121.22 268A.11.

121.23 (c) \$5,745,000 each year from the general  
121.24 fund and \$6,830,000 each year from the  
121.25 workforce development fund is for extended  
121.26 employment services for persons with  
121.27 severe disabilities under Minnesota Statutes,  
121.28 section 268A.15. The allocation of extended  
121.29 employment funds to Courage Center from  
121.30 July 1, 2012 to June 30, 2013 must be  
121.31 contracted to Allina Health systems from  
121.32 July 1, 2013 to June 30, 2014 2015 to provide  
121.33 extended employment services in accordance

122.1 with Minnesota Rules, parts 3300.2005 to  
122.2 3300.2055.  
  
122.3 (d) \$2,055,000 each year is from the general  
122.4 fund for grants to programs that provide  
122.5 employment support services to persons with  
122.6 mental illness under Minnesota Statutes,  
122.7 sections 268A.13 and 268A.14. The base  
122.8 appropriation for this program is \$1,555,000  
122.9 each year in the fiscal year 2016-2017  
122.10 biennium.

122.11 Sec. 11. **ALTERNATIVE ENERGY PROJECTS.**

122.12 The amounts appropriated under Laws 2009, chapter 78, article 1, section 3,  
122.13 subdivision 2, as amended, may be used for grants or loans to manufacturers of bio-based  
122.14 products.

122.15 Sec. 12. **MINNESOTA MINERALS 21ST CENTURY FUND TRANSFER.**

122.16 (a) If, on the basis of a November forecast of general fund revenues and  
122.17 expenditures, the commissioner of management and budget determines that there will be  
122.18 a positive unrestricted general fund balance at the close of the biennium and that the  
122.19 provisions of Minnesota Statutes, section 16A.152, subdivision 1b, paragraph (b), and  
122.20 subdivision 2, clauses (1), (2), (3), and (4), are satisfied, the commissioner shall transfer  
122.21 from the general fund to the Minnesota minerals 21st century fund under Minnesota  
122.22 Statutes, section 116J.423, an amount not to exceed 20 percent of the positive unrestricted  
122.23 general fund balance determined in the forecast. The total amount authorized under this  
122.24 section, for all transfers, must not exceed \$19,100,000.

122.25 (b) This section is repealed the day following the transfer in which the total amount  
122.26 transferred under this section to the Minnesota minerals 21st century fund is \$19,100,000.

122.27 **EFFECTIVE DATE.** This section is effective for November forecasts issued  
122.28 following final enactment.

122.29 **ARTICLE 11**

122.30 **ECONOMIC DEVELOPMENT AND COMMERCE**

123.1

## FISCAL IMPLEMENTATION PROVISIONS

123.2       Section 1. Minnesota Statutes 2012, section 116J.8731, subdivision 5, is amended to  
123.3       read:

123.4       **Subd. 5. Grant limits.** A Minnesota investment fund grant may not be approved  
123.5       for an amount in excess of \$1,000,000. This limit covers all money paid to complete the  
123.6       same project, whether paid to one or more grant recipients and whether paid in one or  
123.7       more fiscal years. ~~A local community or recognized Indian tribal government may retain~~  
123.8       ~~20 percent, but not more than \$100,000~~ The portion of a Minnesota investment fund  
123.9       grant that exceeds \$100,000 must be repaid to the state when it is repaid to the local  
123.10       community or recognized Indian tribal government by the person or entity to which it  
123.11       was loaned by the local community or Indian tribal government. Money repaid to the  
123.12       state must be credited to a Minnesota investment revolving loan account in the state  
123.13       treasury. Funds in the account are appropriated to the commissioner and must be used  
123.14       in the same manner as are funds appropriated to the Minnesota investment fund. Funds  
123.15       repaid to the state through existing Minnesota investment fund agreements must be  
123.16       credited to the Minnesota investment revolving loan account effective July 1, 2005. A  
123.17       grant or loan may not be made to a person or entity for the operation or expansion of a  
123.18       casino or a store which is used solely or principally for retail sales. Persons or entities  
123.19       receiving grants or loans must pay each employee total compensation, including benefits  
123.20       not mandated by law, that on an annualized basis is equal to at least 110 percent of the  
123.21       federal poverty level for a family of four.

123.22       Sec. 2. Minnesota Statutes 2012, section 216B.16, is amended by adding a subdivision  
123.23       to read:

123.24       Subd. 6e. Revenue allocation among customer classes. (a) This subdivision  
123.25       applies only to investor-owned electric utilities that have at least 50,000 retail electric  
123.26       customers, but no more than 200,000 retail electric customers.

123.27       (b) For all rate change notification filings made prior to January 1, 2019, cost of  
123.28       service shall be the primary consideration in the commission's determination of revenue  
123.29       allocation among customer classes. The commission's discretion to deviate from cost  
123.30       of service and consider factors other than cost of service when it determines revenue  
123.31       allocation among customer classes is limited to the following parameters:

123.32       (1) no deviations of more than four percent for all filings made after January 1,  
123.33       2015; and

124.1        (2) no deviations of more than two percent for all filings made after January 1, 2017.

124.2        Revenue allocation among customer classes that deviates from the cost of service must be  
124.3        supported by a preponderance of the evidence.

124.4        (c) For all filings made on or after January 1, 2019, cost of service shall be the only  
124.5        consideration in the commission's determination of revenue allocation among customer  
124.6        classes.

124.7        (d) At least 60 days prior to its next general rate proceeding, a utility subject to this  
124.8        subdivision shall meet with interested stakeholders to explore the possibility of expanding  
124.9        or increasing access to electric affordability programs for low-income customers.

124.10        (e) Upon the filing of a general rate case by a utility subject to this subdivision in  
124.11        which the filing utility seeks to impose rates based on cost of service, the filing utility  
124.12        must deposit \$10,000 into an account devoted to funding a program approved by the  
124.13        commission under section 216B.16, subdivision 15. The funds shall be used to expand the  
124.14        outreach of the commission-approved affordability program.

124.15        **EFFECTIVE DATE.** This section is effective the day following final enactment  
124.16        and applies to a general rate change filed on or after that date.

124.17        Sec. 3. Minnesota Statutes 2012, section 216B.1611, is amended by adding a  
124.18        subdivision to read:

124.19        Subd. 3a. **Project information.** (a) Beginning July 1, 2014, each electric utility  
124.20        shall request an applicant for interconnection of distributed renewable energy generation  
124.21        to provide the following information, in a format prescribed by the commissioner:

124.22        (1) the nameplate capacity of the facility in the application;

124.23        (2) the total preincentive installed cost of the generation system at the facility;

124.24        (3) the energy source of the facility; and

124.25        (4) the zip code in which the facility is to be located.

124.26        (b) The commissioner shall develop or identify a system to collect and process  
124.27        the information under this subdivision from each utility, and make nonproject-specific  
124.28        data available to the public on a periodic basis as determined by the commissioner, and  
124.29        in a format determined by the commissioner. The commissioner may solicit proposals  
124.30        from outside parties to develop the system.

124.31        (c) Electric utilities collecting and transferring data under this subdivision are not  
124.32        responsible for the accuracy, completeness, or quality of the information under this  
124.33        subdivision.

124.34        (d) Any information under this subdivision is nonpublic, until it is made public by  
124.35        the commissioner as provided under paragraph (b) of this subdivision.

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

125.2        Sec. 4. Minnesota Statutes 2012, section 216B.241, subdivision 1d, is amended to read:

125.3              Subd. 1d. **Technical assistance.** (a) The commissioner shall evaluate energy  
125.4 conservation improvement programs on the basis of cost-effectiveness and the reliability  
125.5 of the technologies employed. The commissioner shall, by order, establish, maintain, and  
125.6 update energy-savings assumptions that must be used when filing energy conservation  
125.7 improvement programs. The commissioner shall establish an inventory of the most  
125.8 effective energy conservation programs, techniques, and technologies, and encourage all  
125.9 Minnesota utilities to implement them, where appropriate, in their service territories.  
125.10 The commissioner shall describe these programs in sufficient detail to provide a utility  
125.11 reasonable guidance concerning implementation. The commissioner shall prioritize the  
125.12 opportunities in order of potential energy savings and in order of cost-effectiveness. The  
125.13 commissioner may contract with a third party to carry out any of the commissioner's duties  
125.14 under this subdivision, and to obtain technical assistance to evaluate the effectiveness of  
125.15 any conservation improvement program. The commissioner may assess up to \$800,000  
125.16 annually until June 30, 2009, and \$450,000 \$850,000 annually thereafter for the purposes  
125.17 of this subdivision. The assessments must be deposited in the state treasury and credited  
125.18 to the energy and conservation account created under subdivision 2a. An assessment  
125.19 made under this subdivision is not subject to the cap on assessments provided by section  
125.20 216B.62, or any other law.

125.21              (b) Of the assessment authorized under paragraph (a), the commissioner may expend  
125.22 up to \$400,000 annually for the purpose of developing, operating, maintaining, and  
125.23 providing technical support for a uniform electronic data reporting and tracking system  
125.24 available to all utilities subject to this section, in order to enable accurate measurement of  
125.25 the cost and energy savings of the energy conservation improvements required by this  
125.26 section. This paragraph expires June 30, 2017, and may be used for no more than three  
125.27 annual assessments occurring prior to that date.

125.28        **EFFECTIVE DATE.** This section is effective the day following final enactment  
125.29 and applies to assessments made after June 30, 2014.

125.30        Sec. 5. Minnesota Statutes 2012, section 216C.145, is amended to read:

125.31              **216C.145 MICROENERGY COMMUNITY ENERGY EFFICIENCY AND**  
125.32 **RENEWABLE ENERGY LOAN PROGRAM.**

126.1        Subdivision 1. **Definitions.** (a) The definitions in this  
126.2 section apply to this

126.3        (b) "Small-scale Renewable Community energy efficiency and renewable energy"  
126.4 projects include solar thermal water heating, solar electric or photovoltaic equipment,  
126.5 small wind energy conversion systems of less than 250 kW, anaerobic digester gas  
126.6 systems, microhydro systems up to 100 kW, ~~and~~ heating and cooling applications using  
126.7 ~~geothermal energy~~ ~~solar thermal or ground source technology, and industrial, commercial,~~  
126.8 ~~or public energy efficiency projects.~~

126.9        (c) "Unit of local government" means any home rule charter or statutory city, county,  
126.10 commission, district, authority, or other political subdivision or instrumentality of this  
126.11 state, including a sanitary district, park district, the Metropolitan Council, a port authority,  
126.12 an economic development authority, or a housing and redevelopment authority.

126.13        Subd. 2. **Program established.** The commissioner of commerce shall develop,  
126.14 implement, and administer a ~~microenergy~~ community energy efficiency and renewable  
126.15 energy loan program under this section.

126.16        Subd. 3. **Loan purposes.** (a) The commissioner may issue low-interest, long-term  
126.17 loans to units of local government to (1) finance community-owned or publicly owned  
126.18 ~~small-seale~~ renewable energy systems or to cost-effective energy efficiency improvements  
126.19 to public buildings, (2) provide loans or other aids to small businesses to install ~~small-seale~~  
126.20 renewable energy systems, or (3) provide loans or other aids to industrial or commercial  
126.21 businesses, including health care facilities, for cost-effective energy efficiency projects or  
126.22 to install renewable energy systems.

126.23        (b) The commissioner may participate in loans made by the Housing Finance  
126.24 Agency to residential property owners, private developers, nonprofit organizations,  
126.25 or units of local government under sections 462A.05, subdivisions 14 and 18; and  
126.26 462A.33 for the construction, purchase, or rehabilitation of residential housing to facilitate  
126.27 the installation of ~~small-seale~~ renewable energy systems in residential housing and  
126.28 cost-effective energy conservation improvements identified in an energy efficiency audit.  
126.29 The commissioner shall assist the Housing Finance Agency in assessing the technical  
126.30 qualifications of loan applicants.

126.31        (c) A local unit of government shall not require an industrial customer to release  
126.32 its energy usage data as part of a community energy efficiency project or loan under this  
126.33 section. Industrial energy usage data may only be released upon the express, written  
126.34 consent of the industrial customer.

126.35        Subd. 4. **Technical standards.** The commissioner shall determine technical  
126.36 standards for ~~small-seale renewable energy systems~~ community energy efficiency and

127.1 renewable energy projects to qualify for loans under this section. The commissioner shall  
127.2 not condition qualification of a community energy efficiency project for a loan under this  
127.3 section on the production of industrial energy usage data or aggregation of energy usage  
127.4 data that includes an industrial customer.

127.5 Subd. 5. **Loan proposals.** (a) At least once a year, the commissioner shall publish in  
127.6 the State Register a request for proposals from units of local government for a loan under  
127.7 this section. Within 45 days after the deadline for receipt of proposals, the commissioner  
127.8 shall select proposals based on the following criteria:

127.9 (1) the reliability and cost-effectiveness of the renewable or energy efficiency  
127.10 technology to be installed under the proposal;

127.11 (2) the extent to which the proposal effectively integrates with the conservation and  
127.12 energy efficiency programs or goals of the energy utilities serving the proposer;

127.13 (3) the total life cycle energy use and greenhouse gas emissions reductions per  
127.14 dollar of installed cost;

127.15 (4) the diversity of the renewable energy or energy efficiency technology installed  
127.16 under the proposal;

127.17 (5) the geographic distribution of projects throughout the state;

127.18 (6) the percentage of total project cost requested;

127.19 (7) the proposed security for payback of the loan; and

127.20 (8) other criteria the commissioner may determine to be necessary and appropriate.

127.21 Subd. 6. **Loan terms.** A loan under this section must be issued at the lowest interest  
127.22 rate required to recover principal and interest plus the costs of issuing the loan, and must  
127.23 be for a minimum of 15 years, unless the commissioner determines that a shorter loan  
127.24 period of no less than ten five years is necessary and feasible.

127.25 Subd. 7. **Account.** A microenergy community energy efficiency and renewable  
127.26 energy loan account is established in the state treasury. Money in the account consists of  
127.27 the proceeds of revenue bonds issued under section 216C.146, interest and other earnings  
127.28 on money in the account, money received in repayment of loans from the account,  
127.29 legislative appropriations, and money from any other source credited to the account.

127.30 Subd. 8. **Appropriation.** Money in the account is appropriated to the commissioner  
127.31 of commerce to make microenergy community energy efficiency and renewable energy  
127.32 loans under this section and to the commissioner of management and budget to pay debt  
127.33 service and other costs under section 216C.146. Payment of debt service costs and funding  
127.34 reserves take priority over use of money in the account for any other purpose.

128.1 Sec. 6. Minnesota Statutes 2012, section 216C.146, is amended to read:

128.2 **216C.146 MICROENERGY COMMUNITY ENERGY EFFICIENCY AND**  
128.3 **RENEWABLE ENERGY LOAN REVENUE BONDS.**

128.4 Subdivision 1. **Bonding authority; definition.** (a) The commissioner of  
128.5 management and budget, if requested by the commissioner of commerce, shall sell and  
128.6 issue state revenue bonds for the following purposes:

128.7 (1) to make ~~microenergy~~ community energy efficiency and renewable energy loans  
128.8 under section 216C.145;

128.9 (2) to pay the costs of issuance, debt service, and bond insurance or other credit  
128.10 enhancements, and to fund reserves; and

128.11 (3) to refund bonds issued under this section.

128.12 (b) The aggregate principal amount of bonds for the purposes of paragraph (a),  
128.13 clause (1), that may be outstanding at any time may not exceed \$100,000,000, of which  
128.14 up to \$20,000,000 shall be reserved for business and public entity projects; the principal  
128.15 amount of bonds that may be issued for the purposes of paragraph (a), clauses (2) and  
128.16 (3), is not limited.

128.17 (c) For the purpose of this section, "commissioner" means the commissioner of  
128.18 management and budget.

128.19 Subd. 2. **Procedure.** The commissioner may sell and issue the bonds on the terms  
128.20 and conditions the commissioner determines to be in the best interests of the state. The  
128.21 bonds may be sold at public or private sale. The commissioner may enter into any  
128.22 agreements or pledges the commissioner determines necessary or useful to sell the bonds  
128.23 that are not inconsistent with section 216C.145. Sections 16A.672 to 16A.675 apply to  
128.24 the bonds. The proceeds of the bonds issued under this section must be credited to the  
128.25 ~~microenergy~~ community energy efficiency and renewable energy loan account created  
128.26 under section 216C.145.

128.27 Subd. 3. **Revenue sources.** The debt service on the bonds is payable only from the  
128.28 following sources:

128.29 (1) revenue credited to the ~~microenergy~~ community energy efficiency and renewable  
128.30 energy loan account from the sources identified in section 216C.145 or from any other  
128.31 source; and

128.32 (2) other revenues pledged to the payment of the bonds, including reserves  
128.33 established by a local government unit.

128.34 Subd. 4. **Refunding bonds.** The commissioner may issue bonds to refund  
128.35 outstanding bonds issued under subdivision 1, including the payment of any redemption  
128.36 premiums on the bonds and any interest accrued or to accrue to the first redemption date

129.1 after delivery of the refunding bonds. The proceeds of the refunding bonds may, at the  
129.2 discretion of the commissioner, be applied to the purchases or payment at maturity of the  
129.3 bonds to be refunded, or the redemption of the outstanding bonds on the first redemption  
129.4 date after delivery of the refunding bonds and may, until so used, be placed in escrow to  
129.5 be applied to the purchase, retirement, or redemption. Refunding bonds issued under this  
129.6 subdivision must be issued and secured in the manner provided by the commissioner.

129.7       **Subd. 5. Not a general or moral obligation.** Bonds issued under this section are  
129.8 not public debt, and the full faith, credit, and taxing powers of the state are not pledged  
129.9 for their payment. The bonds may not be paid, directly in whole or in part from a tax of  
129.10 statewide application on any class of property, income, transaction, or privilege. Payment  
129.11 of the bonds is limited to the revenues explicitly authorized to be pledged under this  
129.12 section. The state neither makes nor has a moral obligation to pay the bonds if the pledged  
129.13 revenues and other legal security for them is insufficient.

129.14       **Subd. 6. Trustee.** The commissioner may contract with and appoint a trustee for  
129.15 bondholders. The trustee has the powers and authority vested in it by the commissioner  
129.16 under the bond and trust indentures.

129.17       **Subd. 7. Pledges.** A pledge made by the commissioner is valid and binding from  
129.18 the time the pledge is made. The money or property pledged and later received by the  
129.19 commissioner is immediately subject to the lien of the pledge without any physical  
129.20 delivery of the property or money or further act, and the lien of the pledge is valid and  
129.21 binding as against all parties having claims of any kind in tort, contract, or otherwise  
129.22 against the commissioner, whether or not those parties have notice of the lien or pledge.  
129.23 Neither the order nor any other instrument by which a pledge is created need be recorded.

129.24       **Subd. 8. Bonds; purchase and cancellation.** The commissioner, subject to  
129.25 agreements with bondholders that may then exist, may, out of any money available for the  
129.26 purpose, purchase bonds of the commissioner at a price not exceeding (1) if the bonds are  
129.27 then redeemable, the redemption price then applicable plus accrued interest to the next  
129.28 interest payment date thereon, or (2) if the bonds are not redeemable, the redemption price  
129.29 applicable on the first date after the purchase upon which the bonds become subject to  
129.30 redemption plus accrued interest to that date.

129.31       **Subd. 9. State pledge against impairment of contracts.** The state pledges and  
129.32 agrees with the holders of any bonds that the state will not limit or alter the rights vested in  
129.33 the commissioner to fulfill the terms of any agreements made with the bondholders, or  
129.34 in any way impair the rights and remedies of the holders until the bonds, together with  
129.35 interest on them, with interest on any unpaid installments of interest, and all costs and  
129.36 expenses in connection with any action or proceeding by or on behalf of the bondholders,

130.1 are fully met and discharged. The commissioner may include this pledge and agreement  
130.2 of the state in any agreement with the holders of bonds issued under this section.

130.3 Sec. 7. Minnesota Statutes 2012, section 268A.01, subdivision 14, is amended to read:

130.4       **Subd. 14. Affirmative business enterprise employment.** "Affirmative business  
130.5 enterprise employment" means employment which provides paid work on the premises of  
130.6 an affirmative business enterprise as certified by the commissioner.

130.7       Affirmative business enterprise employment is considered community supported  
130.8 employment for purposes of funding under Minnesota Rules, parts 3300.1000 to  
130.9 3300.2055, provided that the wages for individuals reported must be at or above customary  
130.10 wages for the same employer. The employer must also provide one benefit package that is  
130.11 available to all employees at the specific site certified as an affirmative business enterprise.

130.12      Sec. 8. **[268A.16] EMPLOYMENT SERVICES FOR PERSONS WHO ARE  
130.13 DEAF, DEAFBLIND, OR HARD-OF-HEARING.**

130.14       Subdivision 1. Deaf, deafblind, and hard-of-hearing grants. (a) The  
130.15 commissioner shall develop and implement a specialized statewide grant program to  
130.16 provide long-term supported employment services for persons who are deaf, deafblind,  
130.17 and hard-of-hearing. Programs and services eligible for grants under this section must:

130.18       (1) assist persons who are deaf, deafblind, and hard-of-hearing in retaining and  
130.19 advancing in employment;  
130.20       (2) provide services with staff who must possess fluency in all forms of manual  
130.21 communication, including American Sign Language; knowledge of hearing loss and  
130.22 psychosocial implications; sensitivity to cultural issues; familiarity with community  
130.23 services and communication strategies for people who are hard-of-hearing and do not sign;  
130.24 and awareness of adaptive technology options;

130.25       (3) provide specialized employment support services for individuals who have  
130.26 a combined hearing and vision loss that address the individual's unique ongoing visual  
130.27 and auditory communication needs; and

130.28       (4) involve clients in the planning, development, oversight, and delivery of  
130.29 long-term ongoing support services.

130.30       (b) Priority for funding shall be given to organizations with experience in developing  
130.31 innovative employment support services for persons who are deaf, deafblind, and  
130.32 hard-of-hearing. Each applicant for funds under this section shall submit an evaluation  
130.33 protocol as part of the grant application.

131.1        **Subd. 2. Employment services for transition-aged youth who are deaf,**  
131.2        **deafblind, and hard-of-hearing.** (a) The commissioner shall develop statewide or  
131.3        regional grant programs to provide school-based communication, access, and employment  
131.4        services for youth who are deaf, deafblind, and hard-of-hearing. Services must include  
131.5        staff who have the skills addressed in subdivision 1, clauses (2) and (3), and expertise  
131.6        in serving transition-aged youth.

131.7        (b) Priority for funding shall be given to organizations with experience in providing  
131.8        innovative employment support services and readiness for postsecondary training for  
131.9        transition-aged youths who are deaf, deafblind, and hard-of-hearing. Each applicant for  
131.10       funds under this section shall submit an evaluation protocol as part of the grant application.

131.11       **Subd. 3. Administration.** Up to five percent of the biennial appropriation for the  
131.12       purpose of this section is available to the commissioner for administration of the program.

131.13       **EFFECTIVE DATE.** This section is effective July 1, 2015.

131.14       Sec. 9. Minnesota Statutes 2012, section 298.28, subdivision 2, is amended to read:

131.15       **Subd. 2. City or town where quarried or produced.** (a) 4.5 cents per gross ton of  
131.16       merchantable iron ore concentrate, hereinafter referred to as "taxable ton," plus the amount  
131.17       provided in paragraph (c), must be allocated to the city or town in the county in which  
131.18       the lands from which taconite was mined or quarried were located or within which the  
131.19       concentrate was produced. If the mining, quarrying, and concentration, or different steps  
131.20       in either thereof are carried on in more than one taxing district, the commissioner shall  
131.21       apportion equitably the proceeds of the part of the tax going to cities and towns among  
131.22       such subdivisions upon the basis of attributing 50 percent of the proceeds of the tax to  
131.23       the operation of mining or quarrying the taconite, and the remainder to the concentrating  
131.24       plant and to the processes of concentration, and with respect to each thereof giving due  
131.25       consideration to the relative extent of such operations performed in each such taxing  
131.26       district. The commissioner's order making such apportionment shall be subject to review  
131.27       by the Tax Court at the instance of any of the interested taxing districts, in the same  
131.28       manner as other orders of the commissioner.

131.29       (b) Four cents per taxable ton shall be allocated to cities and organized townships  
131.30       affected by mining because their boundaries are within three miles of a taconite mine pit  
131.31       that has been actively mined in at least one of the prior three years. If a city or town is  
131.32       located near more than one mine meeting these criteria, the city or town is eligible to  
131.33       receive aid calculated from only the mine producing the largest taxable tonnage. When  
131.34       more than one municipality qualifies for aid based on one company's production, the aid  
131.35       must be apportioned among the municipalities in proportion to their populations. Of The

132.1 amounts distributed under this paragraph to each municipality, ~~one-half~~ must be used for  
132.2 infrastructure improvement projects, ~~and one-half must be used for projects in which two~~  
132.3 ~~or more municipalities cooperate. Each municipality that receives a distribution under this~~  
132.4 ~~paragraph must report annually to the Iron Range Resources and Rehabilitation Board and~~  
132.5 ~~the commissioner of Iron Range resources and rehabilitation on the projects involving~~  
132.6 ~~cooperation with other municipalities.~~

132.7 (c) The amount that would have been computed for the current year under Minnesota  
132.8 Statutes 2008, section 126C.21, subdivision 4, for a school district shall be distributed to  
132.9 the cities and townships within the school district in the proportion that their taxable net  
132.10 tax capacity within the school district bears to the taxable net tax capacity of the school  
132.11 district for property taxes payable in the year prior to distribution.

132.12 Sec. 10. Laws 2013, chapter 143, article 11, section 10, is amended to read:

132.13 **Sec. 10. 2013 DISTRIBUTION ONLY.**

132.14 For the 2013 distribution, a special fund is established to receive 38.7 cents per ton of  
132.15 any excess of the balance remaining after distribution of amounts required under Minnesota  
132.16 Statutes, section 298.28, subdivision 6. The following amounts are allocated to St. Louis  
132.17 County acting as the fiscal agent for the recipients for the following specific purposes:

132.18 (1) 5.1 cents per ton to the city of Hibbing for improvements to the city's water  
132.19 supply system;

132.20 (2) 4.3 cents per ton to the city of Mountain Iron for the cost of moving utilities  
132.21 required as a result of actions undertaken by United States Steel Corporation;

132.22 (3) 2.5 cents per ton to the city of Biwabik for improvements to the city's water  
132.23 supply system, ~~payable upon agreement with ArcelorMittal to satisfy water permit~~  
132.24 ~~conditions system to further the established collaborative efforts between the city of~~  
132.25 Biwabik, the city of Aurora, and surrounding communities;

132.26 (4) 2 cents per ton to the city of Tower for the Tower Marina;

132.27 (5) 2.4 cents per ton to the city of Grand Rapids for an eco-friendly heat transfer  
132.28 system to replace aging effluent lines and for parking lot repaving;

132.29 (6) 2.4 cents per ton to the city of Two Harbors for wastewater treatment plant  
132.30 improvements;

132.31 (7) 0.9 cents per ton to the city of Ely for the sanitary sewer replacement project;

132.32 (8) 0.6 cents per ton to the town of Crystal Bay for debt service of the Claire Nelson  
132.33 Intermodal Transportation Center;

132.34 (9) 0.5 cents per ton to the Greenway Joint Recreation Board for the Coleraine  
132.35 hockey arena renovations;

133.1       (10) 1.2 cents per ton for the West Range Regional Fire Hall and Training Center  
133.2 to merge the existing fire services of Coleraine, Bovey, Taconite Marble, Calumet, and  
133.3 Greenway Township;

133.4       (11) 2.5 cents per ton to the city of Hibbing for the Memorial Building;

133.5       (12) 0.7 cents per ton to the city of Chisholm for public works infrastructure;

133.6       (13) 1.8 cents per ton to the Crane Lake Water and Sanitary District for sanitary  
133.7 sewer extension;

133.8       (14) 2.5 cents per ton for the city of Buhl for the roof on the Mesabi Academy;

133.9       (15) 1.2 cents per ton to the city of Gilbert for the New Jersey/Ohio Avenue project;

133.10       (16) ~~1.5~~ 2.0 cents per ton to the city of Cook for street improvements, business park  
133.11 infrastructure, and a maintenance garage;

133.12       ~~(17) 0.5 cents per ton to the city of Cook for a water line project;~~

133.13       ~~(18)~~ (17) 1.8 cents per ton to the city of Eveleth to be used for Jones Street  
133.14 reconstruction and the city auditorium;

133.15       ~~(19)~~ (18) 0.5 cents per ton for the city of Keewatin for an electrical substation and  
133.16 water line replacements;

133.17       ~~(20)~~ (19) 3.3 cents per ton for the city of Virginia for Fourth Street North  
133.18 infrastructure and Franklin Park improvement; and

133.19       ~~(21)~~ (20) 0.5 cents per ton to the city of Grand Rapids for an economic development  
133.20 project.

133.21       **EFFECTIVE DATE.** This section is effective for the 2014 distribution, and all  
133.22 payments must be made separately and within ten days of the date of the August 2014  
133.23 payment.

133.24       **Sec. 11. 2014 DISTRIBUTION ONLY.**

133.25       For the 2014 distribution, a special fund is established to receive 18.37 cents per ton of  
133.26 any excess of the balance remaining after distribution of amounts required under Minnesota  
133.27 Statutes, section 298.28, subdivision 6. The following amounts are allocated to St. Louis  
133.28 County acting as the fiscal agent for the recipients for the following specific purposes:

133.29       (1) 1.3 cents per ton to the city of Silver Bay for a water project under Highway 61;

133.30       (2) 0.5 cents per ton to the city of Grand Rapids for soil and landscape remediation  
133.31 at the Reif Center;

133.32       (3) 0.65 cents per ton to the city of LaPrairie for sewer, water, and road improvements  
133.33 to accommodate business expansion in the city;

133.34       (4) 0.78 cents per ton to the city of Cohasset for an infrastructure project;

134.1       (5) 0.39 cents per ton to Balkan Township for a salt storage building and  
134.2       energy-efficient cold storage building;  
134.3       (6) 3.0 cents per ton to the city of McKinley to construct a water line from the city  
134.4       of Gilbert or the city of Biwabik to the city of McKinley's distribution center in order to  
134.5       secure a potable water source for the city, provided that the city of McKinley secures  
134.6       the remainder of the project costs from other sources, and expires three years following  
134.7       the date of distribution;  
134.8       (7) 6.5 cents per ton to the Iron Range Resources and Rehabilitation Board for  
134.9       township block grants to be distributed by the board;  
134.10      (8) 0.5 cents per ton to the city of Marble for a water main and looping project;  
134.11      (9) 0.65 cents per ton to the city of Nashwauk for an infrastructure project;  
134.12      (10) 0.65 cents per ton to the city of Babbitt for demolition of a public building;  
134.13      (11) 0.65 cents per ton to the city of Hoyt Lakes for a storm water project;  
134.14      (12) 0.65 cents per ton to the city of Aurora for an infrastructure project;  
134.15      (13) 0.65 cents per ton to the town of Silver Creek for an infrastructure project;  
134.16      (14) 0.5 cents per ton to the city of Calumet for an infrastructure project;  
134.17      (15) 0.5 cents per ton to Nashwauk Township for the Nashwauk town hall; and  
134.18      (16) 0.5 cents per ton to the city of Biwabik for emergency repair of a wastewater  
134.19       treatment project.

134.20      **EFFECTIVE DATE.** This section is effective for the 2014 distribution, and all  
134.21       payments must be made separately and within ten days of the date of the August 2014  
134.22       payment.

134.23      Sec. 12. **CIP ELECTRONIC DATA REPORTING AND TRACKING SYSTEM;**  
134.24      **EVALUATION.**

134.25       The commissioner of commerce may utilize a stakeholder group to annually monitor  
134.26       the usability and product development of systems for electronic data reporting and  
134.27       tracking for the use of utilities under the conservation improvement plan program under  
134.28       Minnesota Statutes, section 216B.241. The initial group may be convened by November  
134.29       1, 2014, and must, among others, include representatives from all sectors of the gas and  
134.30       electric utility industry and providers of energy conservation.

134.31      Sec. 13. **REALLOCATION OF BOND PAYMENTS.**

134.32       In each year subsequent to the year in which the following appropriations terminate  
134.33       under their terms, an amount equal to the amount of the last year of the school bond  
134.34       payments from the 2012 production year, payable in 2013, is appropriated from the same

135.1       sources listed in this section to the Iron Range school consolidation and cooperatively  
135.2       operated school account under Minnesota Statutes, section 298.28, subdivision 7a:  
135.3            (1) Laws 1996, chapter 412, article 5, section 21, subdivision 3, appropriation for  
135.4       bonds of Independent School District No. 166, Cook County;  
135.5            (2) Laws 1996, chapter 412, article 5, section 20, subdivision 2, appropriation for  
135.6       bonds of Independent School District No. 696, Ely;  
135.7            (3) Laws 1996, chapter 412, article 5, section 20, subdivision 2, appropriation for  
135.8       bonds of Independent School District No. 706, Virginia;  
135.9            (4) Laws 1996, chapter 412, article 5, section 20, subdivision 2, appropriation for  
135.10       bonds of Independent School District No. 2154, Eveleth-Gilbert;  
135.11            (5) Laws 1998, chapter 398, article 4, section 17, subdivision 2, appropriation for  
135.12       bonds of Independent School District No. 712, Mountain Iron-Buhl; and  
135.13            (6) Laws 2008, chapter 154, article 8, section 18, appropriation for bonds of  
135.14       Independent School District No. 2711, Mesabi East.

135.15       **EFFECTIVE DATE.** This section is effective beginning with the distribution  
135.16       in 2015.

## ARTICLE 12

### EARLY CHILDHOOD THROUGH GRADE 12 EDUCATION

135.19       Section 1. Minnesota Statutes 2012, section 13.43, subdivision 16, is amended to read:  
135.20           **Subd. 16. School district or charter school disclosure of violence or inappropriate**  
135.21       **sexual contact.** The superintendent of a school district or the superintendent's designee,  
135.22       or a person having administrative control of a charter school, must release to a requesting  
135.23       school district or charter school private personnel data on a current or former employee  
135.24       related to acts of violence toward or sexual contact with a student, if:  
135.25            (1) an investigation conducted by or on behalf of the school district or law  
135.26       enforcement affirmed the allegations in writing prior to release and the investigation  
135.27       resulted in the resignation of the subject of the data; or  
135.28            (2) the employee resigned while a complaint or charge involving the allegations was  
135.29       pending and the allegations involved acts of sexual contact with a student.

135.30       Data that are released under this subdivision must not include data on the student.

135.31       Sec. 2. Minnesota Statutes 2013 Supplement, section 122A.40, subdivision 8, is  
135.32       amended to read:

136.1       **Subd. 8. Development, evaluation, and peer coaching for continuing contract**  
136.2       **teachers.** (a) To improve student learning and success, a school board and an exclusive  
136.3       representative of the teachers in the district, consistent with paragraph (b), may develop  
136.4       a teacher evaluation and peer review process for probationary and continuing contract  
136.5       teachers through joint agreement. If a school board and the exclusive representative of the  
136.6       teachers do not agree to an annual teacher evaluation and peer review process, then the  
136.7       school board and the exclusive representative of the teachers must implement the state  
136.8       teacher evaluation plan for evaluation and review under paragraph (c). The process must  
136.9       include having trained observers serve as peer coaches ~~or having teachers participate in~~  
136.10      professional learning communities, consistent with paragraph (b).

136.11      (b) To develop, improve, and support qualified teachers and effective teaching  
136.12      practices and improve student learning and success, the annual evaluation process for  
136.13      teachers:

136.14      (1) must, for probationary teachers, provide for all evaluations required under  
136.15      subdivision 5;

136.16      (2) must establish a three-year professional review cycle for each teacher that  
136.17      includes an individual growth and development plan, a peer review process, ~~the~~  
136.18      ~~opportunity to participate in a professional learning community under paragraph (a)~~, and  
136.19      at least one summative evaluation performed by a qualified and trained evaluator such as a  
136.20      school administrator. For the years when a tenured teacher is not evaluated by a qualified  
136.21      and trained evaluator, the teacher must be evaluated by a peer review;

136.22      (3) must be based on professional teaching standards established in rule;

136.23      (4) must coordinate staff development activities under sections 122A.60 and  
136.24      122A.61 with this evaluation process and teachers' evaluation outcomes;

136.25      (5) may provide time during the school day and school year for peer coaching and  
136.26      teacher collaboration;

136.27      (6) may include job-embedded learning opportunities such as professional learning  
136.28      communities;

136.29      (7) may include mentoring and induction programs;

136.30      ~~(7)~~ (8) must include an option for teachers to develop and present a portfolio  
136.31      demonstrating evidence of reflection and professional growth, consistent with section  
136.32      122A.18, subdivision 4, paragraph (b), and include teachers' own performance assessment  
136.33      based on student work samples and examples of teachers' work, which may include video  
136.34      among other activities for the summative evaluation;

136.35      ~~(8)~~ (9) must use data from valid and reliable assessments aligned to state and local  
136.36      academic standards and must use state and local measures of student growth that may

137.1 include value-added models or student learning goals to determine 35 percent of teacher  
137.2 evaluation results;

137.3 (9) (10) must use longitudinal data on student engagement and connection, and  
137.4 other student outcome measures explicitly aligned with the elements of curriculum for  
137.5 which teachers are responsible;

137.6 (10) (11) must require qualified and trained evaluators such as school administrators  
137.7 to perform summative evaluations and ensure school districts and charter schools provide  
137.8 for effective evaluator training specific to teacher development and evaluation;

137.9 (11) (12) must give teachers not meeting professional teaching standards under  
137.10 clauses (3) through (10) (11) support to improve through a teacher improvement process  
137.11 that includes established goals and timelines; and

137.12 (12) (13) must discipline a teacher for not making adequate progress in the teacher  
137.13 improvement process under clause (11) (12) that may include a last chance warning,  
137.14 termination, discharge, nonrenewal, transfer to a different position, a leave of absence, or  
137.15 other discipline a school administrator determines is appropriate.

137.16 Data on individual teachers generated under this subdivision are personnel data  
137.17 under section 13.43. The observation and interview notes of peer coaches may only be  
137.18 disclosed to other school officials with the consent of the teacher being coached.

137.19 (c) The department, in consultation with parents who may represent parent  
137.20 organizations and teacher and administrator representatives appointed by their respective  
137.21 organizations, representing the Board of Teaching, the Minnesota Association of School  
137.22 Administrators, the Minnesota School Boards Association, the Minnesota Elementary  
137.23 and Secondary Principals Associations, Education Minnesota, and representatives of  
137.24 the Minnesota Assessment Group, the Minnesota Business Partnership, the Minnesota  
137.25 Chamber of Commerce, and Minnesota postsecondary institutions with research expertise  
137.26 in teacher evaluation, must create and publish a teacher evaluation process that complies  
137.27 with the requirements in paragraph (b) and applies to all teachers under this section and  
137.28 section 122A.41 for whom no agreement exists under paragraph (a) for an annual teacher  
137.29 evaluation and peer review process. The teacher evaluation process created under this  
137.30 subdivision does not create additional due process rights for probationary teachers under  
137.31 subdivision 5.

137.32 **EFFECTIVE DATE.** This section is effective for the 2014-2015 school year.

137.33 Sec. 3. Minnesota Statutes 2013 Supplement, section 122A.41, subdivision 5, is  
137.34 amended to read:

138.1       **Subd. 5. Development, evaluation, and peer coaching for continuing contract**  
138.2       **teachers.** (a) To improve student learning and success, a school board and an exclusive  
138.3       representative of the teachers in the district, consistent with paragraph (b), may develop an  
138.4       annual teacher evaluation and peer review process for probationary and nonprobationary  
138.5       teachers through joint agreement. If a school board and the exclusive representative of the  
138.6       teachers in the district do not agree to an annual teacher evaluation and peer review process,  
138.7       then the school board and the exclusive representative of the teachers must implement  
138.8       the state teacher evaluation plan for evaluation and review developed under paragraph  
138.9       (c). The process must include having trained observers serve as peer coaches or having  
138.10      teachers participate in professional learning communities, consistent with paragraph (b).  
138.11       (b) To develop, improve, and support qualified teachers and effective teaching  
138.12       practices and improve student learning and success, the annual evaluation process for  
138.13       teachers:  
138.14       (1) must, for probationary teachers, provide for all evaluations required under  
138.15       subdivision 2;  
138.16       (2) must establish a three-year professional review cycle for each teacher that  
138.17       includes an individual growth and development plan, a peer review process, ~~the opportunity to participate in a professional learning community under paragraph (a)~~, and  
138.18       at least one summative evaluation performed by a qualified and trained evaluator such  
138.19       as a school administrator;  
138.20       (3) must be based on professional teaching standards established in rule;  
138.21       (4) must coordinate staff development activities under sections 122A.60 and  
138.22       122A.61 with this evaluation process and teachers' evaluation outcomes;  
138.23       (5) may provide time during the school day and school year for peer coaching and  
138.24       teacher collaboration;  
138.25       (6) may include job-embedded learning opportunities such as professional learning  
138.26       communities;  
138.27       (7) may include mentoring and induction programs;  
138.28       (7) (8) must include an option for teachers to develop and present a portfolio  
138.29       demonstrating evidence of reflection and professional growth, consistent with section  
138.30       122A.18, subdivision 4, paragraph (b), and include teachers' own performance assessment  
138.31       based on student work samples and examples of teachers' work, which may include video  
138.32       among other activities for the summative evaluation;  
138.33       (8) (9) must use data from valid and reliable assessments aligned to state and local  
138.34       academic standards and must use state and local measures of student growth that may

139.1 include value-added models or student learning goals to determine 35 percent of teacher  
139.2 evaluation results;

139.3       (9) (10) must use longitudinal data on student engagement and connection and  
139.4 other student outcome measures explicitly aligned with the elements of curriculum for  
139.5 which teachers are responsible;

139.6       (10) (11) must require qualified and trained evaluators such as school administrators  
139.7 to perform summative evaluations and ensure school districts and charter schools provide  
139.8 for effective evaluator training specific to teacher development and evaluation;

139.9       (11) (12) must give teachers not meeting professional teaching standards under  
139.10 clauses (3) through (10) (11) support to improve through a teacher improvement process  
139.11 that includes established goals and timelines; and

139.12       (12) (13) must discipline a teacher for not making adequate progress in the teacher  
139.13 improvement process under clause (11) (12) that may include a last chance warning,  
139.14 termination, discharge, nonrenewal, transfer to a different position, a leave of absence, or  
139.15 other discipline a school administrator determines is appropriate.

139.16       Data on individual teachers generated under this subdivision are personnel data  
139.17 under section 13.43. The observation and interview notes of peer coaches may only be  
139.18 disclosed to other school officials with the consent of the teacher being coached.

139.19       (c) The department, in consultation with parents who may represent parent  
139.20 organizations and teacher and administrator representatives appointed by their respective  
139.21 organizations, representing the Board of Teaching, the Minnesota Association of School  
139.22 Administrators, the Minnesota School Boards Association, the Minnesota Elementary  
139.23 and Secondary Principals Associations, Education Minnesota, and representatives of  
139.24 the Minnesota Assessment Group, the Minnesota Business Partnership, the Minnesota  
139.25 Chamber of Commerce, and Minnesota postsecondary institutions with research expertise  
139.26 in teacher evaluation, must create and publish a teacher evaluation process that complies  
139.27 with the requirements in paragraph (b) and applies to all teachers under this section and  
139.28 section 122A.40 for whom no agreement exists under paragraph (a) for an annual teacher  
139.29 evaluation and peer review process. The teacher evaluation process created under this  
139.30 subdivision does not create additional due process rights for probationary teachers under  
139.31 subdivision 2.

139.32       **EFFECTIVE DATE.** This section is effective for the 2014-2015 school year.

139.33       Sec. 4. Minnesota Statutes 2012, section 122A.414, subdivision 2, is amended to read:

139.34       Subd. 2. **Alternative teacher professional pay system.** (a) To participate in this  
139.35 program, a school district, intermediate school district, school site, or charter school must

140.1 have an educational improvement plan under section 122A.413 and an alternative teacher  
140.2 professional pay system agreement under paragraph (b). A charter school participant also  
140.3 must comply with subdivision 2a.

140.4 (b) The alternative teacher professional pay system agreement must:

140.5 (1) describe how teachers can achieve career advancement and additional  
140.6 compensation;

140.7 (2) describe how the school district, intermediate school district, school site, or  
140.8 charter school will provide teachers with career advancement options that allow teachers  
140.9 to retain primary roles in student instruction and facilitate site-focused professional  
140.10 development that helps other teachers improve their skills;

140.11 (3) reform the "steps and lanes" salary schedule, prevent any teacher's compensation  
140.12 paid before implementing the pay system from being reduced as a result of participating  
140.13 in this system, and base at least 60 percent of any compensation increase on teacher  
140.14 performance using:

140.15 (i) schoolwide student achievement gains under section 120B.35 or locally selected  
140.16 standardized assessment outcomes, or both;

140.17 (ii) measures of student achievement growth that may include value-added models  
140.18 or student learning goals, consistent with section 122A.40, subdivision 8, clause (9), or  
140.19 122A.41, subdivision 5, clause (9); and

140.20 (iii) an objective evaluation program that includes: under section 122A.40,  
140.21 subdivision 8, paragraph (b), clause (2), or 122A.41, subdivision 5, paragraph (b), clause (2)

140.22 (A) individual teacher evaluations aligned with the educational improvement plan  
140.23 under section 122A.413 and the staff development plan under section 122A.60; and

140.24 (B) objective evaluations using multiple criteria conducted by a locally selected and  
140.25 periodically trained evaluation team that understands teaching and learning;

140.26 (4) provide integrated ongoing site-based professional development activities for  
140.27 participation in job-embedded learning opportunities such as professional learning  
140.28 communities to improve instructional skills and learning that are aligned with student needs  
140.29 under section 122A.413, consistent with the staff development plan under section 122A.60  
140.30 and led during the school day by trained teacher leaders such as master or mentor teachers;

140.31 (5) allow any teacher in a participating school district, intermediate school district,  
140.32 school site, or charter school that implements an alternative pay system to participate in  
140.33 that system without any quota or other limit; and

140.34 (6) encourage collaboration rather than competition among teachers.

141.1        **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015 and  
141.2        later. Paragraph (b), clause (3), is effective for agreements under this section approved  
141.3        after August 1, 2015.

141.4        Sec. 5. Minnesota Statutes 2012, section 122A.415, subdivision 1, is amended to read:

141.5              Subdivision 1. **Revenue amount.** (a) A school district, intermediate school district,  
141.6        school site, or charter school that meets the conditions of section 122A.414 and submits an  
141.7        application approved by the commissioner is eligible for alternative teacher compensation  
141.8        revenue.

141.9              (b) For school district and intermediate school district applications, the commissioner  
141.10       must consider only those applications to participate that are submitted jointly by a  
141.11       district and the exclusive representative of the teachers. The application must contain an  
141.12       alternative teacher professional pay system agreement that:

141.13                (1) implements an alternative teacher professional pay system consistent with  
141.14       section 122A.414; and

141.15                (2) is negotiated and adopted according to the Public Employment Labor Relations  
141.16       Act under chapter 179A, except that notwithstanding section 179A.20, subdivision 3, a  
141.17       district may enter into a contract for a term of two or four years.

141.18              Alternative teacher compensation revenue for a qualifying school district or site in  
141.19       which the school board and the exclusive representative of the teachers agree to place  
141.20       teachers in the district or at the site on the alternative teacher professional pay system  
141.21       equals \$260 times the number of pupils enrolled at the district or site on October 1 of  
141.22       the previous fiscal year. Alternative teacher compensation revenue for a qualifying  
141.23       intermediate school district must be calculated under ~~seetion 126C.10, subdivision 34~~  
141.24       subdivision 4, paragraphs (a) and (b).

141.25              (c) For a newly combined or consolidated district, the revenue shall be computed  
141.26       using the sum of pupils enrolled on October 1 of the previous year in the districts entering  
141.27       into the combination or consolidation. The commissioner may adjust the revenue computed  
141.28       for a site using prior year data to reflect changes attributable to school closings, school  
141.29       openings, or grade level reconfigurations between the prior year and the current year.

141.30              (d) The revenue is available only to school districts, intermediate school districts,  
141.31       school sites, and charter schools that fully implement an alternative teacher professional  
141.32       pay system by October 1 of the current school year.

141.33        **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
141.34        and later.

142.1 Sec. 6. Minnesota Statutes 2012, section 123A.05, subdivision 2, is amended to read:

142.2 Subd. 2. **Reserve revenue.** Each district that is a member of an area learning center  
142.3 or alternative learning program must reserve revenue in an amount equal to the sum of  
142.4 (1) ~~at least between 90 and 100~~ percent of the district average general education revenue  
142.5 per adjusted pupil unit minus an amount equal to the product of the formula allowance  
142.6 according to section 126C.10, subdivision 2, times ~~.0485~~ .0466, calculated without  
142.7 basic skills revenue and transportation sparsity revenue, times the number of pupil units  
142.8 attending an area learning center or alternative learning program under this section, plus  
142.9 (2) the amount of basic skills revenue generated by pupils attending the area learning  
142.10 center or alternative learning program. The amount of reserved revenue under this  
142.11 subdivision may only be spent on program costs associated with the area learning center  
142.12 or alternative learning program.

142.13 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015

142.14 and later.

142.15 Sec. 7. **[123A.482] JOINT POWERS COOPERATIVE FACILITY.**

142.16 Subdivision 1. **Schools may be jointly operated.** Two or more school districts may  
142.17 agree to jointly operate a secondary facility. The districts may choose to operate the  
142.18 facility according to a joint powers agreement under section 123A.78 or 471.59.

142.19 Subd. 2. **Expanded program offerings.** A jointly operated secondary program  
142.20 seeking funding under section 123A.485 must demonstrate to the commissioner's  
142.21 satisfaction that the jointly operated program provides enhanced learning opportunities and  
142.22 broader curriculum offerings to the students attending that program. The commissioner  
142.23 must approve or disapprove a cooperative secondary program within 60 days of receipt of  
142.24 an application.

142.25 Subd. 2a. **Transfer of employees.** An employee transferred between members of a  
142.26 joint powers agreement under this section is not required to serve a statutory or contractual  
142.27 probationary period. The employee shall receive credit on the receiving district's salary  
142.28 schedule for the employee's educational attainment and years of continuous service in  
142.29 the sending district, or shall receive a comparable salary, whichever is greater. The  
142.30 employee shall receive credit for accrued sick leave and rights to severance benefits as if  
142.31 the employee had been employed by the receiving district during the employee's years of  
142.32 employment in the sending district.

142.33 Subd. 3. **Revenue.** An approved program that is jointly operated under this section  
142.34 is eligible for aid under section 123A.485 and qualifies for a facilities grant under sections  
142.35 123A.44 to 123A.446.

143.1        Subd. 4. Duty to maintain elementary and secondary schools met. A school  
143.2        district operating a joint facility under this section meets the requirements of section  
143.3        123A.64.

143.4        Subd. 5. Estimated market value limit exclusion. Bonds for a cooperative facility  
143.5        operated under this section issued by a member school district are not subject to the net  
143.6        debt limit under section 475.53, subdivision 4.

143.7        Subd. 6. Allocation of levy authority for joint facility. For purposes of determining  
143.8        each member district's school levy, a jointly operated secondary program may allocate  
143.9        program costs to each member district according to the joint powers agreement and each  
143.10        member district may include those costs in its tax levy. The joint powers agreement may  
143.11        choose to allocate costs on any basis adopted as part of the joint powers agreement.

143.12        Subd. 7. Effect of consolidation. The joint powers agreement may allow member  
143.13        school districts that choose to consolidate to continue to certify levies separately based on  
143.14        each component district's characteristics.

143.15        Subd. 8. Bonds. A joint powers district formed under this section may issue bonds  
143.16        according to section 123A.78 or its member districts may issue bonds individually after  
143.17        complying with this subdivision. The joint powers board must submit the project for  
143.18        review and comment under section 123B.71. The joint powers board must hold a hearing  
143.19        on the proposal. If the bonds are not issued under section 123A.78, each member district  
143.20        of the joint powers district must submit the question of authorizing borrowing of funds for  
143.21        the project to the voters of the district at a special election. The question submitted shall  
143.22        state the total amount of funding needed from that district. The member district may issue  
143.23        the bonds according to chapter 475 and certify the levy required by section 475.61 only if  
143.24        a majority of those voting on the question in that district vote in the affirmative and only  
143.25        after the board has adopted a resolution pledging the full faith and credit of that unit. The  
143.26        resolution must irrevocably commit that unit to pay an agreed-upon share of any debt levy  
143.27        shortages that, together with other funds available, would allow the member school board  
143.28        to pay the principal and interest on the obligations. The clerk of the joint powers board  
143.29        must certify the vote of any bond elections to the commissioner. Bonds issued under this  
143.30        section first qualify for debt service equalization aid in fiscal year 2018.

143.31        Subd. 9. Election. A district entering into a joint powers agreement under this  
143.32        section may conduct a referendum seeking approval for a new facility. This election may  
143.33        be held separately or at the same time as a bond election under subdivision 8. If the  
143.34        election is held at the same time, the questions may be asked separately or as a conjunctive  
143.35        question. The question must be approved by a majority of those voting on the question.

144.1    If asked separately and the question fails, a district may not proceed with the sale of  
144.2    bonds according to subdivision 8.

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

144.4    Sec. 8. Minnesota Statutes 2012, section 123A.485, is amended to read:

144.5    **123A.485 CONSOLIDATION TRANSITION REVENUE AID.**

144.6    Subdivision 1. **Eligibility and use.** A district that operates a cooperative facility  
144.7    under section 123A.482 or that has been reorganized after June 30, 1994, under section  
144.8    123A.48 is eligible for consolidation transition ~~revenue~~. Revenue is equal to the sum of  
144.9    aid ~~under subdivision 2 and levy under subdivision 3~~. Consolidation transition ~~revenue~~  
144.10    aid may only be used according to this section. Revenue must be used for the following  
144.11    purposes and may be distributed among these purposes at the discretion of the district or  
144.12    the governing board of the cooperative facility:

- 144.13    (1) to offer early retirement incentives as provided by section 123A.48, subdivision  
144.14    23;  
144.15    (2) to reduce operating debt as defined in section 123B.82;  
144.16    (3) to enhance learning opportunities for students in the reorganized district; and  
144.17    (4) to repay building debt; or  
144.18    (5) for other costs incurred in the reorganization.

144.19    Revenue received and utilized under clause (3) or (4)(5) may be expended for  
144.20    operating, facilities, and/or equipment.

144.21    Subd. 2. **Aid.** (a) Consolidation transition aid is equal to \$200 \$300 times the  
144.22    number of ~~resident adjusted~~ pupil units in the ~~newly created~~ cooperative facility under  
144.23    section 123A.482 or the consolidated district ~~in the year of consolidation and \$100~~ times  
144.24    the number of resident pupil units in the first year following the year of consolidation  
144.25    under section 123A.48. The number of pupil units used to calculate aid in either year  
144.26    shall not exceed 1,000 for districts consolidating July 1, 1994, and 1,500 for districts  
144.27    consolidating July 1, 1995, and thereafter A district may receive aid under this section for  
144.28    not more than five years except as provided in subdivision 4.

144.29    (b) If the total appropriation for consolidation transition aid for any fiscal year, plus  
144.30    any amount transferred under section 127A.41, subdivision 8, is insufficient to pay all  
144.31    districts the full amount of aid earned, the department must first pay the districts in the first  
144.32    year following the year of consolidation the full amount of aid earned and distribute any  
144.33    remaining funds to the newly created districts in the first year of consolidation.

145.1       Subd. 3. **Levy.** If the aid available in subdivision 2 is insufficient to cover the costs  
145.2 of the district under section 123A.48, subdivision 23, the district may levy the difference  
145.3 over a period of time not to exceed three years.

145.4       Subd. 4. **New districts.** If a district enters into a cooperative secondary facilities  
145.5 program or consolidates with another district that has received aid under section 123A.39,  
145.6 subdivision 3, or 123A.485 for a combination or consolidation taking effect within  
145.7 six years of the effective date of the new consolidation or the start of the cooperative  
145.8 secondary facilities program, only the pupil units in the district or districts not previously  
145.9 cooperating or reorganized must be counted for aid purposes under subdivision 2. If  
145.10 two or more districts consolidate and all districts received aid under subdivision 2 for a  
145.11 consolidation taking effect within six years of the effective date of the new consolidation,  
145.12 only one quarter of the pupil units in the newly created district must be used to determine  
145.13 aid under subdivision 2.

145.14       **EFFECTIVE DATE.** This section is effective for state aid for fiscal year 2017  
145.15 and later.

145.16       Sec. 9. Minnesota Statutes 2012, section 123A.64, is amended to read:

145.17       **123A.64 DUTY TO MAINTAIN ELEMENTARY AND SECONDARY**  
145.18 **SCHOOLS.**

145.19       Each district must maintain classified elementary and secondary schools, grades 1  
145.20 through 12, unless the district is exempt according to section 123A.61 or 123A.62, has  
145.21 made an agreement with another district or districts as provided in sections 123A.30,  
145.22 123A.32, or sections 123A.35 to 123A.43, or 123A.17, subdivision 7, or has received a  
145.23 grant under sections 123A.441 to 123A.446, or has formed a cooperative under section  
145.24 123A.482. A district that has an agreement according to sections 123A.35 to 123A.43 or  
145.25 123A.32 must operate a school with the number of grades required by those sections. A  
145.26 district that has an agreement according to section 123A.30 or 123A.17, subdivision 7, or  
145.27 has received a grant under sections 123A.441 to 123A.446 must operate a school for the  
145.28 grades not included in the agreement, but not fewer than three grades.

145.29       Sec. 10. Minnesota Statutes 2013 Supplement, section 123B.53, subdivision 1, is  
145.30 amended to read:

145.31       Subdivision 1. **Definitions.** (a) For purposes of this section, the eligible debt service  
145.32 revenue of a district is defined as follows:

146.1       (1) the amount needed to produce between five and six percent in excess of the  
146.2 amount needed to meet when due the principal and interest payments on the obligations  
146.3 of the district for eligible projects according to subdivision 2, including the amounts  
146.4 necessary for repayment of energy loans according to section 216C.37 or sections 298.292  
146.5 to 298.298, debt service loans and capital loans, lease purchase payments under section  
146.6 126C.40, subdivision 2, alternative facilities levies under section 123B.59, subdivision  
146.7 5, paragraph (a), minus

146.8       (2) the amount of debt service excess levy reduction for that school year calculated  
146.9 according to the procedure established by the commissioner.

146.10     (b) The obligations in this paragraph are excluded from eligible debt service revenue:

146.11       (1) obligations under section 123B.61;

146.12       (2) the part of debt service principal and interest paid from the taconite environmental  
146.13 protection fund or Douglas J. Johnson economic protection trust, excluding both the  
146.14 portion of taconite payments from the Iron Range school consolidation and cooperatively  
146.15 operated school account under section 298.28, subdivision 7a, and any payments made  
146.16 from the Douglas J. Johnson economic protection trust fund under section 298.292,  
146.17 subdivision 2, clause (6);

146.18       (3) obligations issued under Laws 1991, chapter 265, article 5, section 18, as  
146.19 amended by Laws 1992, chapter 499, article 5, section 24; and

146.20       (4) obligations under section 123B.62-; and

146.21       (5) obligations under section 123B.535.

146.22       (c) For purposes of this section, if a preexisting school district reorganized under  
146.23 sections 123A.35 to 123A.43, 123A.46, and 123A.48 is solely responsible for retirement  
146.24 of the preexisting district's bonded indebtedness, capital loans or debt service loans, debt  
146.25 service equalization aid must be computed separately for each of the preexisting districts.

146.26       (d) For purposes of this section, the adjusted net tax capacity determined according  
146.27 to sections 127A.48 and 273.1325 shall be adjusted to include the tax capacity of property  
146.28 generally exempted from ad valorem taxes under section 272.02, subdivision 64.

146.29      Sec. 11. [123B.535] NATURAL DISASTER DEBT SERVICE EQUALIZATION.

146.30       Subdivision 1. Definitions. (a) For purposes of this section, the eligible natural  
146.31 disaster debt service revenue of a district is defined as the amount needed to produce  
146.32 between five and six percent in excess of the amount needed to meet when due the  
146.33 principal and interest payments on the obligations of the district that would otherwise  
146.34 qualify under section 123B.53 under the following conditions:

147.1       (1) the district was impacted by a natural disaster event or area occurring January  
147.2       1, 2005, or later, as declared by the President of the United States of America, which is  
147.3       eligible for Federal Emergency Management Agency payments;

147.4       (2) the natural disaster caused \$500,000 or more in damages to school district  
147.5       buildings; and

147.6       (3) the repair and replacement costs are not covered by insurance payments or  
147.7       Federal Emergency Management Agency payments.

147.8       (b) For purposes of this section, the adjusted net tax capacity equalizing factor  
147.9       equals the quotient derived by dividing the total adjusted net tax capacity of all school  
147.10       districts in the state for the year before the year the levy is certified by the total number of  
147.11       adjusted pupil units in the state for the current school year.

147.12       (c) For purposes of this section, the adjusted net tax capacity determined according  
147.13       to sections 127A.48 and 273.1325 shall be adjusted to include the tax capacity of property  
147.14       generally exempted from ad valorem taxes under section 272.02, subdivision 64.

147.15       Subd. 2. **Notification.** A district eligible for natural disaster debt service  
147.16       equalization revenue under subdivision 1 must notify the commissioner of the amount of  
147.17       its intended natural disaster debt service revenue calculated under subdivision 1 for all  
147.18       bonds sold prior to the notification by July 1 of the calendar year the levy is certified.

147.19       Subd. 3. **Natural disaster debt service equalization revenue.** The debt service  
147.20       equalization revenue of a district equals the greater of zero or the eligible debt service  
147.21       revenue, minus the greater of zero or the difference between:

147.22       (1) the amount raised by a levy of ten percent times the adjusted net tax capacity  
147.23       of the district; and

147.24       (2) the district's eligible debt service revenue under section 123B.53.

147.25       Subd. 4. **Equalized natural disaster debt service levy.** A district's equalized  
147.26       natural disaster debt service levy equals the district's natural disaster debt service  
147.27       equalization revenue times the lesser of one or the ratio of:

147.28       (1) the quotient derived by dividing the adjusted net tax capacity of the district for  
147.29       the year before the year the levy is certified by the adjusted pupil units in the district for  
147.30       the school year ending in the year prior to the year the levy is certified; to

147.31       (2) 300 percent of the statewide adjusted net tax capacity equalizing factor.

147.32       Subd. 5. **Natural disaster debt service equalization aid.** A district's natural  
147.33       disaster debt service equalization aid equals the difference between the district's natural  
147.34       disaster debt service equalization revenue and the district's equalized natural disaster  
147.35       debt service levy.

148.1        **Subd. 6. Natural disaster debt service equalization aid payment schedule.** Debt  
148.2        service equalization aid must be paid according to section 127A.45, subdivision 10.

148.3        **EFFECTIVE DATE.** This section is effective for levies certified for taxable year  
148.4        2015 and revenue for fiscal year 2016 and later.

148.5        Sec. 12. Minnesota Statutes 2013 Supplement, section 123B.54, is amended to read:

148.6        **123B.54 DEBT SERVICE APPROPRIATION.**

148.7        (a) The amount necessary to make debt service equalization aid payments under  
148.8 ~~section~~ sections 123B.53 and 123B.535 is annually appropriated from the general fund to  
148.9 the commissioner of education.

148.10        (b) The appropriations in paragraph (a) must be reduced by the amount of any  
148.11 money specifically appropriated for the same purpose in any year from any state fund.

148.12        **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2016  
148.13 and later.

148.14        Sec. 13. Minnesota Statutes 2012, section 123B.71, subdivision 8, is amended to read:

148.15        **Subd. 8. Review and comment.** A school district, a special education cooperative,  
148.16 or a cooperative unit of government, as defined in section 123A.24, subdivision 2, must not  
148.17 initiate an installment contract for purchase or a lease agreement, hold a referendum for  
148.18 bonds, nor solicit bids for new construction, expansion, or remodeling of an educational  
148.19 facility that requires an expenditure in excess of \$500,000 per school site if it has a capital  
148.20 loan outstanding, or \$1,400,000 ~~\$2,000,000~~ per school site if it does not have a capital  
148.21 loan outstanding, prior to review and comment by the commissioner. ~~The commissioner~~  
148.22 ~~may exempt~~ A facility addition, maintenance project, or remodeling project funded only  
148.23 with general education aid and levy revenue, deferred maintenance revenue, alternative  
148.24 facilities bonding and levy program revenue, lease levy proceeds, capital facilities bond  
148.25 proceeds, or health and safety revenue is exempt from this provision after reviewing a  
148.26 written request from a school district describing the scope of work. A capital project under  
148.27 section 123B.63 addressing only technology is exempt from this provision if the district  
148.28 submits a school board resolution stating that funds approved by the voters will be used  
148.29 only as authorized in section 126C.10, subdivision 14. A school board shall not separate  
148.30 portions of a single project into components to avoid the requirements of this subdivision.

148.31        Sec. 14. Minnesota Statutes 2012, section 123B.71, subdivision 9, is amended to read:

149.1        Subd. 9. **Information required.** A school board proposing to construct, expand,  
149.2 or remodel a facility described in that requires a review and comment under subdivision  
149.3 8 shall submit to the commissioner a proposal containing information including at least  
149.4 the following:

149.5        (1) the geographic area and population to be served, preschool through grade 12  
149.6 student enrollments for the past five years, and student enrollment projections for the  
149.7 next five years;

149.8        (2) a list of existing facilities by year constructed, their uses, and an assessment of  
149.9 the extent to which alternate facilities are available within the school district boundaries  
149.10 and in adjacent school districts;

149.11        (3) a list of the specific deficiencies of the facility that demonstrate the need for a  
149.12 new or renovated facility to be provided, the process used to determine the deficiencies, a  
149.13 list of those deficiencies that will and will not be addressed by the proposed project, and a  
149.14 list of the specific benefits that the new or renovated facility will provide to the students,  
149.15 teachers, and community users served by the facility;

149.16        (4) ~~the relationship of the project to any priorities established by the school district,~~  
149.17 ~~educational cooperatives that provide support services, or other public bodies in the~~  
149.18 ~~service area;~~

149.19        (5) ~~a description of the pedestrian, bicycle, and transit connections between the~~  
149.20 ~~school and nearby residential areas that make it easier for children, teachers, and parents~~  
149.21 ~~to get to the school by walking, bicycling, and taking transit;~~

149.22        (6) ~~a specification of how the project maximizes the opportunity for cooperative use~~  
149.23 ~~of existing park, recreation, and other public facilities and whether and how the project~~  
149.24 ~~will increase collaboration with other governmental or nonprofit entities;~~

149.25        (7) (4) a description of the project, including the specification of site and outdoor  
149.26 space acreage and square footage allocations for classrooms, laboratories, and support  
149.27 spaces; estimated expenditures for the major portions of the project; and the dates the  
149.28 project will begin and be completed;

149.29        (8) (5) a specification of the source of financing the project, including applicable  
149.30 statutory citations; the scheduled date for a bond issue or school board action; a schedule  
149.31 of payments, including debt service equalization aid; and the effect of a bond issue on  
149.32 local property taxes by the property class and valuation;

149.33        (9) ~~an analysis of how the proposed new or remodeled facility will affect school~~  
149.34 ~~district operational or administrative staffing costs, and how the district's operating budget~~  
149.35 ~~will cover any increased operational or administrative staffing costs;~~

150.1       (10) a description of the consultation with local or state transportation officials  
150.2       on multimodal school site access and safety issues, and the ways that the project will  
150.3       address those issues;

150.4       (11) a description of how indoor air quality issues have been considered and a  
150.5       certification that the architects and engineers designing the facility will have professional  
150.6       liability insurance;

150.7       (12) as required under section 123B.72, for buildings coming into service after July 1,  
150.8       2002, a certification that the plans and designs for the extensively renovated or new facility's  
150.9       heating, ventilation, and air conditioning systems will meet or exceed code standards; will  
150.10      provide for the monitoring of outdoor airflow and total airflow of ventilation systems; and  
150.11      will provide an indoor air quality filtration system that meets ASHRAE standard 52.1;

150.12      (13) a specification of any desegregation requirements that cannot be met by any  
150.13      other reasonable means;

150.14      (14) a specification of how the facility will utilize environmentally sustainable  
150.15      school facility design concepts;

150.16      (15) a description of how the architects and engineers have considered the American  
150.17      National Standards Institute Acoustical Performance Criteria, Design Requirements  
150.18      and Guidelines for Schools of the maximum background noise level and reverberation  
150.19      times; and

150.20      (16) any existing information from the relevant local unit of government about the  
150.21      cumulative costs to provide infrastructure to serve the school, such as utilities, sewer,  
150.22      roads, and sidewalks.

150.23      (6) confirmations of the district and contracted professionals that the project is  
150.24      planned and will be executed to consider and comply with the following:

150.25      (i) uniform municipal contracting law under section 471.345;

150.26      (ii) sustainable design;

150.27      (iii) school facility commissioning under section 123B.72 requiring certification that  
150.28      plans and designs for an extensively renovated or new facility's heating, ventilation, and  
150.29      air conditioning systems will meet or exceed current code standards; and will provide an  
150.30      air quality filtration system that meets ASHRAE standard 52.1;

150.31      (iv) American National Standards Institute Acoustical Performance Criteria, Design  
150.32      Requirements and Guidelines for Schools of the maximum background noise level and  
150.33      reverberation times;

150.34      (v) State Fire Code;

150.35      (vi) applicable building code under chapter 326B;

151.1        (vii) consultation with appropriate governmental units regarding utilities, roads,  
151.2        sewers, sidewalks, retention ponds, school bus and automobile traffic, and safe access  
151.3        for walkers and bicyclists.

151.4        Sec. 15. Minnesota Statutes 2013 Supplement, section 123B.75, subdivision 5, is  
151.5        amended to read:

151.6        Subd. 5. **Levy recognition.** For fiscal year ~~2011~~ 2014 and later years, in June of  
151.7        each year, the school district must recognize as revenue, in the fund for which the levy  
151.8        was made, the lesser of:

151.9        (1) the sum of May, June, and July school district tax settlement revenue received in  
151.10        that calendar year, plus general education aid according to section 126C.13, subdivision  
151.11        4, received in July and August of that calendar year; or

151.12        (2) the sum of:

151.13        (i) ~~the greater of 48.6 percent of the referendum levy certified according to section~~  
151.14        ~~126C.17 in the prior calendar year, or~~ 31 percent of the referendum levy certified  
151.15        according to section 126C.17 in calendar year 2000; plus

151.16        (ii) the entire amount of the levy certified in the prior calendar year according  
151.17        to section 124D.4531, ~~124D.86~~, subdivision 4, for school districts receiving revenue  
151.18        under sections ~~124D.86~~, subdivision 3, clauses (1), (2), and (3); 124D.862, for Special  
151.19        School District No. 1, Minneapolis, Independent School District No. 625, St. Paul, and  
151.20        Independent School District No. 709, Duluth; 126C.41, subdivisions 1, 2, paragraph (a),  
151.21        and 3, paragraphs (b), (c), and (d); 126C.43, subdivision 2; and 126C.48, subdivision 6; plus

151.22        (iii) ~~48.6 percent of the amount of the levy certified in the prior calendar year for the~~  
151.23        ~~school district's general and community service funds, plus or minus auditor's adjustments,~~  
151.24        ~~that remains after subtracting the referendum levy certified according to section 126C.17~~  
151.25        ~~and the amount recognized according to item (ii).~~

151.26        Sec. 16. Minnesota Statutes 2012, section 124D.09, subdivision 9, is amended to read:

151.27        Subd. 9. **Enrollment priority.** A postsecondary institution shall give priority to its  
151.28        postsecondary students when enrolling 10th, 11th, and 12th grade pupils in its courses.  
151.29        A postsecondary institution may provide information about its programs to a secondary  
151.30        school or to a pupil or parent and it may advertise or otherwise recruit or solicit a  
151.31        secondary pupil to enroll in its programs on educational and programmatic grounds only.  
151.32        An institution must not enroll secondary pupils, for postsecondary enrollment options  
151.33        purposes, in remedial, developmental, or other courses that are not college level, except  
151.34        when a student eligible to participate in the graduation incentives program under section

152.1   124D.68 enrolls full-time in a middle or early college program specifically designed to  
152.2   allow the student to earn dual high school and college credit. In this case, the student shall  
152.3   receive developmental college credit and not college credit for completing remedial or  
152.4   developmental courses. Once a pupil has been enrolled in a postsecondary course under  
152.5   this section, the pupil shall not be displaced by another student.

152.6   **EFFECTIVE DATE.** This section is effective July 1, 2014.

152.7   Sec. 17. Minnesota Statutes 2012, section 124D.09, subdivision 13, is amended to read:

152.8       **Subd. 13. Financial arrangements.** For a pupil enrolled in a course under this  
152.9   section, the department must make payments according to this subdivision for courses that  
152.10   were taken for secondary credit.

152.11      The department must not make payments to a school district or postsecondary  
152.12   institution for a course taken for postsecondary credit only. The department must not  
152.13   make payments to a postsecondary institution for a course from which a student officially  
152.14   withdraws during the first 14 days of the quarter or semester or who has been absent from  
152.15   the postsecondary institution for the first 15 consecutive school days of the quarter or  
152.16   semester and is not receiving instruction in the home or hospital.

152.17      A postsecondary institution shall receive the following:

152.18       (1) for an institution granting quarter credit, the reimbursement per credit hour shall  
152.19   be an amount equal to 88 percent of the product of the formula allowance minus \$415  
152.20   \$425, multiplied by 4.3 1.2, and divided by 45; or

152.21       (2) for an institution granting semester credit, the reimbursement per credit hour  
152.22   shall be an amount equal to 88 percent of the product of the general revenue formula  
152.23   allowance minus \$415 \$425, multiplied by 4.3 1.2, and divided by 30.

152.24      The department must pay to each postsecondary institution 100 percent of the  
152.25   amount in clause (1) or (2) within 30 days of receiving initial enrollment information  
152.26   each quarter or semester. If changes in enrollment occur during a quarter or semester,  
152.27   the change shall be reported by the postsecondary institution at the time the enrollment  
152.28   information for the succeeding quarter or semester is submitted. At any time the  
152.29   department notifies a postsecondary institution that an overpayment has been made, the  
152.30   institution shall promptly remit the amount due.

152.31   Sec. 18. Minnesota Statutes 2013 Supplement, section 124D.10, subdivision 8, is  
152.32   amended to read:

152.33       **Subd. 8. Federal, state, and local requirements.** (a) A charter school shall meet all  
152.34   federal, state, and local health and safety requirements applicable to school districts.

153.1       (b) A school must comply with statewide accountability requirements governing  
153.2 standards and assessments in chapter 120B.

153.3       (c) A school authorized by a school board may be located in any district, unless the  
153.4 school board of the district of the proposed location disapproves by written resolution.

153.5       (d) A charter school must be nonsectarian in its programs, admission policies,  
153.6 employment practices, and all other operations. An authorizer may not authorize a charter  
153.7 school or program that is affiliated with a nonpublic sectarian school or a religious  
153.8 institution. A charter school student must be released for religious instruction, consistent  
153.9 with section 120A.22, subdivision 12, clause (3).

153.10      (e) Charter schools must not be used as a method of providing education or  
153.11 generating revenue for students who are being home-schooled. This paragraph does not  
153.12 apply to shared time aid under section 126C.19.

153.13      (f) The primary focus of a charter school must be to provide a comprehensive  
153.14 program of instruction for at least one grade or age group from five through 18 years  
153.15 of age. Instruction may be provided to people younger than five years and older than  
153.16 18 years of age.

153.17      (g) A charter school may not charge tuition.

153.18      (h) A charter school is subject to and must comply with chapter 363A and section  
153.19 121A.04.

153.20      (i) A charter school is subject to and must comply with the Pupil Fair Dismissal  
153.21 Act, sections 121A.40 to 121A.56, and the Minnesota Public School Fee Law, sections  
153.22 123B.34 to 123B.39.

153.23      (j) A charter school is subject to the same financial audits, audit procedures, and  
153.24 audit requirements as a district, except as required under subdivision 6a. Audits must be  
153.25 conducted in compliance with generally accepted governmental auditing standards, the  
153.26 federal Single Audit Act, if applicable, and section 6.65. A charter school is subject  
153.27 to and must comply with sections 15.054; 118A.01; 118A.02; 118A.03; 118A.04;  
153.28 118A.05; 118A.06; 471.38; 471.391; 471.392; and 471.425. The audit must comply with  
153.29 the requirements of sections 123B.75 to 123B.83, except to the extent deviations are  
153.30 necessary because of the program at the school. Deviations must be approved by the  
153.31 commissioner and authorizer. The Department of Education, state auditor, legislative  
153.32 auditor, or authorizer may conduct financial, program, or compliance audits. A charter  
153.33 school determined to be in statutory operating debt under sections 123B.81 to 123B.83  
153.34 must submit a plan under section 123B.81, subdivision 4.

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

- 154.1       (l) A charter school must comply with chapters 13 and 13D; and sections 120A.22,  
154.2 subdivision 7; 121A.75; and 260B.171, subdivisions 3 and 5.
- 154.3       (m) A charter school is subject to the Pledge of Allegiance requirement under  
154.4 section 121A.11, subdivision 3.
- 154.5       (n) A charter school offering online courses or programs must comply with section  
154.6 124D.095.
- 154.7       (o) A charter school and charter school board of directors are subject to chapter 181.
- 154.8       (p) A charter school must comply with section 120A.22, subdivision 7, governing  
154.9 the transfer of students' educational records and sections 138.163 and 138.17 governing  
154.10 the management of local records.
- 154.11       (q) A charter school that provides early childhood health and developmental  
154.12 screening must comply with sections 121A.16 to 121A.19.
- 154.13       (r) A charter school that provides school-sponsored youth athletic activities must  
154.14 comply with section 121A.38.
- 154.15       (s) A charter school is subject to and must comply with continuing truant notification  
154.16 under section 260A.03.
- 154.17       (t) A charter school must develop and implement a teacher evaluation and peer review  
154.18 process under section 122A.40, subdivision 8, paragraph (b), clauses (2) to (12) (13).
- 154.19       (u) A charter school must adopt a policy, plan, budget, and process, consistent with  
154.20 section 120B.11, to review curriculum, instruction, and student achievement and strive  
154.21 for the world's best workforce.

154.22       **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
154.23 and later.

154.24       Sec. 19. Minnesota Statutes 2013 Supplement, section 124D.11, subdivision 1, is  
154.25 amended to read:

154.26       Subdivision 1. **General education revenue.** General education revenue must be  
154.27 paid to a charter school as though it were a district. The general education revenue  
154.28 for each adjusted pupil unit is the state average general education revenue per pupil  
154.29 unit, plus the referendum equalization aid allowance in the pupil's district of residence,  
154.30 minus an amount equal to the product of the formula allowance according to section  
154.31 126C.10, subdivision 2, times .0466, calculated without declining enrollment revenue,  
154.32 local optional revenue, basic skills revenue, extended time revenue, pension adjustment  
154.33 revenue, transition revenue, and transportation sparsity revenue, plus declining enrollment  
154.34 revenue, basic skills revenue, extended time revenue, pension adjustment revenue, and

155.1 transition revenue as though the school were a school district. The general education  
155.2 revenue for each extended time pupil unit equals \$4,794.

155.3       **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
155.4 and later.

155.5 Sec. 20. Minnesota Statutes 2013 Supplement, section 124D.111, subdivision 1,  
155.6 is amended to read:

155.7       Subdivision 1. **School lunch aid computation.** Each school year, the state must  
155.8 pay participants in the national school lunch program the amount of 12.5 cents for each  
155.9 full paid, ~~reduced-price~~, and free student lunch and 52.5 cents for each reduced-price  
155.10 student lunch served to students.

155.11       **EFFECTIVE DATE.** This section is effective for fiscal years 2015 and later.

155.12 Sec. 21. Minnesota Statutes 2012, section 124D.111, is amended by adding a  
155.13 subdivision to read:

155.14       Subd. 4. No fees. A participant that receives school lunch aid under this section  
155.15 must make lunch available without charge to all participating students who qualify for  
155.16 free or reduced-price meals. The participant must also ensure that any reminders for  
155.17 payment of outstanding student meal balances do not demean or stigmatize any child  
155.18 participating in the school lunch program.

155.19       **EFFECTIVE DATE.** This section is effective for fiscal years 2015 and later.

155.20 Sec. 22. Minnesota Statutes 2012, section 124D.111, is amended by adding a  
155.21 subdivision to read:

155.22       Subd. 5. Inability to pay. A participant that receives school lunch aid under this  
155.23 section is encouraged to provide a student who is unable to pay with the same lunch  
155.24 that is served to other students.

155.25 Sec. 23. Minnesota Statutes 2012, section 124D.1158, subdivision 3, is amended to read:

155.26       Subd. 3. Program reimbursement. Each school year, the state must reimburse  
155.27 each participating school 30 cents for each reduced-price breakfast and, 55 cents for each  
155.28 fully paid breakfast served to students in grades 1 to 12, and \$1.30 for each fully paid  
155.29 breakfast served to a kindergarten student.

155.30 Sec. 24. Minnesota Statutes 2012, section 124D.1158, subdivision 4, is amended to read:

156.1       **Subd. 4. No fees.** A school that receives school breakfast aid under this section must  
156.2 make breakfast available without charge to all participating students in grades 1 to 12 who  
156.3 qualify for free or reduced price meals and to all kindergarten students.

156.4       Sec. 25. Minnesota Statutes 2012, section 124D.13, subdivision 2, is amended to read:

156.5       **Subd. 2. Program requirements.** (a) Early childhood family education programs  
156.6 are programs for children in the period of life from birth to kindergarten, for the parents  
156.7 and other relatives of these children, and for expectant parents. To the extent that funds  
156.8 are insufficient to provide programs for all children, early childhood family education  
156.9 programs should emphasize programming for a child from birth to age three and  
156.10 encourage parents and other relatives to involve four- and five-year-old children in school  
156.11 readiness programs, and other public and nonpublic early learning programs. A district  
156.12 may not limit participation to school district residents. Early childhood family education  
156.13 programs must provide:

156.14       (1) programs to educate parents and other relatives about the physical, mental  
156.15 cognitive, social, and emotional development of children and to enhance the skills of  
156.16 parents and other relatives in providing for their children's learning and development;

156.17       (2) structured learning activities requiring interaction between children and their  
156.18 parents or relatives;

156.19       (3) structured learning activities for children that promote children's development  
156.20 and positive interaction with peers, which are held while parents or relatives attend parent  
156.21 education classes;

156.22       (4) information on related community resources;

156.23       (5) information, materials, and activities that support the safety of children, including  
156.24 prevention of child abuse and neglect; and

156.25       (6) a community outreach plan to ensure participation by families who reflect  
156.26 the racial, cultural, and economic diversity of the school district needs assessment that  
156.27 identifies new and underserved populations, identifies child and family risk factors,  
156.28 particularly those that impact children's learning and development, and assesses family  
156.29 and parenting education needs in the community;

156.30       (7) programming and services that are tailored to the needs of families and parents  
156.31 prioritized in the community needs assessment; and

156.32       (8) provide information about and, if needed, assist in making arrangements for an  
156.33 early childhood health and developmental screening under sections 121A.16 and 121A.17,  
156.34 when the child nears their third birthday.

157.1       Early childhood family education programs should prioritize programming and  
157.2       services for families and parents identified in the community needs assessment, particularly  
157.3       those families and parents with children with the most risk factors birth to age three.

157.4       The programs must include learning experiences for children, parents, and other  
157.5       relatives that promote children's early literacy skills. The program must not include  
157.6       activities for children that do not require substantial involvement of the children's parents  
157.7       or other relatives. The program may provide parenting education programming or services  
157.8       to anyone identified in the community needs assessment. The program must be reviewed  
157.9       periodically to assure the instruction and materials are not racially, culturally, or sexually  
157.10      biased. The programs must encourage parents to be aware of practices that may affect  
157.11      equitable development of children.

157.12      (b) For the purposes of this section, "relative" or "relatives" means noncustodial  
157.13      grandparents or other persons related to a child by blood, marriage, adoption, or foster  
157.14      placement, excluding parents.

157.15      Sec. 26. Minnesota Statutes 2012, section 124D.13, subdivision 4, is amended to read:

157.16      Subd. 4. **Home visiting program.** A district that levies for home visiting under  
157.17      section 124D.135, subdivision 6, shall use this revenue to include as part of the early  
157.18      childhood family education programs a parent education component that is designed to  
157.19      reach isolated or at-risk families.

157.20      The home visiting program must use:

157.21      (1) ~~an established risk assessment tool to determine the family's level of risk~~  
157.22      incorporate evidence-informed parenting education practices designed to support the  
157.23      healthy growth and development of children, with a priority focus on those children  
157.24      who have high needs;

157.25      (2) establish clear objectives and protocols for home visits;

157.26      (3) encourage families to make a transition from home visits to site-based parenting  
157.27      programs;

157.28      (4) provide program services that are community-based, accessible, and culturally  
157.29      relevant; and

157.30      (5) foster collaboration among existing agencies and community-based organizations  
157.31      that serve young children and their families, such as public health evidence-based models  
157.32      of home visiting and Head Start home visiting; and

157.33      (6) provide information about and assist in making arrangements for an early  
157.34      childhood health and developmental screening when the child nears his or her third  
157.35      birthday.

158.1        Home visitors The home visiting program should be provided by licensed parenting  
158.2        educators, certified family life educators, or professionals with an equivalent license that  
158.3        reflect the demographic composition of the community to the extent possible.

158.4        Sec. 27. Minnesota Statutes 2012, section 124D.13, subdivision 9, is amended to read:

158.5        Subd. 9. **District advisory councils.** The board must appoint an advisory council  
158.6        from the area in which the program is provided. A majority of the council must be  
158.7        parents participating in the program, who represent the demographics of the community.  
158.8        The district must ensure, to the extent possible, that the council includes representation  
158.9        of families who are racially, culturally, linguistically, and economically diverse. The  
158.10        council must assist the board in developing, planning, and monitoring the early childhood  
158.11        family education program. The council must report to the board and the community  
158.12        education advisory council.

158.13        Sec. 28. Minnesota Statutes 2012, section 124D.13, subdivision 13, is amended to read:

158.14        Subd. 13. **Program data submission requirements.** Districts receiving early  
158.15        childhood family education revenue under section 124D.135 must submit annual program  
158.16        data, including data that demonstrates the program response to the community needs  
158.17        assessment, to the department by July 15 in the form and manner prescribed by the  
158.18        commissioner.

158.19        Sec. 29. Minnesota Statutes 2012, section 124D.13, is amended by adding a  
158.20        subdivision to read:

158.21        Subd. 14. Supervision. A program provided by a board must be supervised by a  
158.22        licensed early childhood teacher or a licensed parent educator.

158.23        Sec. 30. Minnesota Statutes 2012, section 124D.13, is amended by adding a  
158.24        subdivision to read:

158.25        Subd. 15. Parenting education transition program. To the extent that funds are  
158.26        sufficient, early childhood family education may provide parenting education transition  
158.27        programming for parents of children birth to grade three in districts in which there is a  
158.28        prekindergarten-grade three initiative in order to facilitate continued parent engagement  
158.29        in children's learning and development. Early childhood family education programs are  
158.30        encouraged to develop partnerships to provide a parenting education liaison to providers  
158.31        of other public and nonpublic early learning programs, such as Head Start, school

159.1 readiness, child care, early childhood special education, local public health programs,  
159.2 and health care providers.

159.3 Sec. 31. Minnesota Statutes 2012, section 124D.135, subdivision 1, is amended to read:

159.4 Subdivision 1. **Revenue.** The revenue for early childhood family education  
159.5 programs for a school district equals \$112 for fiscal year 2007 and \$120 for fiscal year  
159.6 2008 \$120 for fiscal year 2014 and the formula allowance for the year times 0.0253 for  
159.7 fiscal year 2015 and later, times the greater of:

159.8 (1) 150; or

159.9 (2) the number of people under five years of age residing in the district on October 1  
159.10 of the previous school year.

159.11 Sec. 32. Minnesota Statutes 2012, section 124D.135, subdivision 3, is amended to read:

159.12 Subd. 3. **Early childhood family education levy.** (a) By September 30 of each year,  
159.13 the commissioner shall establish a tax rate for early childhood family education revenue  
159.14 that raises \$22,135,000 in each fiscal year. If the amount of the early childhood family  
159.15 education levy would exceed the early childhood family education revenue, the early  
159.16 childhood family education levy must equal the early childhood family education revenue.  
159.17 A district may not certify an early childhood family education levy unless it has met the  
159.18 annual program data reporting requirements under section 124D.13, subdivision 13.

159.19 (b) Notwithstanding paragraph (a), for fiscal year 2009 only, the commissioner shall  
159.20 establish a tax rate for early education revenue that raises \$13,565,000.

159.21 Sec. 33. Minnesota Statutes 2013 Supplement, section 124D.165, subdivision 3,  
159.22 is amended to read:

159.23 Subd. 3. **Administration.** (a) The commissioner shall establish application  
159.24 timelines and determine the schedule for awarding scholarships that meets operational  
159.25 needs of eligible families and programs. The commissioner may prioritize applications on  
159.26 factors including family income, geographic location, and whether the child's family is on a  
159.27 waiting list for a publicly funded program providing early education or child care services.

159.28 (b) Scholarships may be awarded up to \$5,000 for each eligible child. The  
159.29 commissioner shall establish a target for the average scholarship amount per child  
159.30 based on the results of the rate survey conducted under section 119B.13, subdivision 1,  
159.31 paragraph (b), per year.

159.32 (c) A four-star rated program that has children eligible for a scholarship enrolled  
159.33 in or on a waiting list for a program beginning in July, August, or September may notify

160.1 the commissioner, in the form and manner prescribed by the commissioner, each year  
160.2 of the program's desire to enhance program services or to serve more children than  
160.3 current funding provides. The commissioner may designate a predetermined number of  
160.4 scholarship slots for that program and notify the program of that number. A school district  
160.5 or Head Start program qualifying under this paragraph may use its established registration  
160.6 process to enroll scholarship recipients and may verify a scholarship recipient's family  
160.7 income in the same manner as for other program participants.

160.8 (d) A scholarship is awarded for a 12-month period. If the scholarship recipient has  
160.9 not been accepted and subsequently enrolled in a rated program within ten months of the  
160.10 awarding of the scholarship, the scholarship cancels and the recipient must reapply in  
160.11 order to be eligible for another scholarship. A child may not be awarded more than one  
160.12 scholarship in a 12-month period.

160.13 (e) A child who receives a scholarship who has not completed development  
160.14 screening under sections 121A.16 to 121A.19 must complete that screening within 90  
160.15 days of first attending an eligible program.

160.16 (f) A school district or Head Start program enrolling scholarship recipients under  
160.17 paragraph (c) may apply to the commissioner, in the form and manner prescribed by  
160.18 the commissioner, for direct payment of state aid. Upon receipt of the application, the  
160.19 commissioner must pay each program directly for each approved scholarship recipient  
160.20 enrolled under paragraph (c) according to the metered payment system or another schedule  
160.21 established by the commissioner.

160.22 **EFFECTIVE DATE.** This section is effective July 1, 2016.

160.23 Sec. 34. Minnesota Statutes 2013 Supplement, section 124D.165, subdivision 4,  
160.24 is amended to read:

160.25 Subd. 4. **Early childhood program eligibility.** (a) In order to be eligible to accept  
160.26 an early childhood education scholarship, a program must:

160.27 (1) participate in the quality rating and improvement system under section  
160.28 124D.142; and

160.29 (2) beginning July 1, 2016, have a three- or four-star rating in the quality rating  
160.30 and improvement system.

160.31 (b) Any program accepting scholarships must use the revenue to supplement and not  
160.32 supplant federal funding.

160.33 (c) Notwithstanding paragraph (a), all Minnesota early learning foundation  
160.34 scholarship program pilot sites are eligible to accept an early learning scholarship under  
160.35 this section.

161.1        Sec. 35. Minnesota Statutes 2013 Supplement, section 124D.165, subdivision 5,  
161.2        is amended to read:

161.3        **Subd. 5. Report required.** The commissioner shall contract with an independent  
161.4        contractor to evaluate the early learning scholarship program. The evaluation must  
161.5        include recommendations regarding the appropriate scholarship amount, efficiency, and  
161.6        effectiveness of the administration, and impact on kindergarten readiness and student  
161.7        outcomes by program setting, including Head Start programs, school-based prekindergarten  
161.8        and preschool programs, and other early education and child care programs. The report  
161.9        must also include the number of scholarship recipients in school-based, home-based,  
161.10        and center-based programs as well as a geographic summary of scholarship recipients  
161.11        by county. By January 15, 2016, the commissioner shall submit a written copy of the  
161.12        evaluation to the chairs and ranking minority members of the legislative committees and  
161.13        divisions with primary jurisdiction over kindergarten through grade 12 education.

161.14        Sec. 36. Minnesota Statutes 2012, section 124D.522, is amended to read:

161.15        **124D.522 ADULT BASIC EDUCATION SUPPLEMENTAL SERVICE**  
161.16        **GRANTS.**

161.17        (a) The commissioner, in consultation with the policy review task force under  
161.18        section 124D.521, may make grants to nonprofit organizations to provide services that  
161.19        are not offered by a district adult basic education program or that are supplemental to  
161.20        either the statewide adult basic education program, or a district's adult basic education  
161.21        program. The commissioner may make grants for: staff development for adult basic  
161.22        education teachers and administrators; training for volunteer tutors; training, services, and  
161.23        materials for serving disabled students through adult basic education programs; statewide  
161.24        promotion of adult basic education services and programs; development and dissemination  
161.25        of instructional and administrative technology for adult basic education programs;  
161.26        programs which primarily serve communities of color; adult basic education distance  
161.27        learning projects, including television instruction programs; and other supplemental  
161.28        services to support the mission of adult basic education and innovative delivery of adult  
161.29        basic education services.

161.30        (b) The commissioner must establish eligibility criteria and grant application  
161.31        procedures. Grants under this section must support services throughout the state, focus on  
161.32        educational results for adult learners, and promote outcome-based achievement through  
161.33        adult basic education programs. Beginning in fiscal year 2002, the commissioner may  
161.34        make grants under this section from the state total adult basic education aid set aside for  
161.35        supplemental service grants under section 124D.531. Up to one-fourth of the appropriation

162.1 for supplemental service grants must be used for grants for adult basic education programs  
162.2 to encourage and support innovations in adult basic education instruction and service  
162.3 delivery. A grant to a single organization cannot exceed ~~20~~ 40 percent of the total  
162.4 supplemental services aid. Nothing in this section prevents an approved adult basic  
162.5 education program from using state or federal aid to purchase supplemental services.

162.6 Sec. 37. Minnesota Statutes 2013 Supplement, section 124D.531, subdivision 1,  
162.7 is amended to read:

162.8 Subdivision 1. **State total adult basic education aid.** (a) The state total adult basic  
162.9 education aid for fiscal year 2011 equals \$44,419,000, plus any amount that is not paid  
162.10 during the previous fiscal year as a result of adjustments under subdivision 4, paragraph  
162.11 (a), or section 124D.52, subdivision 3. The state total adult basic education aid for later  
162.12 fiscal years equals:

162.13 (1) the state total adult basic education aid for the preceding fiscal year plus any  
162.14 amount that is not paid for during the previous fiscal year, as a result of adjustments under  
162.15 subdivision 4, paragraph (a), or section 124D.52, subdivision 3; times

162.16 (2) the lesser of:

162.17 (i) ~~+025~~ 1.03; or

162.18 (ii) the average growth in state total contact hours over the prior ten program years.

162.19 Beginning in fiscal year 2002, two Three percent of the state total adult basic  
162.20 education aid must be set aside for adult basic education supplemental service grants  
162.21 under section 124D.522.

162.22 (b) The state total adult basic education aid, excluding basic population aid, equals  
162.23 the difference between the amount computed in paragraph (a), and the state total basic  
162.24 population aid under subdivision 2.

162.25 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
162.26 and later.

162.27 Sec. 38. Minnesota Statutes 2012, section 124D.531, subdivision 3, is amended to read:

162.28 Subd. 3. **Program revenue.** Adult basic education programs established under  
162.29 section 124D.52 and approved by the commissioner are eligible for revenue under this  
162.30 subdivision. For fiscal year 2001 and later, adult basic education revenue for each  
162.31 approved program equals the sum of:

162.32 (1) the basic population aid under subdivision 2 for districts participating in the  
162.33 program during the current program year; plus

163.1       (2) 84 percent times the amount computed in subdivision 1, paragraph (b), times the  
163.2 ratio of the contact hours for students participating in the program during the first prior  
163.3 program year to the state total contact hours during the first prior program year; plus  
163.4       (3) eight percent times the amount computed in subdivision 1, paragraph (b), times  
163.5 the ratio of the enrollment of English learners during the second prior school year in  
163.6 districts participating in the program during the current program year to the state total  
163.7 enrollment of English learners during the second prior school year in districts participating  
163.8 in adult basic education programs during the current program year; plus  
163.9       (4) eight percent times the amount computed in subdivision 1, paragraph (b), times  
163.10 the ratio of the latest federal census count of the number of adults aged 20 25 or older  
163.11 with no diploma residing in the districts participating in the program during the current  
163.12 program year to the latest federal census count of the state total number of adults aged 20  
163.13 25 or older with no diploma residing in the districts participating in adult basic education  
163.14 programs during the current program year.

163.15 Sec. 39. Minnesota Statutes 2012, section 124D.59, subdivision 2, is amended to read:

163.16       Subd. 2. **English learner.** (a) "English learner" means a pupil in kindergarten  
163.17 through grade 12 who meets the following requirements:

163.18       (1) the pupil, as declared by a parent or guardian first learned a language other than  
163.19 English, comes from a home where the language usually spoken is other than English, or  
163.20 usually speaks a language other than English; and

163.21       (2) the pupil is determined by a valid assessment measuring the pupil's English  
163.22 language proficiency and by developmentally appropriate measures, which might include  
163.23 observations, teacher judgment, parent recommendations, or developmentally appropriate  
163.24 assessment instruments, to lack the necessary English skills to participate fully in  
163.25 academic classes taught in English.

163.26       (b) Notwithstanding paragraph (a), A pupil enrolled in a Minnesota public school  
163.27 in grades any grade 4 through 12 who was enrolled in a Minnesota public school on  
163.28 the dates during in the previous school year when a commissioner provided took a  
163.29 commissioner-provided assessment that measures measuring the pupil's emerging  
163.30 academic English was administered, shall not be counted as an English learner in  
163.31 calculating English learner pupil units under section 126C.05, subdivision 17, and shall not  
163.32 generate state English learner aid under section 124D.65, subdivision 5, unless if the pupil  
163.33 scored below the state cutoff score or is otherwise counted as a nonproficient participant  
163.34 on an the assessment measuring the pupil's emerging academic English provided by the  
163.35 ecommissioner during the previous school year or in the judgment of the pupil's classroom

164.1       teachers, consistent with section 124D.61, clause (1), the pupil is unable to demonstrate  
164.2       academic language proficiency in English, including oral academic language, sufficient to  
164.3       successfully and fully participate in the general core curriculum in the regular classroom.

164.4           (c) Notwithstanding paragraphs (a) and (b), a pupil in kindergarten through grade  
164.5       12 shall not be counted as an English learner in calculating English learner pupil units  
164.6       under section 126C.05, subdivision 17, and shall not generate state English learner aid  
164.7       under section 124D.65, subdivision 5, if:

164.8           (1) the pupil is not enrolled during the current fiscal year in an educational program  
164.9       for English learners ~~in accordance with~~ under sections 124D.58 to 124D.64; or  
164.10          (2) the pupil has generated ~~five~~ six or more years of average daily membership in  
164.11       Minnesota public schools since July 1, 1996.

164.12       **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2015 and  
164.13       later.

164.14       Sec. 40. Minnesota Statutes 2013 Supplement, section 124D.862, subdivision 1,  
164.15       is amended to read:

164.16           Subdivision 1. **Initial achievement and integration revenue.** (a) An eligible  
164.17       district's initial achievement and integration revenue equals the lesser of 100.3 percent of  
164.18       the district's expenditures under the budget approved by the commissioner under section  
164.19       124D.861, subdivision 3, paragraph (c), excluding expenditures used to generate incentive  
164.20       revenue under subdivision 2, or the sum of (1) \$350 times the district's adjusted pupil  
164.21       units for that year times the ratio of the district's enrollment of protected students for the  
164.22       previous school year to total enrollment for the previous school year and (2) the greater of  
164.23       zero or 66 percent of the difference between the district's integration revenue for fiscal  
164.24       year 2013 and the district's integration revenue for fiscal year 2014 under clause (1).

164.25           (b) In each year, 0.3 percent of each district's initial achievement and integration  
164.26       revenue is transferred to the department for the oversight and accountability activities  
164.27       required under this section and section 124D.861.

164.28       **EFFECTIVE DATE.** This section is effective the day following final enactment  
164.29       and applies to revenue for fiscal year 2014 and later.

164.30       Sec. 41. Minnesota Statutes 2013 Supplement, section 124D.862, subdivision 2,  
164.31       is amended to read:

164.32           Subd. 2. **Incentive revenue.** An eligible school district's maximum incentive  
164.33       revenue equals \$10 per adjusted pupil unit. ~~In order to receive this revenue, a district must~~

165.1    be A district's incentive revenue equals the lesser of the maximum incentive revenue  
165.2    or the district's expenditures for implementing a voluntary plan to reduce racial and  
165.3    economic enrollment disparities through intradistrict and interdistrict activities that have  
165.4    been approved as a part of the district's achievement and integration plan under the budget  
165.5    approved by the commissioner under section 124D.861, subdivision 3, paragraph (c).

165.6    **EFFECTIVE DATE.** This section is effective the day following final enactment  
165.7    and applies to revenue for fiscal year 2014 and later.

165.8    Sec. 42. Minnesota Statutes 2012, section 125A.08, is amended to read:

165.9    **125A.08 INDIVIDUALIZED EDUCATION PROGRAMS; DATA**  
165.10    **REPORTING REQUIREMENTS.**

165.11    Subdivision 1. **Requirements for individualized education programs.** (a) At the  
165.12 beginning of each school year, each school district shall have in effect, for each child with  
165.13 a disability, an individualized education program.

165.14    (b) As defined in this section, every district must ensure the following:

165.15    (1) all students with disabilities are provided the special instruction and services  
165.16 which are appropriate to their needs. Where the individualized education program team  
165.17 has determined appropriate goals and objectives based on the student's needs, including  
165.18 the extent to which the student can be included in the least restrictive environment,  
165.19 and where there are essentially equivalent and effective instruction, related services, or  
165.20 assistive technology devices available to meet the student's needs, cost to the district may  
165.21 be among the factors considered by the team in choosing how to provide the appropriate  
165.22 services, instruction, or devices that are to be made part of the student's individualized  
165.23 education program. The individualized education program team shall consider and  
165.24 may authorize services covered by medical assistance according to section 256B.0625,  
165.25 subdivision 26. The student's needs and the special education instruction and services to  
165.26 be provided must be agreed upon through the development of an individualized education  
165.27 program. The program must address the student's need to develop skills to live and work  
165.28 as independently as possible within the community. The individualized education program  
165.29 team must consider positive behavioral interventions, strategies, and supports that address  
165.30 behavior for children with attention deficit disorder or attention deficit hyperactivity  
165.31 disorder. During grade 9, the program must address the student's needs for transition from  
165.32 secondary services to postsecondary education and training, employment, community  
165.33 participation, recreation, and leisure and home living. In developing the program, districts  
165.34 must inform parents of the full range of transitional goals and related services that should

166.1 be considered. The program must include a statement of the needed transition services,  
166.2 including a statement of the interagency responsibilities or linkages or both before  
166.3 secondary services are concluded;

166.4 (2) children with a disability under age five and their families are provided special  
166.5 instruction and services appropriate to the child's level of functioning and needs;

166.6 (3) children with a disability and their parents or guardians are guaranteed procedural  
166.7 safeguards and the right to participate in decisions involving identification, assessment  
166.8 including assistive technology assessment, and educational placement of children with a  
166.9 disability;

166.10 (4) eligibility and needs of children with a disability are determined by an initial  
166.11 assessment or reassessment, which may be completed using existing data under United  
166.12 States Code, title 20, section 33, et seq.;

166.13 (5) to the maximum extent appropriate, children with a disability, including those  
166.14 in public or private institutions or other care facilities, are educated with children who  
166.15 are not disabled, and that special classes, separate schooling, or other removal of children  
166.16 with a disability from the regular educational environment occurs only when and to the  
166.17 extent that the nature or severity of the disability is such that education in regular classes  
166.18 with the use of supplementary services cannot be achieved satisfactorily;

166.19 (6) in accordance with recognized professional standards, testing and evaluation  
166.20 materials, and procedures used for the purposes of classification and placement of children  
166.21 with a disability are selected and administered so as not to be racially or culturally  
166.22 discriminatory; and

166.23 (7) the rights of the child are protected when the parents or guardians are not known  
166.24 or not available, or the child is a ward of the state.

166.25 (c) For paraprofessionals employed to work in programs for students with  
166.26 disabilities, the school board in each district shall ensure that:

166.27 (1) before or immediately upon employment, each paraprofessional develops  
166.28 sufficient knowledge and skills in emergency procedures, building orientation, roles and  
166.29 responsibilities, confidentiality, vulnerability, and reportability, among other things, to  
166.30 begin meeting the needs of the students with whom the paraprofessional works;

166.31 (2) annual training opportunities are available to enable the paraprofessional to  
166.32 continue to further develop the knowledge and skills that are specific to the students with  
166.33 whom the paraprofessional works, including understanding disabilities, following lesson  
166.34 plans, and implementing follow-up instructional procedures and activities; and

167.1       (3) a districtwide process obligates each paraprofessional to work under the ongoing  
167.2 direction of a licensed teacher and, where appropriate and possible, the supervision of a  
167.3 school nurse.

167.4       Subd. 2. Online reporting of required data. (a) To ensure a strong focus  
167.5 on outcomes for children with disabilities informs federal and state compliance and  
167.6 accountability requirements and to increase opportunities for special educators and  
167.7 related-services providers to focus on teaching children with disabilities, the commissioner  
167.8 must integrate, customize, and sustain a streamlined, user-friendly statewide online system,  
167.9 with a single, integrated model online form, for effectively and efficiently collecting  
167.10 and reporting required special education-related data to individuals with a legitimate  
167.11 educational interest and who are authorized by law to access the data. Among other  
167.12 data-related requirements, the online system must successfully interface with existing state  
167.13 reporting systems such as MARSS and Child Count and with districts' local data systems.

167.14       (b) The commissioner must consult with qualified experts, including information  
167.15 technology specialists, licensed special education teachers and directors of special  
167.16 education, related-services providers, third-party vendors, a designee of the commissioner  
167.17 of human services, parents of children with disabilities, representatives of advocacy groups  
167.18 representing children with disabilities, and representatives of school districts and special  
167.19 education cooperatives on integrating, field testing, customizing, and sustaining this simple,  
167.20 easily accessible, efficient, and effective online data system for uniform statewide reporting  
167.21 of required due process compliance data. Among other outcomes, the system must:

167.22       (1) reduce special education teachers' paperwork burden and thereby increase the  
167.23 teachers' opportunities to focus on teaching children;

167.24       (2) to the extent authorized by chapter 13 or other applicable state or federal law  
167.25 governing access to and dissemination of educational records, provide for efficiently and  
167.26 effectively transmitting the records of all transferring children with disabilities, including  
167.27 highly mobile and homeless children with disabilities, among others, to give an enrolling  
167.28 school, school district, facility, or other institution immediate access to information about  
167.29 the transferring child and to avoid fragmented service delivery;

167.30       (3) address language and other barriers and disparities that prevent parents from  
167.31 understanding and communicating information about the needs of their children with  
167.32 disabilities;

167.33       (4) facilitate school districts' ability to bill medical assistance, MinnesotaCare,  
167.34 and other third-party payers for the costs of providing individualized education program  
167.35 health-related services to an eligible child with disabilities;

168.1        (5) help continuously improve the interface among the online systems serving  
168.2        children with disabilities in order to maintain and reinforce the children's ability to learn;  
168.3        and

168.4        (6) have readily accessible expert technical assistance to maintain, sustain, and  
168.5        improve the online system.

168.6        (c) The commissioner must use the federal Office of Special Education Programs  
168.7        model forms for the (1) individualized education program, (2) notice of procedural  
168.8        safeguards, and (3) prior written notice that are consistent with Part B of IDEA to integrate  
168.9        and customize a state-sponsored universal special education online case management  
168.10        system, consistent with the requirements of state law and this subdivision for integrating,  
168.11        customizing, and sustaining a statewide online reporting system. The commissioner must  
168.12        use a request for proposal process to contract for the technology and software needed  
168.13        for integrating and customizing the online system in order for the system to be fully  
168.14        functional, consistent with the requirements of this subdivision. This online system must  
168.15        be made available to school districts without charge beginning in the 2015-2016 school  
168.16        year. All actions in which data in the system are entered, updated, accessed, or shared or  
168.17        disseminated outside of the system, must be recorded in a data audit trail. The audit trail  
168.18        must identify the user responsible for the action, and the date and time the action occurred.  
168.19        Data contained in the audit trail maintain the same classification as the underlying data  
168.20        that was affected by the action, and may be accessed by the responsible authority at any  
168.21        time for purposes of auditing the system's user activity and security safeguards. For the  
168.22        2015-2016 through 2017-2018 school years, school districts may use this online system or  
168.23        may contract with an outside vendor for compliance reporting. Beginning in the 2018-2019  
168.24        school year and later, school districts must use this online system for compliance reporting.

168.25        (d) Consistent with this subdivision, the commissioner must establish a public  
168.26        Internet Web interface to provide information to educators, parents, and the public about  
168.27        the form and content of required special education reports, to respond to queries from  
168.28        educators, parents, and the public about specific aspects of special education reports and  
168.29        reporting, and to use the information garnered from the interface to streamline and revise  
168.30        special education reporting on the online system under this subdivision. The public Internet  
168.31        Web interface must not provide access to the educational records of any individual child.

168.32        (e) The commissioner annually by February 1 must submit to the legislature a report  
168.33        on the status, recent changes, and sustainability of the online system under this subdivision.

168.34        Sec. 43. Minnesota Statutes 2013 Supplement, section 125A.11, subdivision 1, is  
168.35        amended to read:

169.1        Subdivision 1. **Nonresident tuition rate; other costs.** (a) For fiscal year 2015 and  
169.2 later, when a school district provides special instruction and services for a pupil with  
169.3 a disability as defined in section 125A.02 outside the district of residence, excluding  
169.4 a pupil for whom an adjustment to special education aid is calculated according to  
169.5 section 127A.47, subdivision 7, paragraphs (b) to (d), special education aid paid to the  
169.6 resident district must be reduced by an amount equal to (1) the actual cost of providing  
169.7 special instruction and services to the pupil, including a proportionate amount for special  
169.8 transportation and unreimbursed building lease and debt service costs for facilities used  
169.9 primarily for special education, plus (2) the amount of general education revenue and  
169.10 referendum equalization aid attributable to that pupil, calculated using the resident district's  
169.11 average general education revenue and referendum equalization aid per adjusted pupil  
169.12 unit excluding basic skills revenue, elementary sparsity revenue and secondary sparsity  
169.13 revenue, minus (3) the amount of special education aid for children with a disability  
169.14 under section 125A.76 received on behalf of that child, minus (4) if the pupil receives  
169.15 special instruction and services outside the regular classroom for more than 60 percent  
169.16 of the school day, the amount of general education revenue and referendum equalization  
169.17 aid, excluding portions attributable to district and school administration, district support  
169.18 services, operations and maintenance, capital expenditures, and pupil transportation,  
169.19 attributable to that pupil for the portion of time the pupil receives special instruction  
169.20 and services outside of the regular classroom, calculated using the resident district's  
169.21 average general education revenue and referendum equalization aid per adjusted pupil unit  
169.22 excluding basic skills revenue, elementary sparsity revenue and secondary sparsity revenue  
169.23 and the serving district's basic skills revenue, elementary sparsity revenue and secondary  
169.24 sparsity revenue per adjusted pupil unit. Notwithstanding clauses (1) and (4), for pupils  
169.25 served by a cooperative unit without a fiscal agent school district, the general education  
169.26 revenue and referendum equalization aid attributable to a pupil must be calculated using  
169.27 the resident district's average general education revenue and referendum equalization aid  
169.28 excluding compensatory revenue, elementary sparsity revenue, and secondary sparsity  
169.29 revenue. Special education aid paid to the district or cooperative providing special  
169.30 instruction and services for the pupil must be increased by the amount of the reduction in  
169.31 the aid paid to the resident district. Amounts paid to cooperatives under this subdivision  
169.32 and section 127A.47, subdivision 7, shall be recognized and reported as revenues and  
169.33 expenditures on the resident school district's books of account under sections 123B.75  
169.34 and 123B.76. If the resident district's special education aid is insufficient to make the full  
169.35 adjustment, the remaining adjustment shall be made to other state aid due to the district.

170.1       (b) Notwithstanding paragraph (a) and section 127A.47, subdivision 7, paragraphs  
170.2 (b) to (d), a charter school where more than 30 percent of enrolled students receive special  
170.3 education and related services, a site approved under section 125A.515, an intermediate  
170.4 district, a special education cooperative, or a school district that served as the applicant  
170.5 agency for a group of school districts for federal special education aids for fiscal year  
170.6 2006 may apply to the commissioner for authority to charge the resident district an  
170.7 additional amount to recover any remaining unreimbursed costs of serving pupils with  
170.8 a disability. The application must include a description of the costs and the calculations  
170.9 used to determine the unreimbursed portion to be charged to the resident district. Amounts  
170.10 approved by the commissioner under this paragraph must be included in the tuition billings  
170.11 or aid adjustments under paragraph (a), or section 127A.47, subdivision 7, paragraphs  
170.12 (b) to (d), as applicable.

170.13       (c) For purposes of this subdivision and section 127A.47, subdivision 7, paragraphs  
170.14 ~~(d) and (e)~~ paragraph (b), "general education revenue and referendum equalization aid"  
170.15 means the sum of the general education revenue according to section 126C.10, subdivision  
170.16 1, excluding the local optional levy according to section 126C.10, subdivision 2e, paragraph  
170.17 (c), plus the referendum equalization aid according to section 126C.17, subdivision 7.

170.18       **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
170.19 and later.

170.20       Sec. 44. Minnesota Statutes 2013 Supplement, section 125A.76, subdivision 1, is  
170.21 amended to read:

170.22       Subdivision 1. **Definitions.** (a) For the purposes of this section and section 125A.79,  
170.23 the definitions in this subdivision apply.

170.24       (b) "Basic revenue" has the meaning given it in section 126C.10, subdivision 2.  
170.25 For the purposes of computing basic revenue pursuant to this section, each child with a  
170.26 disability shall be counted as prescribed in section 126C.05, subdivision 1.

170.27       (c) "Essential personnel" means teachers, cultural liaisons, related services, and  
170.28 support services staff providing services to students. Essential personnel may also include  
170.29 special education paraprofessionals or clericals providing support to teachers and students  
170.30 by preparing paperwork and making arrangements related to special education compliance  
170.31 requirements, including parent meetings and individualized education programs. Essential  
170.32 personnel does not include administrators and supervisors.

170.33       (d) "Average daily membership" has the meaning given it in section 126C.05.

171.1       (e) "Program growth factor" means 1.046 for fiscal years 2012 through through 2015,  
171.2 1.0 for fiscal year 2016, 1.046 for fiscal year 2017, and the product of 1.046 and the  
171.3 program growth factor for the previous year for fiscal year 2018 and later.

171.4       (f) "Nonfederal special education expenditure" means all direct expenditures that  
171.5 are necessary and essential to meet the district's obligation to provide special instruction  
171.6 and services to children with a disability according to sections 124D.454, 125A.03 to  
171.7 125A.24, 125A.259 to 125A.48, and 125A.65 as submitted by the district and approved by  
171.8 the department under section 125A.75, subdivision 4, excluding expenditures:

- 171.9       (1) reimbursed with federal funds;  
171.10      (2) reimbursed with other state aids under this chapter;  
171.11      (3) for general education costs of serving students with a disability;  
171.12      (4) for facilities;  
171.13      (5) for pupil transportation; and  
171.14      (6) for postemployment benefits.

171.15       (g) "Old formula special education expenditures" means expenditures eligible for  
171.16 revenue under Minnesota Statutes 2012, section 125A.76, subdivision 2.

171.17       (h) For the Minnesota State Academy for the Deaf and the Minnesota State Academy  
171.18 for the Blind, expenditures are limited to the salary and fringe benefits of one-to-one  
171.19 instructional and behavior management aides assigned to a child attending the academy, if  
171.20 the aides are required by the child's individualized education program.

171.21       (i) "Cross subsidy reduction aid percentage" means 1.0 percent for fiscal year  
171.22 2014 and 2.27 percent for fiscal year 2015.

171.23       (j) "Cross subsidy reduction aid limit" means \$20 for fiscal year 2014 and \$48  
171.24 for fiscal year 2015.

171.25       (k) "Special education aid increase limit" means \$80 for fiscal year 2016, \$100  
171.26 for fiscal year 2017, and, for fiscal year 2018 and later, the sum of the special education  
171.27 aid increase limit for the previous fiscal year and \$40.

171.28       Sec. 45. Minnesota Statutes 2013 Supplement, section 125A.76, subdivision 2a,  
171.29 is amended to read:

171.30       Subd. 2a. **Special education initial aid.** For fiscal year 2016 and later, a district's  
171.31 special education initial aid equals the sum of:

171.32       (1) the lesser least of 62 percent of the district's old formula special education  
171.33 expenditures for the prior fiscal year, excluding pupil transportation expenditures, 50  
171.34 percent of the district's nonfederal special education expenditures for the prior year,

172.1 excluding pupil transportation expenditures, or 56 percent of the product of the sum of the  
172.2 following amounts, computed using prior fiscal year data, and the program growth factor:

172.3       (i) the product of the district's average daily membership served and the sum of:

172.4           (A) \$450; plus

172.5           (B) \$400 times the ratio of the sum of the number of pupils enrolled on October 1  
172.6       who are eligible to receive free lunch plus one-half of the pupils enrolled on October 1  
172.7       who are eligible to receive reduced-price lunch to the total October 1 enrollment; plus

172.8           (C) .008 times the district's average daily membership served; plus

172.9       (ii) \$10,400 times the December 1 child count for the primary disability areas of  
172.10      autism spectrum disorders, developmental delay, and severely multiply impaired; plus

172.11       (iii) \$18,000 times the December 1 child count for the primary disability areas of  
172.12      deaf and hard-of-hearing and emotional or behavioral disorders; plus

172.13       (iv) \$27,000 times the December 1 child count for the primary disability areas of  
172.14      developmentally cognitive mild-moderate, developmentally cognitive severe-profound,  
172.15      physically impaired, visually impaired, and deafblind; plus

172.16       (2) the cost of providing transportation services for children with disabilities under  
172.17      section 123B.92, subdivision 1, paragraph (b), clause (4).

172.18       **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2016

172.19      and later.

172.20       Sec. 46. Minnesota Statutes 2013 Supplement, section 125A.76, subdivision 2b,

172.21      is amended to read:

172.22       Subd. 2b. **Cross subsidy reduction aid.** For fiscal years 2014 and 2015, the cross  
172.23      subsidy reduction aid for a school district, not including a charter school, equals the  
172.24      lesser of (a) the product of the cross subsidy reduction aid limit and the district's average  
172.25      daily membership served or (b) the sum of the product of the cross subsidy reduction aid  
172.26      percentage, the district's average daily membership served, and the sum of:

172.27           (1) \$450; plus

172.28           (2) \$400 times the ratio of the sum of the number of pupils enrolled on October 1  
172.29       who are eligible to receive free lunch plus one-half of the pupils enrolled on October 1  
172.30       who are eligible to receive reduced-price lunch to the total October 1 enrollment; plus

172.31           (3) .008 times the district's average daily membership served; plus the product of the  
172.32      cross subsidy aid percentage and the sum of:

172.33       (i) \$10,100 times the December 1 child count for the primary disability areas of  
172.34      autism spectrum disorders, developmental delay, and severely multiply impaired; plus

173.1       (ii) \$17,500 times the December 1 child count for the primary disability areas of  
173.2 deaf and hard-of-hearing and emotional or behavioral disorders; plus

173.3       (iii) \$26,000 times the December 1 child count for the primary disability areas of  
173.4 developmentally cognitive mild-moderate, developmentally cognitive severe-profound,  
173.5 physically impaired, visually impaired, and deafblind.

173.6       **EFFECTIVE DATE.** This section is effective the day following final enactment  
173.7 and applies to revenue for fiscal year 2014 and later.

173.8       Sec. 47. Minnesota Statutes 2013 Supplement, section 125A.76, subdivision 2c,  
173.9 is amended to read:

173.10       Subd. 2c. **Special education aid.** (a) For fiscal year 2014 and fiscal year 2015, a  
173.11 district's special education aid equals the sum of the district's special education initial aid  
173.12 under subdivision 5, the district's cross subsidy reduction aid under subdivision 2b, and  
173.13 the district's excess cost aid under section 125A.79, subdivision 7.

173.14       (b) For fiscal year 2016 and later, a district's special education aid equals the sum of  
173.15 the district's special education initial aid under subdivision 2a and the district's excess cost  
173.16 aid under section 125A.79, subdivision 5.

173.17       (c) Notwithstanding paragraph (b), for fiscal year 2016, the special education aid for  
173.18 a school district must not exceed the sum of the special education aid the district would  
173.19 have received for fiscal year 2016 under Minnesota Statutes 2012, sections 125A.76  
173.20 and 125A.79, as adjusted according to Minnesota Statutes 2012, sections 125A.11 and  
173.21 127A.47, subdivision 7, and the product of the district's average daily membership served  
173.22 and the special education aid increase limit.

173.23       (d) Notwithstanding paragraph (b), for fiscal year 2017 and later, the special education  
173.24 aid for a school district must not exceed the sum of: (i) the product of the district's average  
173.25 daily membership served and the special education aid increase limit and (ii) the product  
173.26 of the sum of the special education aid the district would have received for fiscal year 2016  
173.27 under Minnesota Statutes 2012, sections 125A.76 and 125A.79, as adjusted according  
173.28 to Minnesota Statutes 2012, sections 125A.11 and 127A.47, subdivision 7, the ratio of  
173.29 the district's average daily membership served for the current fiscal year to the district's  
173.30 average daily membership served for fiscal year 2016, and the program growth factor.

173.31       (e) Notwithstanding paragraph (b), for fiscal year 2016 and later the special education  
173.32 aid for a school district, not including a charter school, must not be less than the lesser of  
173.33 (1) the district's nonfederal special education expenditures for that fiscal year or (2) the  
173.34 product of the sum of the special education aid the district would have received for fiscal  
173.35 year 2016 under Minnesota Statutes 2012, sections 125A.76 and 125A.79, as adjusted

174.1 according to Minnesota Statutes 2012, sections 125A.11 and 127A.47, subdivision 7, the  
174.2 ratio of the district's adjusted daily membership for the current fiscal year to the district's  
174.3 average daily membership for fiscal year 2016, and the program growth factor.

174.4 **EFFECTIVE DATE.** This section is effective the day following final enactment  
174.5 and applies to revenue for fiscal year 2014 and later.

174.6 Sec. 48. Minnesota Statutes 2013 Supplement, section 125A.79, subdivision 1, is  
174.7 amended to read:

174.8 Subdivision 1. **Definitions.** For the purposes of this section, the definitions in this  
174.9 subdivision apply.

174.10 (a) "Unreimbursed old formula special education expenditures" means:

174.11 (1) old formula special education expenditures for the prior fiscal year; minus

174.12 (2) for fiscal years 2014 and 2015, the sum of the special education aid under section  
174.13 125A.76, subdivision 5, for the prior fiscal year and the cross subsidy reduction aid under  
174.14 section 125A.76, subdivision 2b, and for fiscal year 2016 and later, the special education  
174.15 initial aid under section 125A.76, subdivision 2a; minus

174.16 (3) for fiscal year 2016 and later, the amount of general education revenue, excluding  
174.17 local optional revenue, plus local optional aid and referendum equalization aid for the  
174.18 prior fiscal year attributable to pupils receiving special instruction and services outside the  
174.19 regular classroom for more than 60 percent of the school day for the portion of time the  
174.20 pupils receive special instruction and services outside the regular classroom, excluding  
174.21 portions attributable to district and school administration, district support services,  
174.22 operations and maintenance, capital expenditures, and pupil transportation.

174.23 (b) "Unreimbursed nonfederal special education expenditures" means:

174.24 (1) nonfederal special education expenditures for the prior fiscal year; minus

174.25 (2) special education initial aid under section 125A.76, subdivision 2a; minus

174.26 (3) the amount of general education revenue and referendum equalization aid for the  
174.27 prior fiscal year attributable to pupils receiving special instruction and services outside the  
174.28 regular classroom for more than 60 percent of the school day for the portion of time the  
174.29 pupils receive special instruction and services outside of the regular classroom, excluding  
174.30 portions attributable to district and school administration, district support services,  
174.31 operations and maintenance, capital expenditures, and pupil transportation.

174.32 (c) "General revenue" for a school district means the sum of the general education  
174.33 revenue according to section 126C.10, subdivision 1, excluding alternative teacher  
174.34 compensation revenue, ~~minus~~ transportation sparsity revenue ~~minus~~, local optional  
174.35 revenue, and total operating capital revenue. "General revenue" for a charter school means

175.1 the sum of the general education revenue according to section 124D.11, subdivision 1, and  
175.2 transportation revenue according to section 124D.11, subdivision 2, excluding alternative  
175.3 teacher compensation revenue, ~~minus~~ referendum equalization aid ~~minus~~, transportation  
175.4 sparsity revenue ~~minus~~, and operating capital revenue.

175.5 **EFFECTIVE DATE.** This section is effective the day following final enactment  
175.6 and applies to revenue for fiscal year 2014 and later.

175.7 Sec. 49. Minnesota Statutes 2013 Supplement, section 125A.79, subdivision 5, is  
175.8 amended to read:

175.9 Subd. 5. **Initial Excess cost aid.** For fiscal year 2016 and later, a district's ~~initial~~  
175.10 excess cost aid equals the greater of:

175.11 (1) 56 percent of the difference between (i) the district's unreimbursed nonfederal  
175.12 special education expenditures and (ii) 7.0 percent of the district's general revenue;

175.13 (2) 62 percent of the difference between (i) the district's unreimbursed old formula  
175.14 special education expenditures and (ii) 2.5 percent of the district's general revenue; or

175.15 (3) zero.

175.16 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2016  
175.17 and later.

175.18 Sec. 50. Minnesota Statutes 2013 Supplement, section 125A.79, subdivision 8, is  
175.19 amended to read:

175.20 Subd. 8. **Out-of-state tuition.** For children who are residents of the state, receive  
175.21 services under section 125A.76, subdivisions 1 and 2, and are placed in a care and  
175.22 treatment facility by court action in a state that does not have a reciprocity agreement with  
175.23 the commissioner under section 125A.155, the resident school district shall ~~submit the~~   
175.24 ~~balance~~ receive special education out-of-state tuition aid equal to the amount of the tuition  
175.25 bills, minus (1) the general education revenue, excluding basic skills revenue and the local  
175.26 optional levy attributable to the pupil, calculated using the resident district's average  
175.27 general education revenue per adjusted pupil unit, and (2) the referendum equalization aid  
175.28 attributable to the pupil, calculated using the resident district's average general education  
175.29 revenue and ~~referendum equalization aid per adjusted pupil unit~~ ~~minus, and (3) the special~~  
175.30 ~~education contracted services initial revenue aid~~ attributable to the pupil.

175.31 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
175.32 and later.

176.1        Sec. 51. Minnesota Statutes 2013 Supplement, section 126C.05, subdivision 15,  
176.2        is amended to read:

176.3        **Subd. 15. Learning year pupil units.** (a) When a pupil is enrolled in a learning  
176.4        year program under section 124D.128, an area learning center or an alternative learning  
176.5        program approved by the commissioner under sections 123A.05 and 123A.06, or a  
176.6        contract alternative program under section 124D.68, subdivision 3, paragraph (d), or  
176.7        subdivision 4, for more than 1,020 hours in a school year for a secondary student, more  
176.8        than 935 hours in a school year for an elementary student, more than 850 hours in a school  
176.9        year for a kindergarten student without a disability in an all-day kindergarten program,  
176.10       or more than 425 hours in a school year for a half-day kindergarten student without a  
176.11       disability, that pupil may be counted as more than one pupil in average daily membership  
176.12       for purposes of section 126C.10, subdivision 2a. The amount in excess of one pupil must  
176.13       be determined by the ratio of the number of hours of instruction provided to that pupil in  
176.14       excess of: (i) the greater of 1,020 hours or the number of hours required for a full-time  
176.15       secondary pupil in the district to 1,020 for a secondary pupil; (ii) the greater of 935 hours  
176.16       or the number of hours required for a full-time elementary pupil in the district to 935 for  
176.17       an elementary pupil in grades 1 through 6; and (iii) the greater of 425 850 hours or the  
176.18       number of hours required for a full-time kindergarten student without a disability in the  
176.19       district to 425 850 for a kindergarten student without a disability; and (iv) the greater of  
176.20       425 hours or the number of hours required for a half-time kindergarten student without a  
176.21       disability in the district to 425 for a half-day kindergarten student without a disability.  
176.22       Hours that occur after the close of the instructional year in June shall be attributable to  
176.23       the following fiscal year. A student in kindergarten or grades 1 through 12 must not be  
176.24       counted as more than 1.2 pupils in average daily membership under this subdivision.

176.25       (b)(i) To receive general education revenue for a pupil in an area learning center  
176.26       or alternative learning program that has an independent study component, a district  
176.27       must meet the requirements in this paragraph. The district must develop, for the pupil,  
176.28       a continual learning plan consistent with section 124D.128, subdivision 3. Each school  
176.29       district that has an area learning center or alternative learning program must reserve  
176.30       revenue in an amount equal to at least 90 percent of the district average general education  
176.31       revenue per pupil unit, minus an amount equal to the product of the formula allowance  
176.32       according to section 126C.10, subdivision 2, times .0466, calculated without basic skills  
176.33       and transportation sparsity revenue, times the number of pupil units generated by students  
176.34       attending an area learning center or alternative learning program. The amount of reserved  
176.35       revenue available under this subdivision may only be spent for program costs associated  
176.36       with the area learning center or alternative learning program. Basic skills revenue

177.1 generated according to section 126C.10, subdivision 4, by pupils attending the eligible  
177.2 program must be allocated to the program.

177.3       (ii) General education revenue for a pupil in a state-approved alternative program  
177.4 without an independent study component must be prorated for a pupil participating for less  
177.5 than a full year, or its equivalent. The district must develop a continual learning plan for the  
177.6 pupil, consistent with section 124D.128, subdivision 3. Each school district that has an area  
177.7 learning center or alternative learning program must reserve revenue in an amount equal to  
177.8 at least 90 percent of the district average general education revenue per pupil unit, minus  
177.9 an amount equal to the product of the formula allowance according to section 126C.10,  
177.10 subdivision 2, times .0466, calculated without basic skills and transportation sparsity  
177.11 revenue, times the number of pupil units generated by students attending an area learning  
177.12 center or alternative learning program. The amount of reserved revenue available under this  
177.13 subdivision may only be spent for program costs associated with the area learning center or  
177.14 alternative learning program. Basic skills revenue generated according to section 126C.10,  
177.15 subdivision 4, by pupils attending the eligible program must be allocated to the program.

177.16       (iii) General education revenue for a pupil in a state-approved alternative program  
177.17 that has an independent study component must be paid for each hour of teacher contact  
177.18 time and each hour of independent study time completed toward a credit or graduation  
177.19 standards necessary for graduation. Average daily membership for a pupil shall equal the  
177.20 number of hours of teacher contact time and independent study time divided by 1,020.

177.21       (iv) For a state-approved alternative program having an independent study  
177.22 component, the commissioner shall require a description of the courses in the program, the  
177.23 kinds of independent study involved, the expected learning outcomes of the courses, and  
177.24 the means of measuring student performance against the expected outcomes.

177.25       Sec. 52. Minnesota Statutes 2013 Supplement, section 126C.10, subdivision 2a,  
177.26 is amended to read:

177.27       Subd. 2a. **Extended time revenue.** (a) A school district's extended time revenue for  
177.28 fiscal year 2014 is equal to the product of \$4,601 and the sum of the adjusted marginal  
177.29 cost pupil units of the district for each pupil in average daily membership in excess of 1.0  
177.30 and less than 1.2 according to section 126C.05, subdivision 8. A school district's extended  
177.31 time revenue for fiscal year 2015 and later is equal to the product of \$5,017 and the sum  
177.32 of the adjusted pupil units of the district for each pupil in average daily membership in  
177.33 excess of 1.0 and less than 1.2 according to section 126C.05, subdivision 8.

178.1       (b) A school district's extended time revenue may be used for extended day  
178.2 programs, extended week programs, summer school, and other programming authorized  
178.3 under the learning year program.

178.4       **EFFECTIVE DATE.** This section is effective the day following final enactment  
178.5 and applies to revenue for fiscal year 2014 and later.

178.6       Sec. 53. Minnesota Statutes 2013 Supplement, section 126C.10, subdivision 2d,  
178.7 is amended to read:

178.8       Subd. 2d. **Declining enrollment revenue.** (a) A school district's declining  
178.9 enrollment revenue equals the greater of zero or the product of: (1) 28 percent of the  
178.10 formula allowance for that year and (2) the difference between the adjusted pupil units for  
178.11 the preceding year and the adjusted pupil units for the current year.

178.12       (b) Notwithstanding paragraph (a), for fiscal years 2015, 2016, and 2017 only, a pupil  
178.13 enrolled at the Crosswinds school shall not generate declining enrollment revenue for the  
178.14 district or charter school in which the pupil was last counted in average daily membership.

178.15       Sec. 54. Minnesota Statutes 2013 Supplement, section 126C.10, subdivision 13a,  
178.16 is amended to read:

178.17       Subd. 13a. **Operating capital levy.** To obtain operating capital revenue for fiscal  
178.18 year 2015 and later, a district may levy an amount not more than the product of its  
178.19 operating capital revenue for the fiscal year times the lesser of one or the ratio of its  
178.20 adjusted net tax capacity per adjusted ~~marginal cost~~ pupil unit to the operating capital  
178.21 equalizing factor. The operating capital equalizing factor equals \$14,500 \$14,500 for  
178.22 fiscal year 2015, \$15,315 for fiscal year 2016, and \$15,043 for fiscal year 2017 and later.

178.23       Sec. 55. Minnesota Statutes 2013 Supplement, section 126C.10, subdivision 24,  
178.24 is amended to read:

178.25       Subd. 24. **Equity revenue.** (a) A school district qualifies for equity revenue if:  
178.26           (1) the school district's adjusted pupil unit amount of basic revenue, transition  
178.27 revenue, and referendum revenue is less than the value of the school district at or  
178.28 immediately above the 95th percentile of school districts in its equity region for those  
178.29 revenue categories; and  
178.30           (2) the school district's administrative offices are not located in a city of the first  
178.31 class on July 1, 1999.

178.32       (b) Equity revenue for a qualifying district that receives referendum revenue under  
178.33 section 126C.17, subdivision 4, equals the product of (1) the district's adjusted pupil

179.1 units for that year; times (2) the sum of (i) \$14, plus (ii) \$80, times the school district's  
179.2 equity index computed under subdivision 27.

179.3 (c) Equity revenue for a qualifying district that does not receive referendum revenue  
179.4 under section 126C.17, subdivision 4, equals the product of the district's adjusted pupil  
179.5 units for that year times \$14.

179.6 (d) A school district's equity revenue is increased by the greater of zero or an amount  
179.7 equal to the district's ~~resident~~ adjusted pupil units times the difference between ten percent  
179.8 of the statewide average amount of referendum revenue per ~~resident~~ adjusted pupil unit for  
179.9 that year and the district's referendum revenue per ~~resident~~ adjusted pupil unit. A school  
179.10 district's revenue under this paragraph must not exceed \$100,000 for that year.

179.11 (e) A school district's equity revenue for a school district located in the metro equity  
179.12 region equals the amount computed in paragraphs (b), (c), and (d) multiplied by 1.25.

179.13 (f) A school district's additional equity revenue equals \$50 times its adjusted pupil  
179.14 units.

179.15 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
179.16 and later.

179.17 Sec. 56. Minnesota Statutes 2012, section 126C.10, subdivision 25, is amended to read:

179.18 Subd. 25. **Regional equity gap.** The regional equity gap equals the difference  
179.19 between the value of the school district at or immediately above the fifth percentile of  
179.20 adjusted general revenue per adjusted ~~marginal~~cost pupil unit and the value of the school  
179.21 district at or immediately above the 95th percentile of adjusted general revenue per  
179.22 adjusted ~~marginal~~cost pupil unit.

179.23 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
179.24 and later.

179.25 Sec. 57. Minnesota Statutes 2012, section 126C.10, subdivision 26, is amended to read:

179.26 Subd. 26. **District equity gap.** A district's equity gap equals the greater of zero  
179.27 or the difference between the district's adjusted general revenue and the value of the  
179.28 school district at or immediately above the regional 95th percentile of adjusted general  
179.29 revenue per adjusted ~~marginal~~cost pupil unit.

179.30 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
179.31 and later.

179.32 Sec. 58. Minnesota Statutes 2012, section 126C.10, subdivision 28, is amended to read:

180.1        Subd. 28. **Equity region.** For the purposes of computing equity revenue under  
180.2 subdivision 24, a district ~~with its administrative office located in Anoka, Carver, Dakota,~~  
180.3 ~~Hennepin, Ramsey, Scott, or Washington County on January 1, 2012, with any of its area~~  
180.4 located within the seven-county metropolitan area is part of the metro equity region. All  
180.5 other districts are part of the rural equity region.

180.6        **EFFECTIVE DATE.** This section is effective for fiscal year 2015 and later.

180.7        Sec. 59. Minnesota Statutes 2013 Supplement, section 126C.10, subdivision 31,  
180.8 is amended to read:

180.9        Subd. 31. **Transition revenue.** (a) A district's transition allowance equals the  
180.10 sum of the transition revenue the district would have received for fiscal year 2015 under  
180.11 Minnesota Statutes 2012, section 126C.10, subdivisions 31, 31a, and 31c, and the greater  
180.12 of zero or the difference between:

180.13        (1) the sum of:

180.14        (i) the general education revenue the district would have received for fiscal year  
180.15 2015 according to Minnesota Statutes 2012, section 126C.10;

180.16        (ii) the integration revenue the district received for fiscal year 2013 under Minnesota  
180.17 Statutes 2012, section 124D.86;

180.18        (iii) the pension adjustment the district would have received for fiscal year 2015  
180.19 under Minnesota Statutes 2012, section 127A.50;

180.20        (iv) the special education aid the district would have received for fiscal year 2015  
180.21 under Minnesota Statutes 2012, section 125A.76; and

180.22        (v) the special education excess cost aid the district would have received for fiscal  
180.23 year 2015 under Minnesota Statutes 2012, section 125A.79; and

180.24        (2) the sum of the district's:

180.25        (i) general education revenue for fiscal year 2015 excluding transition revenue  
180.26 under this section;

180.27        (ii) achievement and integration revenue for fiscal year 2015 under section  
180.28 124D.862; and

180.29        (iii) special education aid for fiscal year 2015 under section 125A.76; and

180.30        (iv) alternative teacher compensation revenue for fiscal year 2015 under section  
180.31 122A.415,

180.32 divided by the number of adjusted pupil units for fiscal year 2015.

180.33        (b) A district's transition revenue for fiscal year 2015 and later equals the product of  
180.34 the district's transition allowance times the district's adjusted pupil units.

181.1        **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
181.2        and later.

181.3        Sec. 60. Minnesota Statutes 2013 Supplement, section 126C.17, subdivision 6, is  
181.4        amended to read:

181.5            **Subd. 6. Referendum equalization levy.** (a) ~~For fiscal year 2003 and later,~~  
181.6        A district's referendum equalization levy equals the sum of the first tier referendum  
181.7        equalization levy, the second tier referendum equalization levy, and the third tier  
181.8        referendum equalization levy.

181.9            (b) A district's first tier referendum equalization levy equals the district's first tier  
181.10        referendum equalization revenue times the lesser of one or the ratio of the district's  
181.11        referendum market value per resident pupil unit to \$880,000.

181.12            (c) A district's second tier referendum equalization levy equals the district's second  
181.13        tier referendum equalization revenue times the lesser of one or the ratio of the district's  
181.14        referendum market value per resident pupil unit to \$510,000.

181.15            (d) A district's third tier referendum equalization levy equals the district's third  
181.16        tier referendum equalization revenue times the lesser of one or the ratio of the district's  
181.17        referendum market value per resident pupil unit to \$290,000.

181.18        Sec. 61. Minnesota Statutes 2013 Supplement, section 126C.17, subdivision 7b,  
181.19        is amended to read:

181.20            **Subd. 7b. Referendum aid guarantee.** (a) Notwithstanding subdivision 7, the sum  
181.21        of a district's referendum equalization aid and local optional aid under section 126C.10,  
181.22        subdivision 2e, for fiscal year 2015 must not be less than the sum of the referendum  
181.23        equalization aid the district would have received for fiscal year 2015 under Minnesota  
181.24        Statutes 2012, section 126C.17, subdivision 7, and the adjustment the district would have  
181.25        received under Minnesota Statutes 2012, section 127A.47, subdivision 7, paragraphs  
181.26        (a), (b), and (c).

181.27            (b) Notwithstanding subdivision 7, the sum of referendum equalization aid and local  
181.28        optional aid under section 126C.10, subdivision 2e, for fiscal year 2016 and later, for a  
181.29        district qualifying for additional aid under paragraph (a) for fiscal year 2015, must not  
181.30        be less than the product of (1) the district's referendum equalization aid for fiscal year  
181.31        2015, times (2) the lesser of one or the ratio of the district's referendum revenue for that  
181.32        school year to the district's referendum revenue for fiscal year 2015, times (3) the lesser  
181.33        of one or the ratio of the district's referendum market value used for fiscal year 2015

182.1 referendum equalization calculations to the district's referendum market value used for  
182.2 that year's referendum equalization calculations.

182.3       **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
182.4 and later.

182.5       Sec. 62. Minnesota Statutes 2013 Supplement, section 126C.17, subdivision 9, is  
182.6 amended to read:

182.7       **Subd. 9. Referendum revenue.** (a) The revenue authorized by section 126C.10,  
182.8 subdivision 1, may be increased in the amount approved by the voters of the district  
182.9 at a referendum called for the purpose. The referendum may be called by the board.  
182.10 The referendum must be conducted one or two calendar years before the increased levy  
182.11 authority, if approved, first becomes payable. Only one election to approve an increase  
182.12 may be held in a calendar year. Unless the referendum is conducted by mail under  
182.13 subdivision 11, paragraph (a), the referendum must be held on the first Tuesday after the  
182.14 first Monday in November. The ballot must state the maximum amount of the increased  
182.15 revenue per adjusted pupil unit. The ballot may state a schedule, determined by the board,  
182.16 of increased revenue per adjusted pupil unit that differs from year to year over the number  
182.17 of years for which the increased revenue is authorized or may state that the amount shall  
182.18 increase annually by the rate of inflation. For this purpose, the rate of inflation shall be the  
182.19 annual inflationary increase calculated under subdivision 2, paragraph (b). The ballot may  
182.20 state that existing referendum levy authority is expiring. In this case, the ballot may also  
182.21 compare the proposed levy authority to the existing expiring levy authority, and express  
182.22 the proposed increase as the amount, if any, over the expiring referendum levy authority.  
182.23 The ballot must designate the specific number of years, not to exceed ten, for which the  
182.24 referendum authorization applies. The ballot, including a ballot on the question to revoke  
182.25 or reduce the increased revenue amount under paragraph (c), must abbreviate the term  
182.26 "per adjusted pupil unit" as "per pupil." The notice required under section 275.60 may  
182.27 be modified to read, in cases of renewing existing levies at the same amount per pupil  
182.28 as in the previous year:

182.29       "BY VOTING "YES" ON THIS BALLOT QUESTION, YOU ARE VOTING  
182.30       TO EXTEND AN EXISTING PROPERTY TAX REFERENDUM THAT IS  
182.31       SCHEDULED TO EXPIRE."

182.32       The ballot may contain a textual portion with the information required in this  
182.33 subdivision and a question stating substantially the following:

182.34       "Shall the increase in the revenue proposed by (petition to) the board of .......,  
182.35 School District No. .., be approved?"

183.1        If approved, an amount equal to the approved revenue per adjusted pupil unit times  
183.2    the adjusted pupil units for the school year beginning in the year after the levy is certified  
183.3    shall be authorized for certification for the number of years approved, if applicable, or  
183.4    until revoked or reduced by the voters of the district at a subsequent referendum.

183.5        (b) The board must prepare and deliver by first class mail at least 15 days but no more  
183.6    than 30 days before the day of the referendum to each taxpayer a notice of the referendum  
183.7    and the proposed revenue increase. The board need not mail more than one notice to any  
183.8    taxpayer. For the purpose of giving mailed notice under this subdivision, owners must be  
183.9    those shown to be owners on the records of the county auditor or, in any county where  
183.10   tax statements are mailed by the county treasurer, on the records of the county treasurer.  
183.11   Every property owner whose name does not appear on the records of the county auditor  
183.12   or the county treasurer is deemed to have waived this mailed notice unless the owner  
183.13   has requested in writing that the county auditor or county treasurer, as the case may be,  
183.14   include the name on the records for this purpose. The notice must project the anticipated  
183.15   amount of tax increase in annual dollars for typical residential homesteads, agricultural  
183.16   homesteads, apartments, and commercial-industrial property within the school district.

183.17       The notice for a referendum may state that an existing referendum levy is expiring  
183.18   and project the anticipated amount of increase over the existing referendum levy in  
183.19   the first year, if any, in annual dollars for typical residential homesteads, agricultural  
183.20   homesteads, apartments, and commercial-industrial property within the district.

183.21       The notice must include the following statement: "Passage of this referendum will  
183.22   result in an increase in your property taxes." However, in cases of renewing existing levies,  
183.23   the notice may include the following statement: "Passage of this referendum extends an  
183.24   existing operating referendum at the same amount per pupil as in the previous year."

183.25       (c) A referendum on the question of revoking or reducing the increased revenue  
183.26   amount authorized pursuant to paragraph (a) may be called by the board. A referendum to  
183.27   revoke or reduce the revenue amount must state the amount per ~~resident marginal cost~~  
183.28   adjusted pupil unit by which the authority is to be reduced. Revenue authority approved  
183.29   by the voters of the district pursuant to paragraph (a) must be available to the school  
183.30   district at least once before it is subject to a referendum on its revocation or reduction for  
183.31   subsequent years. Only one revocation or reduction referendum may be held to revoke or  
183.32   reduce referendum revenue for any specific year and for years thereafter.

183.33       (d) The approval of 50 percent plus one of those voting on the question is required to  
183.34   pass a referendum authorized by this subdivision.

183.35       (e) At least 15 days before the day of the referendum, the district must submit a  
183.36   copy of the notice required under paragraph (b) to the commissioner and to the county

184.1 auditor of each county in which the district is located. Within 15 days after the results  
184.2 of the referendum have been certified by the board, or in the case of a recount, the  
184.3 certification of the results of the recount by the canvassing board, the district must notify  
184.4 the commissioner of the results of the referendum.

184.5       **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
184.6 and later.

184.7       Sec. 63. Minnesota Statutes 2013 Supplement, section 126C.17, subdivision 9a,  
184.8 is amended to read:

184.9       Subd. 9a. **Board-approved referendum allowance.** Notwithstanding subdivision  
184.10 9, a school district may convert up to \$300 per adjusted pupil unit of referendum authority  
184.11 from voter approved to board approved by a board vote. A district with less than \$300 per  
184.12 adjusted pupil unit of referendum authority after the local optional revenue subtraction  
184.13 under subdivision 1 may authorize new referendum authority up to the difference between  
184.14 \$300 per adjusted pupil unit and the district's referendum authority. The board may  
184.15 authorize this levy for up to five years and may subsequently reauthorize that authority  
184.16 in increments of up to five years.

184.17       **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
184.18 and later.

184.19       Sec. 64. Minnesota Statutes 2013 Supplement, section 126C.40, subdivision 1, is  
184.20 amended to read:

184.21       Subdivision 1. **To lease building or land.** (a) When an independent or a special  
184.22 school district or a group of independent or special school districts finds it economically  
184.23 advantageous to rent or lease a building or land for any instructional purposes or for  
184.24 school storage or furniture repair, and it determines that the operating capital revenue  
184.25 authorized under section 126C.10, subdivision 13, is insufficient for this purpose, it may  
184.26 apply to the commissioner for permission to make an additional capital expenditure levy  
184.27 for this purpose. An application for permission to levy under this subdivision must contain  
184.28 financial justification for the proposed levy, the terms and conditions of the proposed  
184.29 lease, and a description of the space to be leased and its proposed use.

184.30       (b) The criteria for approval of applications to levy under this subdivision must  
184.31 include: the reasonableness of the price, the appropriateness of the space to the proposed  
184.32 activity, the feasibility of transporting pupils to the leased building or land, conformity  
184.33 of the lease to the laws and rules of the state of Minnesota, and the appropriateness of

185.1 the proposed lease to the space needs and the financial condition of the district. The  
185.2 commissioner must not authorize a levy under this subdivision in an amount greater than  
185.3 the cost to the district of renting or leasing a building or land for approved purposes.  
185.4 The proceeds of this levy must not be used for custodial or other maintenance services.  
185.5 A district may not levy under this subdivision for the purpose of leasing or renting a  
185.6 district-owned building or site to itself.

185.7 (c) For agreements finalized after July 1, 1997, a district may not levy under this  
185.8 subdivision for the purpose of leasing: (1) a newly constructed building used primarily  
185.9 for regular kindergarten, elementary, or secondary instruction; or (2) a newly constructed  
185.10 building addition or additions used primarily for regular kindergarten, elementary, or  
185.11 secondary instruction that contains more than 20 percent of the square footage of the  
185.12 previously existing building.

185.13 (d) Notwithstanding paragraph (b), a district may levy under this subdivision for the  
185.14 purpose of leasing or renting a district-owned building or site to itself only if the amount  
185.15 is needed by the district to make payments required by a lease purchase agreement,  
185.16 installment purchase agreement, or other deferred payments agreement authorized by law,  
185.17 and the levy meets the requirements of paragraph (c). A levy authorized for a district by  
185.18 the commissioner under this paragraph may be in the amount needed by the district to  
185.19 make payments required by a lease purchase agreement, installment purchase agreement,  
185.20 or other deferred payments agreement authorized by law, provided that any agreement  
185.21 include a provision giving the school districts the right to terminate the agreement  
185.22 annually without penalty.

185.23 (e) The total levy under this subdivision for a district for any year must not exceed  
185.24 \$162 \$212 times the adjusted pupil units for the fiscal year to which the levy is attributable.

185.25 (f) For agreements for which a review and comment have been submitted to the  
185.26 Department of Education after April 1, 1998, the term "instructional purpose" as used in  
185.27 this subdivision excludes expenditures on stadiums.

185.28 (g) The commissioner of education may authorize a school district to exceed the  
185.29 limit in paragraph (e) if the school district petitions the commissioner for approval. The  
185.30 commissioner shall grant approval to a school district to exceed the limit in paragraph (e)  
185.31 for not more than five years if the district meets the following criteria:

- 185.32 (1) the school district has been experiencing pupil enrollment growth in the  
185.33 preceding five years;
- 185.34 (2) the purpose of the increased levy is in the long-term public interest;
- 185.35 (3) the purpose of the increased levy promotes colocation of government services; and

186.1       (4) the purpose of the increased levy is in the long-term interest of the district by  
186.2 avoiding over construction of school facilities.

186.3       (h) A school district that is a member of an intermediate school district may include  
186.4 in its authority under this section the costs associated with leases of administrative and  
186.5 classroom space for intermediate school district programs. This authority must not exceed  
186.6 \$46 ~~\$65~~ times the adjusted pupil units of the member districts. This authority is in addition  
186.7 to any other authority authorized under this section.

186.8       (i) In addition to the allowable capital levies in paragraph (a), for taxes payable in  
186.9 2012 to 2023, a district that is a member of the "Technology and Information Education  
186.10 Systems" data processing joint board, that finds it economically advantageous to enter into  
186.11 a lease agreement to finance improvements to a building and land for a group of school  
186.12 districts or special school districts for staff development purposes, may levy for its portion  
186.13 of lease costs attributed to the district within the total levy limit in paragraph (e). The total  
186.14 levy authority under this paragraph shall not exceed \$632,000.

186.15       (j) Notwithstanding paragraph (a), a district may levy under this subdivision for the  
186.16 purpose of leasing administrative space if the district can demonstrate to the satisfaction of  
186.17 the commissioner that the lease cost for the administrative space is no greater than the  
186.18 lease cost for instructional space that the district would otherwise lease. The commissioner  
186.19 must deny this levy authority unless the district passes a resolution stating its intent to  
186.20 lease instructional space under this section if the commissioner does not grant authority  
186.21 under this paragraph. The resolution must also certify that the lease cost for administrative  
186.22 space under this paragraph is no greater than the lease cost for the district's proposed  
186.23 instructional lease.

186.24       EFFECTIVE DATE. This section is effective for taxes payable in 2015 and later.

186.25       Sec. 65. Minnesota Statutes 2013 Supplement, section 126C.44, is amended to read:

186.26       **126C.44 SAFE SCHOOLS LEVY.**

186.27       (a) Each district may make a levy on all taxable property located within the district  
186.28 for the purposes specified in this section. The maximum amount which may be levied for  
186.29 all costs under this section shall be equal to \$36 multiplied by the district's adjusted pupil  
186.30 units for the school year. The proceeds of the levy must be reserved and used for directly  
186.31 funding the following purposes or for reimbursing the cities and counties who contract  
186.32 with the district for the following purposes:

186.33       (1) to pay the costs incurred for the salaries, benefits, and transportation costs of  
186.34 peace officers and sheriffs for liaison in services in the district's schools;

187.1       (2) to pay the costs for a drug abuse prevention program as defined in section  
187.2 609.101, subdivision 3, paragraph (e), in the elementary schools;  
187.3       (3) to pay the costs for a gang resistance education training curriculum in the  
187.4 district's schools;  
187.5       (4) to pay the costs for security in the district's schools and on school property;  
187.6       (5) to pay the costs for other crime prevention, drug abuse, student and staff safety,  
187.7 voluntary opt-in suicide prevention tools, and violence prevention measures taken by  
187.8 the school district;  
187.9       (6) to pay costs for licensed school counselors, licensed school nurses, licensed  
187.10 school social workers, licensed school psychologists, and licensed alcohol and chemical  
187.11 dependency counselors to help provide early responses to problems;  
187.12       (7) to pay for facility security enhancements including laminated glass, public  
187.13 announcement systems, emergency communications devices, and equipment and facility  
187.14 modifications related to violence prevention and facility security;  
187.15       (8) to pay for costs associated with improving the school climate; or  
187.16       (9) to pay costs for colocating and collaborating with mental health professionals  
187.17 who are not district employees or contractors.

187.18       (b) For expenditures under paragraph (a), clause (1), the district must initially  
187.19 attempt to contract for services to be provided by peace officers or sheriffs with the  
187.20 police department of each city or the sheriff's department of the county within the district  
187.21 containing the school receiving the services. If a local police department or a county  
187.22 sheriff's department does not wish to provide the necessary services, the district may  
187.23 contract for these services with any other police or sheriff's department located entirely or  
187.24 partially within the school district's boundaries.

187.25       (c) A school district that is a member of an intermediate school district may  
187.26 include in its authority under this section the costs associated with safe schools activities  
187.27 authorized under paragraph (a) for intermediate school district programs. This authority  
187.28 must not exceed \$10 \$15 times the adjusted marginal cost pupil units of the member  
187.29 districts. This authority is in addition to any other authority authorized under this section.  
187.30 Revenue raised under this paragraph must be transferred to the intermediate school district.

187.31       **EFFECTIVE DATE.** This section is effective for taxes payable in fiscal year 2015  
187.32 and later.

187.33       Sec. 66. Minnesota Statutes 2013 Supplement, section 126C.48, subdivision 8, is  
187.34 amended to read:

188.1       **Subd. 8. Taconite payment and other reductions.** (1) Reductions in levies  
188.2 pursuant to subdivision 1 must be made prior to the reductions in clause (2).

188.3       (2) Notwithstanding any other law to the contrary, districts that have revenue  
188.4 pursuant to sections 298.018; 298.225; 298.24 to 298.28, except an amount distributed  
188.5 under sections 298.26; 298.28, subdivision 4, paragraphs (c), clause (ii), and (d); 298.34  
188.6 to 298.39; 298.391 to 298.396; 298.405; 477A.15; and any law imposing a tax upon  
188.7 severed mineral values must reduce the levies authorized by this chapter and chapters  
188.8 120B, 122A, 123A, 123B, 124A, 124D, 125A, and 127A by 95 percent of the sum of the  
188.9 previous year's revenue specified under this clause and the amount attributable to the same  
188.10 production year distributed to the cities and townships within the school district under  
188.11 section 298.28, subdivision 2, paragraph (c).

188.12       (3) The amount of any voter approved referendum, facilities down payment, and  
188.13 debt levies shall not be reduced by more than 50 percent under this subdivision, except that  
188.14 payments under sections 298.28, subdivision 7a, and 298.292, subdivision 2, clause (6),  
188.15 may reduce the debt service levy by more than 50 percent. In administering this paragraph,  
188.16 the commissioner shall first reduce the nonvoter approved levies of a district; then, if any  
188.17 payments, severed mineral value tax revenue or recognized revenue under paragraph (2)  
188.18 remains, the commissioner shall reduce any voter approved referendum levies authorized  
188.19 under section 126C.17; then, if any payments, severed mineral value tax revenue or  
188.20 recognized revenue under paragraph (2) remains, the commissioner shall reduce any voter  
188.21 approved facilities down payment levies authorized under section 123B.63 and then, if  
188.22 any payments, severed mineral value tax revenue or recognized revenue under paragraph  
188.23 (2) remains, the commissioner shall reduce any voter approved debt levies.

188.24       (4) Before computing the reduction pursuant to this subdivision of the health and  
188.25 safety levy authorized by sections 123B.57 and 126C.40, subdivision 5, the commissioner  
188.26 shall ascertain from each affected school district the amount it proposes to levy under  
188.27 each section or subdivision. The reduction shall be computed on the basis of the amount  
188.28 so ascertained.

188.29       (5) To the extent the levy reduction calculated under paragraph (2) exceeds the  
188.30 limitation in paragraph (3), an amount equal to the excess must be distributed from the  
188.31 school district's distribution under sections 298.225, 298.28, and 477A.15 in the following  
188.32 year to the cities and townships within the school district in the proportion that their  
188.33 taxable net tax capacity within the school district bears to the taxable net tax capacity of  
188.34 the school district for property taxes payable in the year prior to distribution. No city or  
188.35 township shall receive a distribution greater than its levy for taxes payable in the year prior  
188.36 to distribution. The commissioner of revenue shall certify the distributions of cities and

189.1        towns under this paragraph to the county auditor by September 30 of the year preceding  
189.2        distribution. The county auditor shall reduce the proposed and final levies of cities and  
189.3        towns receiving distributions by the amount of their distribution. Distributions to the cities  
189.4        and towns shall be made at the times provided under section 298.27.

189.5        Sec. 67. Minnesota Statutes 2012, section 127A.45, subdivision 2, is amended to read:

189.6              Subd. 2. **Definitions.** (a) "Other district receipts" means payments by county  
189.7        treasurers pursuant to section 276.10, apportionments from the school endowment fund  
189.8        pursuant to section 127A.33, apportionments by the county auditor pursuant to section  
189.9        127A.34, subdivision 2, and payments to school districts by the commissioner of revenue  
189.10        pursuant to chapter 298.

189.11              (b) "Cumulative amount guaranteed" means the product of

189.12                  (1) the cumulative disbursement percentage shown in subdivision 3; times  
189.13                  (2) the sum of

189.14                  (i) the current year aid payment percentage of the estimated aid and credit  
189.15        entitlements paid according to subdivision 13; plus

189.16                  (ii) 100 percent of the entitlements paid according to subdivisions 11 and 12; plus

189.17                  (iii) the other district receipts.

189.18              (c) "Payment date" means the date on which state payments to districts are made  
189.19        by the electronic funds transfer method. If a payment date falls on a Saturday, a Sunday,  
189.20        or a weekday which is a legal holiday, the payment shall be made on the immediately  
189.21        preceding business day. The commissioner may make payments on dates other than  
189.22        those listed in subdivision 3, but only for portions of payments from any preceding  
189.23        payment dates which could not be processed by the electronic funds transfer method due  
189.24        to documented extenuating circumstances.

189.25              (d) The current year aid payment percentage equals ~~73 in fiscal year 2010 and 70 in~~  
189.26 ~~fiscal year 2011, and 60 in fiscal years 2012 and later 90.~~

189.27        Sec. 68. Minnesota Statutes 2013 Supplement, section 127A.47, subdivision 7, is  
189.28        amended to read:

189.29              Subd. 7. **Alternative attendance programs.** (a) The general education aid and  
189.30        special education aid for districts must be adjusted for each pupil attending a nonresident  
189.31        district under sections 123A.05 to 123A.08, 124D.03, 124D.08, and 124D.68. The  
189.32        adjustments must be made according to this subdivision.

189.33              (b) For purposes of this subdivision, the "unreimbursed cost of providing special  
189.34        education and services" means the difference between: (1) the actual cost of providing

190.1 special instruction and services, including special transportation and unreimbursed  
190.2 building lease and debt service costs for facilities used primarily for special education, for  
190.3 a pupil with a disability, as defined in section 125A.02, or a pupil, as defined in section  
190.4 125A.51, who is enrolled in a program listed in this subdivision, minus (2) if the pupil  
190.5 receives special instruction and services outside the regular classroom for more than  
190.6 60 percent of the school day, the amount of general education revenue and referendum  
190.7 equalization aid as defined in section 125A.11, subdivision 1, paragraph (c), attributable  
190.8 to that pupil for the portion of time the pupil receives special instruction and services  
190.9 outside of the regular classroom, excluding portions attributable to district and school  
190.10 administration, district support services, operations and maintenance, capital expenditures,  
190.11 and pupil transportation, minus (3) special education aid under section 125A.76  
190.12 attributable to that pupil, that is received by the district providing special instruction and  
190.13 services. For purposes of this paragraph, general education revenue and referendum  
190.14 equalization aid attributable to a pupil must be calculated using the serving district's  
190.15 average general education revenue and referendum equalization aid per adjusted pupil unit.

190.16 (c) For fiscal year 2015 and later, special education aid paid to a resident district  
190.17 must be reduced by an amount equal to 90 percent of the unreimbursed cost of providing  
190.18 special education and services.

190.19 (d) Notwithstanding paragraph (c), special education aid paid to a resident district  
190.20 must be reduced by an amount equal to 100 percent of the unreimbursed cost of special  
190.21 education and services provided to students at an intermediate district, cooperative, or  
190.22 charter school where the percent of students eligible for special education services is at  
190.23 least 70 percent of the charter school's total enrollment.

190.24 (e) Special education aid paid to the district or cooperative providing special  
190.25 instruction and services for the pupil, or to the fiscal agent district for a cooperative,  
190.26 must be increased by the amount of the reduction in the aid paid to the resident district  
190.27 under paragraphs (c) and (d). If the resident district's special education aid is insufficient  
190.28 to make the full adjustment, the remaining adjustment shall be made to other state aids  
190.29 due to the district.

190.30 (f) An area learning center operated by a service cooperative, intermediate district,  
190.31 education district, or a joint powers cooperative may elect through the action of the  
190.32 constituent boards to charge the resident district tuition for pupils rather than to have the  
190.33 general education revenue paid to a fiscal agent school district. Except as provided in  
190.34 paragraph (e), the district of residence must pay tuition equal to at least between 90 and 100  
190.35 percent of the district average general education revenue per pupil unit minus an amount  
190.36 equal to the product of the formula allowance according to section 126C.10, subdivision

191.1     2, times .0466, calculated without compensatory revenue and transportation sparsity  
191.2     revenue, times the number of pupil units for pupils attending the area learning center.

191.3       **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
191.4       and later.

191.5     Sec. 69. Minnesota Statutes 2012, section 127A.49, subdivision 2, is amended to read:

191.6       Subd. 2. **Abatements.** Whenever by virtue of chapter 278, sections 270C.86,  
191.7     375.192, or otherwise, the net tax capacity or referendum market value of any district for  
191.8     any taxable year is changed after the taxes for that year have been spread by the county  
191.9     auditor and the local tax rate as determined by the county auditor based upon the original  
191.10    net tax capacity is applied upon the changed net tax capacities, the county auditor shall,  
191.11    prior to February 1 of each year, certify to the commissioner of education the amount of  
191.12    any resulting net revenue loss that accrued to the district during the preceding year. Each  
191.13    year, the commissioner shall pay an abatement adjustment to the district in an amount  
191.14    calculated according to the provisions of this subdivision. This amount shall be deducted  
191.15    from the amount of the levy authorized by section 126C.46. The amount of the abatement  
191.16    adjustment must be the product of:

191.17       (1) the net revenue loss as certified by the county auditor, times

191.18       (2) the ratio of:

191.19       (i) the sum of the amounts of the district's certified levy in the third preceding year  
191.20    according to the following:

191.21       (A) section 123B.57, if the district received health and safety aid according to that  
191.22    section for the second preceding year;

191.23       (B) section 124D.20, if the district received aid for community education programs  
191.24    according to that section for the second preceding year;

191.25       (C) section 124D.135, subdivision 3, if the district received early childhood family  
191.26    education aid according to section 124D.135 for the second preceding year;

191.27       (D) section 126C.17, subdivision 6, if the district received referendum equalization  
191.28    aid according to that section for the second preceding year;

191.29       (E) section 126C.10, subdivision 13a, if the district received operating capital aid  
191.30    according to section 126C.10, subdivision 13b, in the second preceding year;

191.31       (F) section 126C.10, subdivision 29, if the district received equity aid according to  
191.32    section 126C.10, subdivision 30, in the second preceding year;

191.33       (G) section 126C.10, subdivision 32, if the district received transition aid according  
191.34    to section 126C.10, subdivision 33, in the second preceding year;

192.1       (H) section 123B.53, subdivision 5, if the district received debt service equalization  
192.2 aid according to section 123B.53, subdivision 6, in the second preceding year;

192.3       (I) section 123B.535, subdivision 4, if the district received natural disaster debt  
192.4 service equalization aid according to section 123B.535, subdivision 5, in the second  
192.5 preceding year;

192.6       (J) section 124D.22, subdivision 3, if the district received school-age care aid  
192.7 according to section 124D.22, subdivision 4, in the second preceding year;

192.8       (K) section 123B.591, subdivision 3, if the district received deferred maintenance  
192.9 aid according to section 123B.591, subdivision 4, in the second preceding year; and

192.10       (L) section 126C.10, subdivision 35, if the district received alternative teacher  
192.11 compensation equalization aid according to section 126C.10, subdivision 36, paragraph  
192.12 (a), in the second preceding year; to

192.13       (ii) the total amount of the district's certified levy in the third preceding December,  
192.14 plus or minus auditor's adjustments.

192.15       **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2016  
192.16 and later.

192.17       Sec. 70. Minnesota Statutes 2012, section 127A.49, subdivision 3, is amended to read:

192.18       Subd. 3. **Excess tax increment.** (a) If a return of excess tax increment is made to a  
192.19 district pursuant to sections 469.176, subdivision 2, and 469.177, subdivision 9, or upon  
192.20 decertification of a tax increment district, the school district's aid and levy limitations  
192.21 must be adjusted for the fiscal year in which the excess tax increment is paid under the  
192.22 provisions of this subdivision.

192.23       (b) An amount must be subtracted from the district's aid for the current fiscal year  
192.24 equal to the product of:

192.25       (1) the amount of the payment of excess tax increment to the district, times  
192.26 (2) the ratio of:

192.27       (i) the sum of the amounts of the district's certified levy for the fiscal year in which  
192.28 the excess tax increment is paid according to the following:

192.29       (A) section 123B.57, if the district received health and safety aid according to that  
192.30 section for the second preceding year;

192.31       (B) section 124D.20, if the district received aid for community education programs  
192.32 according to that section for the second preceding year;

192.33       (C) section 124D.135, subdivision 3, if the district received early childhood family  
192.34 education aid according to section 124D.135 for the second preceding year;

193.1       (D) section 126C.17, subdivision 6, if the district received referendum equalization  
193.2 aid according to that section for the second preceding year;

193.3       (E) section 126C.10, subdivision 13a, if the district received operating capital aid  
193.4 according to section 126C.10, subdivision 13b, in the second preceding year;

193.5       (F) section 126C.10, subdivision 29, if the district received equity aid according to  
193.6 section 126C.10, subdivision 30, in the second preceding year;

193.7       (G) section 126C.10, subdivision 32, if the district received transition aid according  
193.8 to section 126C.10, subdivision 33, in the second preceding year;

193.9       (H) section 123B.53, subdivision 5, if the district received debt service equalization  
193.10 aid according to section 123B.53, subdivision 6, in the second preceding year;

193.11       (I) section 123B.535, subdivision 4, if the district received natural disaster debt  
193.12 service equalization aid according to section 123B.535, subdivision 5, in the second  
193.13 preceding year;

193.14       (J) section 124D.22, subdivision 3, if the district received school-age care aid  
193.15 according to section 124D.22, subdivision 4, in the second preceding year;

193.16       (K) section 123B.591, subdivision 3, if the district received deferred maintenance  
193.17 aid according to section 123B.591, subdivision 4, in the second preceding year; and

193.18       (L) section 126C.10, subdivision 35, if the district received alternative teacher  
193.19 compensation equalization aid according to section 126C.10, subdivision 36, paragraph  
193.20 (a), in the second preceding year; to

193.21       (ii) the total amount of the district's certified levy for the fiscal year, plus or minus  
193.22 auditor's adjustments.

193.23       (c) An amount must be subtracted from the school district's levy limitation for the  
193.24 next levy certified equal to the difference between:

193.25       (1) the amount of the distribution of excess increment; and  
193.26       (2) the amount subtracted from aid pursuant to clause (a).

193.27       If the aid and levy reductions required by this subdivision cannot be made to the aid  
193.28 for the fiscal year specified or to the levy specified, the reductions must be made from  
193.29 aid for subsequent fiscal years, and from subsequent levies. The school district must use  
193.30 the payment of excess tax increment to replace the aid and levy revenue reduced under  
193.31 this subdivision.

193.32       (d) This subdivision applies only to the total amount of excess increments received  
193.33 by a district for a calendar year that exceeds \$25,000.

193.34       **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2016  
193.35 and later.

194.1 Sec. 71. Minnesota Statutes 2013 Supplement, section 127A.70, subdivision 2, is  
194.2 amended to read:

194.3       **Subd. 2. Powers and duties; report.** (a) The partnership shall develop  
194.4 recommendations to the governor and the legislature designed to maximize the achievement  
194.5 of all P-20 students while promoting the efficient use of state resources, thereby helping  
194.6 the state realize the maximum value for its investment. These recommendations may  
194.7 include, but are not limited to, strategies, policies, or other actions focused on:

194.8           (1) improving the quality of and access to education at all points from preschool  
194.9 through graduate education;

194.10          (2) improving preparation for, and transitions to, postsecondary education and  
194.11 work; **and**

194.12          (3) ensuring educator quality by creating rigorous standards for teacher recruitment,  
194.13 teacher preparation, induction and mentoring of beginning teachers, and continuous  
194.14 professional development for career teachers; **and**

194.15          (4) realigning the governance and administrative structures of early education,  
194.16 kindergarten through grade 12, and postsecondary systems in Minnesota.

194.17       (b) Under the direction of the P-20 Education Partnership Statewide Longitudinal  
194.18 Education Data System Governance Committee, the Office of Higher Education and the  
194.19 Departments of Education and Employment and Economic Development shall improve  
194.20 and expand the Statewide Longitudinal Education Data System (SLEDS) to provide  
194.21 policymakers, education and workforce leaders, researchers, and members of the public  
194.22 with data, research, and reports to:

194.23           (1) expand reporting on students' educational outcomes;

194.24           (2) evaluate the effectiveness of educational and workforce programs; **and**

194.25           (3) evaluate the relationship between education and workforce outcomes.

194.26       To the extent possible under federal and state law, research and reports should be  
194.27 accessible to the public on the Internet, and disaggregated by demographic characteristics,  
194.28 organization or organization characteristics, and geography.

194.29       It is the intent of the legislature that the Statewide Longitudinal Education Data  
194.30 System inform public policy and decision-making. The SLEDS governance committee,  
194.31 with assistance from staff of the Office of Higher Education, the Department of Education,  
194.32 and the Department of Employment and Economic Development, shall respond to  
194.33 legislative committee and agency requests on topics utilizing data made available through  
194.34 the Statewide Longitudinal Education Data System as resources permit. Any analysis of  
194.35 or report on the data must contain only summary data.

195.1       (c) By January 15 of each year, the partnership shall submit a report to the governor  
195.2 and to the chairs and ranking minority members of the legislative committees and  
195.3 divisions with jurisdiction over P-20 education policy and finance that summarizes the  
195.4 partnership's progress in meeting its goals and identifies the need for any draft legislation  
195.5 when necessary to further the goals of the partnership to maximize student achievement  
195.6 while promoting efficient use of resources.

195.7       Sec. 72. Minnesota Statutes 2012, section 129C.10, subdivision 3, is amended to read:

195.8       **Subd. 3. Powers and duties of board.** (a) The board has the powers necessary for  
195.9 the care, management, and control of the Perpich Center for Arts Education and any other  
195.10 school authorized in this chapter, and all its their real and personal property. The powers  
195.11 shall include, but are not limited to, those listed in this subdivision.

195.12       (b) The board may employ and discharge necessary employees, and contract for  
195.13 other services to ensure the efficient operation of the Center for Arts Education and any  
195.14 other school authorized in this chapter.

195.15       (c) The board may receive and award grants. The board may establish a charitable  
195.16 foundation and accept, in trust or otherwise, any gift, grant, bequest, or devise for  
195.17 educational purposes and hold, manage, invest, and dispose of them and the proceeds  
195.18 and income of them according to the terms and conditions of the gift, grant, bequest, or  
195.19 devise and its acceptance. The board must adopt internal procedures to administer and  
195.20 monitor aids and grants.

195.21       (d) The board may establish or coordinate evening, continuing education, extension,  
195.22 and summer programs for teachers and pupils.

195.23       (e) The board may identify pupils who have artistic talent, either demonstrated or  
195.24 potential, in dance, literary arts, media arts, music, theater, and visual arts, or in more  
195.25 than one art form.

195.26       (f) The board must educate pupils with artistic talent by providing:

195.27       (1) an interdisciplinary academic and arts program for pupils in the 11th and 12th  
195.28 grades. The total number of pupils accepted under this clause and clause (2) shall not  
195.29 exceed 310;

195.30       (2) additional instruction to pupils for a 13th grade. Pupils eligible for this  
195.31 instruction are those enrolled in 12th grade who need extra instruction and who apply  
195.32 to the board, or pupils enrolled in the 12th grade who do not meet learner outcomes  
195.33 established by the board;

195.34       (3) intensive arts seminars for one or two weeks for pupils in grades 9 to 12;

195.35       (4) summer arts institutes for pupils in grades 9 to 12;

- 196.1       (5) artist mentor and extension programs in regional sites; and  
196.2       (6) teacher education programs for indirect curriculum delivery.
- 196.3       (g) The board may determine the location for the Perpich Center for Arts Education  
196.4 and any additional facilities related to the center, including the authority to lease a  
196.5 temporary facility.
- 196.6       (h) The board must plan for the enrollment of pupils on an equal basis from each  
196.7 congressional district.
- 196.8       (i) The board may establish task forces as needed to advise the board on policies and  
196.9 issues. The task forces expire as provided in section 15.059, subdivision 6.
- 196.10      (j) The board may request the commissioner of education for assistance and services.
- 196.11      (k) The board may enter into contracts with other public and private agencies  
196.12 and institutions for residential and building maintenance services if it determines that  
196.13 these services could be provided more efficiently and less expensively by a contractor  
196.14 than by the board itself. The board may also enter into contracts with public or private  
196.15 agencies and institutions, school districts or combinations of school districts, or service  
196.16 cooperatives to provide supplemental educational instruction and services.
- 196.17      (l) The board may provide or contract for services and programs by and for the  
196.18 Center for Arts Education, including a store, operating in connection with the center;  
196.19 theatrical events; and other programs and services that, in the determination of the board,  
196.20 serve the purposes of the center.
- 196.21      (m) The board may provide for transportation of pupils to and from the Center for  
196.22 Arts Education for all or part of the school year, as the board considers advisable and  
196.23 subject to its rules. Notwithstanding any other law to the contrary, the board may charge a  
196.24 reasonable fee for transportation of pupils. Every driver providing transportation of pupils  
196.25 under this paragraph must possess all qualifications required by the commissioner of  
196.26 education. The board may contract for furnishing authorized transportation under rules  
196.27 established by the commissioner of education and may purchase and furnish gasoline to a  
196.28 contract carrier for use in the performance of a contract with the board for transportation  
196.29 of pupils to and from the Center for Arts Education. When transportation is provided,  
196.30 scheduling of routes, establishment of the location of bus stops, the manner and method of  
196.31 transportation, the control and discipline of pupils, and any other related matter is within  
196.32 the sole discretion, control, and management of the board.
- 196.33      (n) The board may provide room and board for its pupils. If the board provides room  
196.34 and board, it shall charge a reasonable fee for the room and board. The fee is not subject  
196.35 to chapter 14 and is not a prohibited fee according to sections 123B.34 to 123B.39.

197.1       (o) The board may establish and set fees for services and programs. If the board sets  
197.2 fees not authorized or prohibited by the Minnesota public school fee law, it may do so  
197.3 without complying with the requirements of section 123B.38.

197.4       (p) The board may apply for all competitive grants administered by agencies of the  
197.5 state and other government or nongovernment sources.

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

197.7       Sec. 73. Minnesota Statutes 2012, section 129C.10, is amended by adding a  
197.8 subdivision to read:

197.9       Subd. 5a. **Interdistrict voluntary integration magnet program.** Notwithstanding  
197.10 Minnesota Rules, parts 3535.0110 and 3535.0150, the board may establish and operate  
197.11 an interdistrict integration magnet program according to section 129C.30. For fiscal year  
197.12 2016 and later, the board must have an approved achievement and integration plan and  
197.13 budget under section 124D.861.

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

197.15       Sec. 74. **[129C.30] CROSSWINDS INTEGRATION MAGNET SCHOOL.**

197.16       Subdivision 1. **Definitions.** (a) The following terms having the meanings given  
197.17 them for this chapter.

197.18       (b) "Board" means the board of directors of the Perpich Center for Arts Education.  
197.19       (c) "Crosswinds school" means the Crosswinds school in Woodbury operated during  
197.20 the 2012-2013 school year by Joint Powers District No. 6067, East Metro Integration  
197.21 District.

197.22       Subd. 2. **Board to operate the Crosswinds school.** The board may operate the  
197.23 Crosswinds school with the powers and duties granted to it under this chapter. A student  
197.24 may apply to the Crosswinds school under section 124D.03 and the Crosswinds school  
197.25 may accept students under that section.

197.26       Subd. 3. **General education funding.** (a) General education revenue must be paid  
197.27 to the Crosswinds school as though it were a district. The general education revenue for  
197.28 each adjusted pupil unit is the state average general education revenue per pupil unit, plus  
197.29 the referendum equalization aid allowance in the pupil's district of residence, minus an  
197.30 amount equal to the product of the formula allowance according to section 126C.10,  
197.31 subdivision 2, times .0466, calculated without declining enrollment, basic skills revenue,  
197.32 extended time revenue, pension adjustment revenue, transition revenue, and transportation  
197.33 sparsity revenue, plus declining enrollment, basic skills revenue, extended time revenue,

198.1 pension adjustment revenue, and transition revenue as though the school were a school  
198.2 district. The general education revenue for each extended time pupil unit equals \$4,794.

198.3 (b) General education revenue under paragraph (a) must be reduced by an amount  
198.4 equal to 75 percent of the school's equity revenue for that year.

198.5 Subd. 4. **Special education funding.** Special education aid must be paid to the  
198.6 Crosswinds school according to sections 125A.76 and 125A.79, as though it were a  
198.7 school district. The special education aid paid to the Crosswinds school shall be adjusted  
198.8 as follows:

198.9 (1) if the Crosswinds school does not receive general education revenue on behalf of  
198.10 the student according to subdivision 3, the aid shall be adjusted as provided in section  
198.11 125A.11; or

198.12 (2) if the Crosswinds school receives general education revenue on behalf of the  
198.13 student according to subdivision 3, the aid shall be adjusted as provided in section  
198.14 127A.47, subdivision 7, paragraphs (b) to (d).

198.15 Subd. 5. **Pupil transportation.** For fiscal year 2015 only, a member district of Joint  
198.16 Powers District No. 6067, East Metro Integration District must transport pupils enrolled at  
198.17 the Crosswinds school in the same manner as they were transported in fiscal year 2014.  
198.18 Pupil transportation expenses under this section are reimbursable under section 124D.87.

198.19 Subd. 6. **Achievement and integration aid.** For fiscal year 2016 and later, the  
198.20 Crosswinds school is eligible for achievement and integration aid under section 124D.862  
198.21 as if it were a school district.

198.22 Subd. 7. **Other aids, grants, revenue.** (a) The Crosswinds school is eligible to  
198.23 receive other aids, grants, and revenue according to chapters 120A to 129C as though it  
198.24 were a district.

198.25 (b) Notwithstanding paragraph (a), the Crosswinds school may not receive aid, a  
198.26 grant, or revenue if a levy is required to obtain the money, or if the aid, grant, or revenue  
198.27 replaces levy revenue that is not general education revenue, except as otherwise provided  
198.28 in this section.

198.29 (c) Federal aid received by the state must be paid to the school, if it qualifies for  
198.30 the aid as though it were a school district.

198.31 (d) In the year-end report to the commissioner of education, the Crosswinds school  
198.32 shall report the total amount of funds received from grants and other outside sources.

198.33 Subd. 8. **Year-round programming.** The Crosswinds school may operate as a  
198.34 flexible learning year program under sections 124D.12 to 124D.127.

198.35 Subd. 9. **Data requirements.** The commissioner of education shall require the  
198.36 Crosswinds school to follow the budget and accounting procedures required for school

199.1   districts and the Crosswinds school shall report all data to the Department of Education in  
199.2   the form and manner required by the commissioner.

199.3   Sec. 75. Minnesota Statutes 2013, section 298.28, subdivision 7a, as added by Laws  
199.4   2014, chapter 150, article 6, section 13, is amended to read:

199.5   **Subd. 7a. Iron Range school consolidation and cooperatively operated school**  
199.6   **account.** The following amounts must be allocated to the Iron Range Resources and  
199.7   Rehabilitation Board to be deposited in the Iron Range school consolidation and  
199.8   cooperatively operated school account that is hereby created:

199.9   (1) ten cents per taxable ton of the tax imposed under section 298.24;  
199.10   (2) the amount as determined under section 298.17, paragraph (b), clause (3); and  
199.11   (3) for distributions in 2015 through 2017, an amount equal to two-thirds of the  
199.12   increased tax proceeds attributable to the increase in the implicit price deflator as provided  
199.13   in section 298.24, subdivision 1.

199.14   Expenditures from this account shall be made only to provide disbursements to  
199.15   assist school districts with the payment of bonds that were issued for qualified school  
199.16   projects, or for any other disbursement as approved by the Iron Range Resources and  
199.17   Rehabilitation Board. For purposes of this section, "qualified school projects" means  
199.18   school projects within the taconite assistance area as defined in section 273.1341, that  
199.19   were (1) approved, by referendum, after December 7, 2009; and (2) approved by the  
199.20   commissioner of education pursuant to section 123B.71.

199.21   Beginning in fiscal year 2019, the disbursement to school districts for payments for  
199.22   bonds issued under section 123A.482, subdivision 9, must be increased each year to  
199.23   offset any reduction in debt service equalization aid that the school district qualifies for in  
199.24   that year, under section 123B.53, subdivision 6, compared with the amount the school  
199.25   district qualified for in fiscal year 2018.

199.26   No expenditure under this section shall be made unless approved by seven members  
199.27   of the Iron Range Resources and Rehabilitation Board.

199.28   **EFFECTIVE DATE.** This section is effective for production year 2014 and  
199.29   thereafter.

199.30   Sec. 76. Laws 2013, chapter 116, article 1, section 58, subdivision 2, is amended to read:

199.31   **Subd. 2. General education aid.** For general education aid under Minnesota  
199.32   Statutes, section 126C.13, subdivision 4:

200.1            ~~6,051,766,000~~  
200.2        \$ 6,851,419,000 ..... 2014  
200.3            ~~6,370,640,000~~  
200.4        \$ 6,440,407,000 ..... 2015

200.5            The 2014 appropriation includes ~~\$781,842,000~~ \$780,156,000 for 2013 and  
200.6        ~~\$5,269,924,000~~ \$6,071,263,000 for 2014.

200.7            The 2015 appropriation includes ~~\$823,040,000~~ \$589,095,000 for 2014 and  
200.8        ~~\$5,547,600,000~~ \$5,851,312,000 for 2015.

200.9            Sec. 77. Laws 2013, chapter 116, article 3, section 37, subdivision 15, is amended to  
200.10      read:

200.11          Subd. 15. **Early childhood literacy programs.** For early childhood literacy  
200.12      programs under Minnesota Statutes, section 119A.50, subdivision 3:

200.13        \$        4,125,000 ..... 2014  
200.14            ~~4,125,000~~  
200.15        \$        6,125,000 ..... 2015

200.16          Up to \$4,125,000 each in the first year and \$6,125,000 in the second year is for  
200.17      leveraging federal and private funding to support AmeriCorps members serving in the  
200.18      Minnesota Reading Corps program established by ServeMinnesota, including costs  
200.19      associated with the training and teaching of early literacy skills to children age three to  
200.20      grade 3 and the evaluation of the impact of the program under Minnesota Statutes, sections  
200.21      124D.38, subdivision 2, and 124D.42, subdivision 6. Up to \$2,000,000 in fiscal year  
200.22        2015 must be used to support priority and focus schools as defined by the Department  
200.23        of Education and to expand kindergarten programming.

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

200.25        The base for fiscal year 2016 and later is \$4,125,000.

200.26          Sec. 78. Laws 2013, chapter 116, article 5, section 31, subdivision 8, is amended to read:

200.27          Subd. 8. **Special education paperwork cost savings.** For the contract to effect  
200.28      special education paperwork cost savings under Minnesota Statutes, section 125A.08,  
200.29      subdivision 2, paragraph (c):

200.30        \$        1,763,000 ..... 2014

200.31          For a transfer to MNIT. This appropriation is available in fiscal year 2015 if not  
200.32      expended.

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

201.1 Sec. 79. Laws 2013, chapter 116, article 7, section 21, subdivision 2, is amended to read:  
201.2 Subd. 2. **School lunch.** For school lunch aid according to Minnesota Statutes,  
201.3 section 124D.111, and Code of Federal Regulations, title 7, section 210.17:

201.4	\$	13,032,000	.....	2014
201.5		<del>13,293,000</del>		
201.6	\$	<u>16,185,000</u>	.....	2015

201.7 Sec. 80. Laws 2013, chapter 116, article 7, section 21, subdivision 3, is amended to read:  
201.8 Subd. 3. **School breakfast.** For traditional school breakfast aid under Minnesota  
201.9 Statutes, section 124D.1158:

201.10		5,711,000		
201.11	\$	<u>5,308,000</u>	.....	2014
201.12		<del>6,022,000</del>		
201.13	\$	<u>6,176,000</u>	.....	2015

201.14 Sec. 81. Laws 2013, chapter 116, article 8, section 5, subdivision 2, is amended to read:  
201.15 Subd. 2. **School readiness.** For revenue for school readiness programs under  
201.16 Minnesota Statutes, sections 124D.15 and 124D.16:

201.17		10,095,000		
201.18	\$	<u>10,458,000</u>	.....	2014
201.19		<del>10,159,000</del>		
201.20	\$	<u>13,529,000</u>	.....	2015

201.21 The 2014 appropriation includes \$1,372,000 for 2013 and ~~\$8,723,000~~ \$9,086,000  
201.22 for 2014.

201.23 The 2015 appropriation includes ~~\$1,372,000~~ \$1,009,000 for 2014 and ~~\$8,787,000~~  
201.24 \$12,520,000 for 2015.

201.25 Sec. 82. Laws 2013, chapter 116, article 8, section 5, subdivision 3, is amended to read:  
201.26 Subd. 3. **Early childhood family education aid.** For early childhood family  
201.27 education aid under Minnesota Statutes, section 124D.135:

201.28		22,078,000		
201.29	\$	<u>22,797,000</u>	.....	2014
201.30		<del>22,425,000</del>		
201.31	\$	<u>30,905,000</u>	.....	2015

201.32 The 2014 appropriation includes \$3,008,000 for 2013 and ~~\$19,070,000~~ \$19,789,000  
201.33 for 2014.

201.34 The 2015 appropriation includes ~~\$3,001,000~~ \$2,198,000 for 2014 and ~~\$19,424,000~~  
201.35 \$28,707,000 for 2015.

202.1 Sec. 83. Laws 2013, chapter 116, article 8, section 5, subdivision 8, is amended to read:  
202.2 Subd. 8. **Early childhood education scholarships.** For transfer to the Office of  
202.3 Early Learning for early learning scholarships under Minnesota Statutes, section 124D.165:

202.4 \$ 23,000,000 ..... 2014  
202.5 23,000,000  
202.6 \$ 31,800,000 ..... 2015

202.7 Up to \$950,000 each year is for administration of this program.  
202.8 Any balance in the first year does not cancel but is available in the second year.  
202.9 The base for fiscal year 2016 and later is \$29,650,000.

202.10 **EFFECTIVE DATE.** This section is effective July 1, 2014.

202.11 Sec. 84. Laws 2013, chapter 116, article 8, section 5, subdivision 9, is amended to read:  
202.12 Subd. 9. **Parent-child home program.** For a grant to the parent-child home  
202.13 program:

202.14 \$ 250,000 ..... 2014  
202.15 \$ 250,000 350,000 ..... 2015

202.16 The grant must be used for an evidence-based and research-validated early childhood  
202.17 literacy and school readiness program for children ages 16 months to four years at its  
202.18 existing suburban program location. The program must expand to one additional urban  
202.19 and one additional rural program location for fiscal years 2014 and 2015. The base for  
202.20 fiscal year 2016 and later is \$250,000.

202.21 Sec. 85. Laws 2013, chapter 116, article 8, section 5, subdivision 14, is amended to read:  
202.22 Subd. 14. **Adult basic education aid.** For adult basic education aid under  
202.23 Minnesota Statutes, section 124D.531:

202.24 47,005,000  
202.25 \$ 48,776,000 ..... 2014  
202.26 48,145,000  
202.27 \$ 48,415,000 ..... 2015

202.28 The 2014 appropriation includes \$6,284,000 \$6,278,000 for 2013 and \$40,721,000  
202.29 \$42,498,000 for 2014.

202.30 The 2015 appropriation includes \$6,409,000 \$4,722,000 for 2014 and \$41,736,000  
202.31 \$43,693,000 for 2015.

202.32 Sec. 86. Laws 2013, chapter 116, article 9, section 2, is amended to read:  
202.33 **Sec. 2. APPROPRIATIONS; MINNESOTA STATE ACADEMIES.**

203.1        The sums indicated in this section are appropriated from the general fund to the  
203.2        Minnesota State Academies for the Deaf and the Blind for the fiscal years designated:

203.3        \$      11,749,000      ..... 2014

203.4        ~~11,664,000~~

203.5        \$      11,964,000      ..... 2015

203.6        \$85,000 of the fiscal year 2014 appropriation is for costs associated with upgrading  
203.7        kitchen facilities. Any balance in the first year does not cancel but is available in the  
203.8        second year.

203.9        Sec. 87. **FISCAL YEAR 2015 LEASE LEVY AUTHORITY.**

203.10        (a) Notwithstanding Minnesota Statutes, section 126C.40, subdivision 1, paragraph  
203.11        (e), for taxes payable in 2015, a district may apply to the commissioner in a manner  
203.12        consistent with Minnesota Statutes, section 126C.40, subdivision 1, paragraph (a), to levy  
203.13        an amount not to exceed \$50 times the adjusted pupil units for fiscal year 2015.

203.14        (b) Notwithstanding Minnesota Statutes, section 126C.40, subdivision 1, paragraph  
203.15        (h), for taxes payable in 2015, a school district that is a member of an intermediate school  
203.16        district may include in its authority under this section the costs associated with leases of  
203.17        administrative and classroom space for intermediate school district programs. Authority  
203.18        under this paragraph must not exceed \$19 times the adjusted pupil units of the member  
203.19        districts and is in addition to any other authority authorized under this section.

203.20        (c) A levy made under this section must be used for purposes consistent with  
203.21        Minnesota Statutes, section 126C.40, subdivision 1, and be recognized as revenue in  
203.22        fiscal year 2015.

203.23        Sec. 88. **HARAMBEE COMMUNITY SCHOOL TRANSITION.**

203.24        Subdivision 1. Student enrollment. A student enrolled in the Harambee community  
203.25        school during the 2013-2014 school year may continue to enroll in the Harambee  
203.26        community school in any subsequent year. For the 2014-2015 school year and later, other  
203.27        students may apply for enrollment under Minnesota Statutes, section 124D.03.

203.28        Subd. 2. Compensatory revenue, literacy aid, and alternative compensation  
203.29        revenue. For the 2014-2015 school year only, the Department of Education must calculate  
203.30        compensatory revenue, literacy aid, and alternative compensation revenue for the  
203.31        Harambee community school based on the fall 2013 enrollment counts.

203.32        Subd. 3. Year-round programming. Harambee community school may operate as  
203.33        a flexible learning year program under Minnesota Statutes, sections 124D.12 to 124D.127.

204.1        Subd. 4. Pupil transportation. The board may transport pupils enrolled in the  
204.2        2013-2014 school year to and from the Harambee community school in succeeding school  
204.3        years regardless of the students' districts of residence. Pupil transportation expenses under  
204.4        this section are reimbursable under Minnesota Statutes, section 124D.87.

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

204.6        **Sec. 89. INFORMATION TECHNOLOGY CERTIFICATION PARTNERSHIPS;  
204.7        REQUEST FOR PROPOSAL; PROGRAM REQUIREMENTS.**

204.8        (a) The commissioner shall contract with at least one provider to provide information  
204.9        technology education opportunities to students in grades 9 through 12. This partnership  
204.10        must allow participating students and teachers to secure broad-based information  
204.11        technology certifications.

204.12        (b) The commissioner shall issue a competitive request for proposals, award the  
204.13        contract, and make available, through participating school districts, charter schools, and  
204.14        intermediate districts, instruction on information technology skills and competencies  
204.15        that are essential for career and college readiness. The request for proposals shall at  
204.16        least include the following components:

204.17        (1) a research-based curriculum;  
204.18        (2) online access to the curriculum;  
204.19        (3) instructional software for classroom and student use;  
204.20        (4) certification of skills and competencies in a broad array of information  
204.21        technology-related skill areas;

204.22        (5) professional development for teachers; and  
204.23        (6) deployment and program support, including, but not limited to, integration with  
204.24        academic standards under Minnesota Statutes, section 120B.021 or 120B.022.

204.25        (c) If the contract awarded under this section does not allow for the service to be  
204.26        delivered in every eligible school, the commissioner shall make the contracted service  
204.27        available on a first-come, first-served basis to an equal number of schools in each of the  
204.28        regions represented by a regional development commission under Minnesota Statutes,  
204.29        section 462.387, and in the region consisting of counties not represented by a regional  
204.30        development commission. If participating schools in any region do not exhaust the services  
204.31        allocated to that region, the commissioner may reallocate unused services to other regions.

204.32        **Sec. 90. LEASE LEVY; SATELLITE TRANSPORTATION HUB FOR  
204.33        ROSEMOUNT-APPLE VALLEY-EAGAN SCHOOL DISTRICT.**

205.1        Notwithstanding Minnesota Statutes, section 126C.40, subdivision 1, Independent  
205.2        School District No. 196, Rosemount-Apple Valley-Eagan, may lease a satellite  
205.3        transportation hub under Minnesota Statutes, section 126C.40, subdivision 1, if the district  
205.4        can demonstrate to the satisfaction of the commissioner of education that the satellite  
205.5        transportation hub will result in a significant financial savings. Levy authority under  
205.6        this section shall not exceed the total levy authority under Minnesota Statutes, section  
205.7        126C.40, subdivision 1, paragraph (e).

205.8        **EFFECTIVE DATE.** This section is effective for taxes payable in 2015 and later.

205.9        Sec. 91. **LEGISLATIVE REPORT ON K-12 STUDENTS' EXPERIENCE WITH**  
205.10        **PHYSICAL EDUCATION.**

205.11        (a) The commissioner of education must prepare and submit to the education policy  
205.12        and finance committees of the legislature by January 15, 2015, a written report on K-12  
205.13        students' experience with physical education, consistent with this section. Among other  
205.14        physical education-related issues, the report must include:

205.15        (1) the number of minutes per day and frequency per week students in each grade  
205.16        level, kindergarten through grade 8, receive physical education, identify the requirements in  
205.17        high school physical education in terms of semesters, trimesters, quarters, or school years;  
205.18        (2) the measures and data used to assess students' level of fitness and the uses made  
205.19        of the fitness data;

205.20        (3) the educational preparation of physical education instructors and the proportion  
205.21        of time certified physical education teachers provide physical education instruction;  
205.22        (4) the amount of time and number of days per week each grade level, kindergarten  
205.23        through grade 6, receives recess;

205.24        (5) whether high school students are allowed to substitute other activities for  
205.25        required physical education, and, if so, which activities qualify;

205.26        (6) identify the number or percentage of high school students who earn required  
205.27        physical education credits online;

205.28        (7) whether schools offer before or after school physical activities opportunities in  
205.29        each grade level, kindergarten through grade 8, and in high school, and, if so, what are the  
205.30        opportunities; and

205.31        (8) the extent to which schools coordinate with developmentally adaptive physical  
205.32        education specialists when needed.

205.33        (b) Any costs of preparing this report must be paid for out of the Department of  
205.34        Education's current operating budget.

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

206.2       **Sec. 92. RECIPROCITY AGREEMENT EXEMPTION; HENDRICKS.**

206.3       Notwithstanding Minnesota Statutes, sections 124D.04, subdivision 6, paragraph  
206.4       (b); 124D.041, subdivision 3, paragraph (b); and 124D.05, subdivision 2a, the provisions  
206.5       of Minnesota Statutes, section 124D.041 and the agreement shall not apply to Independent  
206.6       School District No. 402, Hendricks.

206.7       **EFFECTIVE DATE.** This section is effective for the 2014-2015 school year and  
206.8       later.

206.9       **Sec. 93. TEACHER DEVELOPMENT AND EVALUATION REVENUE.**

206.10       (a) For fiscal year 2015 only, teacher development and evaluation revenue for a school  
206.11       district, intermediate school district, or charter school that does not have an alternative  
206.12       professional pay system agreement under Minnesota Statutes, section 122A.414,  
206.13       subdivision 2, equals \$302 times the number of full-time equivalent teachers employed on  
206.14       October 1 of the previous school year. Revenue under this section must be reserved for  
206.15       teacher development and evaluation activities consistent with Minnesota Statutes, section  
206.16       122A.40, subdivision 8, or Minnesota Statutes, section 122A.41, subdivision 5. For the  
206.17       purposes of this section, "teacher" has the meaning given it in Minnesota Statutes, section  
206.18       122A.40, subdivision 1, or Minnesota Statutes, section 122A.41, subdivision 1.

206.19       (b) Notwithstanding paragraph (a), the state total teacher development and evaluation  
206.20       revenue entitlement must not exceed \$10,000,000 for fiscal year 2015. The commissioner  
206.21       must limit the amount of revenue under this section so as not to exceed this limit.

206.22       **Sec. 94. TRANSITION REQUIREMENTS; CROSSWINDS SCHOOL.**

206.23       Subdivision 1. **Student enrollment.** Any student enrolled in the Crosswinds school  
206.24       during the 2013-2014 school year may continue to enroll in the Crosswinds school in  
206.25       any subsequent year. For the 2014-2015 school year and later, a student may apply for  
206.26       enrollment to the school under Minnesota Statutes, section 124D.03.

206.27       Subd. 2. **Compensatory revenue, literacy aid, and alternative compensation**  
206.28       **revenue.** For the 2014-2015 school year only, the Department of Education must calculate  
206.29       compensatory revenue, literacy aid, and alternative compensation revenue for the  
206.30       Crosswinds school based on the October 1, 2013, enrollment counts at that site.

206.31       Subd. 3. **Title 1 funding.** To the extent possible, the Department of Education  
206.32       must qualify the Crosswinds school for Title 1, and if applicable, other federal funding,

207.1 as if the program were still operated by Joint Powers District No. 6067, East Metro  
207.2 Integration District.

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

207.4 Sec. 95. **VISION THERAPY PILOT PROJECT.**

207.5 Subdivision 1. **Establishment.** A three-year grant program is established to fund  
207.6 vision therapy pilot projects in up to two school districts.

207.7 Subd. 2. **Pilot project.** In each year of the pilot project, second and third grade  
207.8 students identified by a set of criteria by the pilot school shall be admitted into the pilot  
207.9 study. Identified students shall have a comprehensive eye examination with written  
207.10 standard requirements of testing. Students identified with a diagnosis of convergence  
207.11 insufficiency must undergo a vision efficiency evaluation by a licensed optometrist or  
207.12 ophthalmologist trained in the evaluation of learning-related vision problems. The results  
207.13 of this examination shall determine whether a student will qualify for neuro-optometric  
207.14 vision therapy funded by the grant. The parent or guardian of a student who qualifies for  
207.15 the pilot program under this paragraph may submit a written notification to the school  
207.16 opting the student out of the program. Guidelines must be established to provide quality  
207.17 standards and measures to ensure an appropriate diagnosis and treatment plan that is  
207.18 consistent with the convergence insufficiency treatment trial study.

207.19 Subd. 3. **Application.** The applicant school district must submit a plan to the  
207.20 commissioner of education in the form and manner the commissioner determines. A  
207.21 charter school is not eligible to apply. The application must include:

207.22 (1) the school that will implement the pilot project;  
207.23 (2) who will provide the comprehensive eye exam, visual efficiency evaluation, and  
207.24 the neuro-optometric vision therapy treatment along with appropriate licensure;  
207.25 (3) how the vision and reading skills of students participating in the program will be  
207.26 evaluated before and after vision therapy;  
207.27 (4) how students' progress will be monitored during and after receiving  
207.28 neuro-optometric vision therapy; and  
207.29 (5) what additional reading interventions will be available to students after  
207.30 completion of the neuro-optometric vision therapy program.

207.31 Subd. 4. **Application review; grant awards.** (a) Grant money must be paid to the  
207.32 recipient districts in the 2014-2015, 2015-2016, and 2016-2017 school years.

207.33 (b) The grant is awarded for a three-year time period.

207.34 (c) The commissioner shall oversee the grant distribution.

208.1        (d) A grant shall be awarded to Independent School District No. 12, Centennial,  
208.2        provided the district meets the application requirements in subdivision 3.

208.3        (e) A grant shall be awarded to an applicant district with its administrative offices  
208.4        not located in Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington County,  
208.5        or a city of the first class.

208.6        Subd. 5. **Evaluation.** The commissioner of education must provide for an evaluation  
208.7        of the pilot project and must report to the legislative committees with jurisdiction over  
208.8        kindergarten through grade 12 education policy and finance by January 15, 2018.

208.9        **Sec. 96. APPROPRIATION; RESPONSES TO HEALTH INSURANCE**  
208.10        **TRANSPARENCY ACT BID REQUESTS.**

208.11        (a) \$294,000 is appropriated for fiscal year 2015 from the general fund to the  
208.12        commissioner of management and budget to comply with the requirements relating to  
208.13        health insurance transparency similar to those proposed in Senate File 1835, if enacted in  
208.14        the 2014 regular legislative session. This is a onetime appropriation.

208.15        (b) If a bill meeting the requirements of paragraph (a) is enacted, the commissioner  
208.16        of management and budget shall report by January 15, 2015, to the legislative chairs  
208.17        and ranking minority members with jurisdiction over state government finance on the  
208.18        ongoing costs incurred by the public employees insurance program in compliance with  
208.19        the requirements of the Health Insurance Transparency Act and may request additional  
208.20        appropriations, if necessary.

208.21        **Sec. 97. APPROPRIATIONS.**

208.22        Subdivision 1. **Department of Education.** The sums indicated in this section  
208.23        are appropriated from the general fund to the Department of Education for the fiscal  
208.24        year designated.

208.25        Subd. 2. **Headwaters Science Center.** For a grant to the Headwaters Science  
208.26        Center for hands-on science, technology, engineering, and math (STEM) education.

208.27        \$            50,000        ....    2015

208.28        The base for fiscal year 2016 and later is \$0.

208.29        Subd. 3. **The Works Museum.** For a grant to the Works Museum for hands-on  
208.30        science, technology, engineering, and math (STEM) education.

208.31        \$            75,000        ....    2015

208.32        The base for fiscal year 2016 and later is \$0.

209.1        Subd. 4. Northwestern Online College in the High School program. For the  
209.2        Northwestern Online College in the High School program:

209.3        \$        160,000        ....        2015

209.4        The base for fiscal year 2016 and later is \$0.

209.5        Subd. 5. Information technology certification partnership. For an information  
209.6        technology certification partnership.

209.7        \$        340,000        ....        2015

209.8        The base for 2016 and later is \$0.

209.9        Subd. 6. Grants for vision therapy pilot project. For grants to implement a  
209.10        neuro-optometric vision therapy pilot project:

209.11        \$        500,000        .....        2015

209.12        This appropriation is available until expended.

209.13        The base for fiscal year 2016 and later is \$0.

209.14        Subd. 7. Legislative report on K-12 students' experience with physical  
209.15        education. For the preparation of the legislative report on K-12 students' experience  
209.16        with physical education.

209.17        \$        73,000        ....        2015

209.18        The base for fiscal year 2016 and later is \$0.

209.19        Subd. 8. Teacher development and evaluation. For teacher development and  
209.20        evaluation revenue.

209.21        \$        9,000,000        ....        2015

209.22        The 2015 appropriation includes \$0 for 2014 and \$9,000,000 for 2015. This is a  
209.23        onetime appropriation and is available until expended.

209.24        Subd. 9. Saint Paul Promise Neighborhood. For a grant to the Saint Paul Promise  
209.25        Neighborhood.

209.26        \$        600,000        ....        2015

209.27        (a) Funds appropriated in this section are to reduce multigenerational poverty and  
209.28        the educational achievement gap through increased enrollment of families within the  
209.29        zone, and may be used for Saint Paul Promise Neighborhood programming and services  
209.30        consistent with federal Promise Neighborhood program agreements and requirements.

209.31        (b) The Saint Paul Promise Neighborhood shall submit a report on January 15, 2016,  
209.32        to the chairs of the legislative committees with jurisdiction over early childhood through

210.1 grade 12 education policy and finance. The report, at a minimum, must summarize  
210.2 program activities, specify performance measures, and analyze program outcomes.

210.3 (c) The base appropriation for fiscal year 2016 is \$0.

210.4 Subd. 10. **Northside Achievement Zone.** For a grant to the Northside Achievement  
210.5 Zone.

210.6 \$ 600,000 ..... 2015

210.7 (a) Funds appropriated in this section are to reduce multigenerational poverty and  
210.8 the educational achievement gap through increased enrollment of families within the zone,  
210.9 and may be used for Northside Achievement Zone programming and services consistent  
210.10 with federal Promise Neighborhood program agreements and requirements. The base  
210.11 appropriation for fiscal year 2016 is \$0.

210.12 (b) The Northside Achievement Zone shall submit a report to the chairs of the  
210.13 legislative committees with jurisdiction over early childhood through grade 12 education  
210.14 policy and finance that, at a minimum, summarizes program activities, specifies  
210.15 performance measures, and analyzes program outcomes. The report must be submitted by  
210.16 January 15, 2016.

210.17 Sec. 98. **REVISOR'S INSTRUCTION.**

210.18 In Minnesota Statutes, the revisor of statutes shall change the term "location equity"  
210.19 to "local optional."

210.20 Sec. 99. **REPEALER.**

210.21 Minnesota Statutes 2012, section 123B.71, subdivision 1, is repealed.

## 210.22 ARTICLE 13

### 210.23 FORECAST ADJUSTMENTS

#### 210.24 A. GENERAL EDUCATION

210.25 Section 1. Laws 2013, chapter 116, article 1, section 58, subdivision 3, is amended to  
210.26 read:

210.27 Subd. 3. **Enrollment options transportation.** For transportation of pupils attending  
210.28 postsecondary institutions under Minnesota Statutes, section 124D.09, or for transportation  
210.29 of pupils attending nonresident districts under Minnesota Statutes, section 124D.03:

211.1		<u>44,000</u>	
211.2	\$	<u>37,000</u>	..... 2014
211.3		<u>48,000</u>	
211.4	\$	<u>40,000</u>	..... 2015

211.5 Sec. 2. Laws 2013, chapter 116, article 1, section 58, subdivision 4, is amended to read:

211.6       **Subd. 4. Abatement revenue.** For abatement aid under Minnesota Statutes, section  
211.7 127A.49:

211.8		<u>2,747,000</u>	
211.9	\$	<u>2,876,000</u>	..... 2014
211.10		<u>3,136,000</u>	
211.11	\$	<u>3,103,000</u>	..... 2015

211.12       The 2014 appropriation includes \$301,000 for 2013 and ~~\$2,446,000~~ \$2,575,000  
211.13 for 2014.

211.14       The 2015 appropriation includes ~~\$385,000~~ \$286,000 for 2014 and ~~\$2,751,000~~  
211.15 \$2,817,000 for 2015.

211.16 Sec. 3. Laws 2013, chapter 116, article 1, section 58, subdivision 5, is amended to read:

211.17       **Subd. 5. Consolidation transition.** For districts consolidating under Minnesota  
211.18 Statutes, section 123A.485:

211.19		<u>472,000</u>	
211.20	\$	<u>585,000</u>	..... 2014
211.21		<u>480,000</u>	
211.22	\$	<u>254,000</u>	..... 2015

211.23       The 2014 appropriation includes \$40,000 for 2013 and ~~\$432,000~~ \$545,000 for 2014.

211.24       The 2015 appropriation includes ~~\$68,000~~ \$60,000 for 2014 and ~~\$412,000~~ \$194,000  
211.25 for 2015.

211.26 Sec. 4. Laws 2013, chapter 116, article 1, section 58, subdivision 6, is amended to read:

211.27       **Subd. 6. Nonpublic pupil education aid.** For nonpublic pupil education aid under  
211.28 Minnesota Statutes, sections 123B.40 to 123B.43 and 123B.87:

211.29		<u>15,582,000</u>	
211.30	\$	<u>16,068,000</u>	..... 2014
211.31		<u>16,169,000</u>	
211.32	\$	<u>16,074,000</u>	..... 2015

211.33       The 2014 appropriation includes \$2,099,000 for 2013 and ~~\$13,483,000~~ \$13,969,000  
211.34 for 2014.

211.35       The 2015 appropriation includes ~~\$2,122,000~~ \$1,552,000 for 2014 and ~~\$14,047,000~~  
211.36 \$14,522,000 for 2015.

212.1 Sec. 5. Laws 2013, chapter 116, article 1, section 58, subdivision 7, is amended to read:

212.2 Subd. 7. **Nonpublic pupil transportation.** For nonpublic pupil transportation aid

212.3 under Minnesota Statutes, section 123B.92, subdivision 9:

212.4 ~~18,565,000~~

212.5 \$ 18,566,000 ..... 2014

212.6 ~~18,946,000~~

212.7 \$ 17,646,000 ..... 2015

212.8 The 2014 appropriation includes \$2,668,000 for 2013 and ~~\$15,897,000~~ \$15,898,000

212.9 for 2014.

212.10 The 2015 appropriation includes ~~\$2,502,000~~ \$1,766,000 for 2014 and ~~\$16,444,000~~

212.11 \$15,880,000 for 2015.

212.12 Sec. 6. Laws 2013, chapter 116, article 1, section 58, subdivision 11, is amended to read:

212.13 Subd. 11. **Career and technical aid.** For career and technical aid under Minnesota

212.14 Statutes, section 124D.4531, subdivision 1b:

212.15 ~~4,320,000~~

212.16 \$ 3,959,000 ..... 2014

212.17 ~~5,680,000~~

212.18 \$ 5,172,000 ..... 2015

212.19 The 2014 appropriation includes \$0 for 2014 and ~~\$4,320,000~~ \$3,959,000 for 2015.

212.20 The 2015 appropriation includes ~~\$680,000~~ \$439,000 for 2014 and ~~\$5,000,000~~

212.21 \$4,733,000 for 2015.

## 212.22 B. EDUCATION EXCELLENCE

212.23 Sec. 7. Laws 2013, chapter 116, article 3, section 37, subdivision 3, is amended to read:

212.24 Subd. 3. **Achievement and integration aid.** For achievement and integration aid

212.25 under Minnesota Statutes, section 124D.862:

212.26 ~~58,911,000~~

212.27 \$ 55,609,000 ..... 2014

212.28 ~~68,623,000~~

212.29 \$ 62,692,000 ..... 2015

212.30 The 2014 appropriation includes \$0 for 2013 and ~~\$58,911,000~~ \$55,609,000 for 2014.

212.31 The 2015 appropriation includes ~~\$9,273,000~~ \$6,178,000 for 2014 and ~~\$59,350,000~~

212.32 \$56,514,000 for 2015.

212.33 Sec. 8. Laws 2013, chapter 116, article 3, section 37, subdivision 4, is amended to read:

212.34 Subd. 4. **Literacy incentive aid.** For literacy incentive aid under Minnesota

212.35 Statutes, section 124D.98:

213.1                    ~~52,514,000~~  
213.2        \$ 50,998,000 ..... 2014  
213.3                    ~~53,818,000~~  
213.4        \$ 47,458,000 ..... 2015

213.5                    The 2014 appropriation includes \$6,607,000 for 2013 and ~~\$45,907,000~~ \$44,391,000 for 2014.

213.7                    The 2015 appropriation includes ~~\$7,225,000~~ \$4,932,000 for 2014 and ~~\$46,593,000~~ \$42,526,000 for 2015.

213.9                    Sec. 9. Laws 2013, chapter 116, article 3, section 37, subdivision 5, is amended to read:

213.10                  **Subd. 5. Interdistrict desegregation or integration transportation grants.** For interdistrict desegregation or integration transportation grants under Minnesota Statutes, section 124D.87:

213.13                  ~~13,968,000~~  
213.14        \$ 13,521,000 ..... 2014  
213.15                  ~~14,712,000~~  
213.16        \$ 14,248,000 ..... 2015

213.17                  Sec. 10. Laws 2013, chapter 116, article 3, section 37, subdivision 6, is amended to read:

213.18                  **Subd. 6. Success for the future.** For American Indian success for the future grants under Minnesota Statutes, section 124D.81:

213.20                  ~~2,137,000~~  
213.21        \$ 2,214,000 ..... 2014  
213.22                  \$ 2,137,000 ..... 2015

213.23                  The 2014 appropriation includes \$290,000 for 2013 and ~~\$1,847,000~~ \$1,924,000 for 2014.

213.25                  The 2015 appropriation includes ~~\$290,000~~ \$213,000 for 2014 and ~~\$1,847,000~~ \$1,924,000 for 2015.

213.27                  Sec. 11. Laws 2013, chapter 116, article 3, section 37, subdivision 8, is amended to read:

213.28                  **Subd. 8. Tribal contract schools.** For tribal contract school aid under Minnesota Statutes, section 124D.83:

213.30                  ~~2,080,000~~  
213.31        \$ 2,144,000 ..... 2014  
213.32                  ~~2,230,000~~  
213.33        \$ 2,152,000 ..... 2015

213.34                  The 2014 appropriation includes \$266,000 for 2013 and ~~\$1,814,000~~ \$1,878,000 for 2014.

214.1        The 2015 appropriation includes ~~\$285,000~~ \$208,000 for 2014 and ~~\$1,945,000~~  
214.2        \$1,944,000 for 2015.

214.3        Sec. 12. Laws 2013, chapter 116, article 3, section 37, subdivision 20, is amended to  
214.4        read:

214.5        Subd. 20. **Alternative compensation.** For alternative teacher compensation aid  
214.6        under Minnesota Statutes, section 122A.415, subdivision 4:

214.7              ~~60,340,000~~  
214.8        \$        71,599,000        ..... 2015

214.9        The 2015 appropriation includes \$0 for 2014 and ~~\$59,711,000~~ \$71,599,000 for 2015.

### 214.10            C. CHARTER SCHOOLS

214.11        Sec. 13. Laws 2013, chapter 116, article 4, section 9, subdivision 2, is amended to read:

214.12        Subd. 2. **Charter school building lease aid.** For building lease aid under Minnesota  
214.13        Statutes, section 124D.11, subdivision 4:

214.14              ~~54,484,000~~  
214.15        \$        54,763,000        ..... 2014  
214.16              ~~59,533,000~~  
214.17        \$        58,294,000        ..... 2015

214.18        The 2014 appropriation includes \$6,819,000 for 2013 and ~~\$47,665,000~~ \$47,944,000  
214.19        for 2014.

214.20        The 2015 appropriation includes ~~\$7,502,000~~ \$5,327,000 for 2014 and ~~\$52,031,000~~  
214.21        \$52,967,000 for 2015.

### 214.22            D. SPECIAL PROGRAMS

214.23        Sec. 14. Laws 2013, chapter 116, article 5, section 31, subdivision 2, is amended to read:

214.24        Subd. 2. **Special education; regular.** For special education aid under Minnesota  
214.25        Statutes, section 125A.75:

214.26              ~~997,725,000~~  
214.27        \$        1,038,514,000        ..... 2014  
214.28              ~~1,108,211,000~~  
214.29        \$        1,111,641,000        ..... 2015

214.30        The 2014 appropriation includes \$118,232,000 for 2013 and ~~\$802,884,000~~  
214.31        \$920,282,000 for 2014.

214.32        The 2015 appropriation includes ~~\$169,929,000~~ \$129,549,000 for 2014 and  
214.33        ~~\$938,282,000~~ \$982,092,000 for 2015.

215.1 Sec. 15. Laws 2013, chapter 116, article 5, section 31, subdivision 3, is amended to read:  
215.2 Subd. 3. **Aid for children with disabilities.** For aid under Minnesota Statutes,  
215.3 section 125A.75, subdivision 3, for children with disabilities placed in residential facilities  
215.4 within the district boundaries for whom no district of residence can be determined:

215.5		<del>1,655,000</del>
215.6	\$	<u>1,548,000</u>
215.7		<del>1,752,000</del>
215.8	\$	<u>1,674,000</u>

215.9 If the appropriation for either year is insufficient, the appropriation for the other  
215.10 year is available.

215.11 Sec. 16. Laws 2013, chapter 116, article 5, section 31, subdivision 4, is amended to read:  
215.12 Subd. 4. **Travel for home-based services.** For aid for teacher travel for home-based  
215.13 services under Minnesota Statutes, section 125A.75, subdivision 1:

215.14		<del>345,000</del>
215.15	\$	<u>351,000</u>
215.16		<del>355,000</del>
215.17	\$	<u>346,000</u>

215.18 The 2014 appropriation includes \$45,000 for 2013 and ~~\$300,000~~ \$306,000 for 2014.  
215.19 The 2015 appropriation includes ~~\$47,000~~ \$33,000 for 2014 and ~~\$308,000~~ \$313,000  
215.20 for 2015.

215.21 Sec. 17. Laws 2013, chapter 116, article 5, section 31, subdivision 5, is amended to read:  
215.22 Subd. 5. **Special education; excess costs.** For excess cost aid under Minnesota  
215.23 Statutes, section 125A.79, subdivision 7:

215.24		<del>42,030,000</del>
215.25	\$	<u>42,016,000</u>

215.26 The 2014 appropriation includes ~~\$42,030,000~~ \$42,016,000 for 2013 and \$0 for 2014.

## E. FACILITIES AND TECHNOLOGY

215.28 Sec. 18. Laws 2013, chapter 116, article 6, section 12, subdivision 2, is amended to read:  
215.29 Subd. 2. **Health and safety revenue.** For health and safety aid according to  
215.30 Minnesota Statutes, section 123B.57, subdivision 5:

215.31		<del>463,000</del>
215.32	\$	<u>473,000</u>
215.33		<del>434,000</del>
215.34	\$	<u>651,000</u>

215.35 The 2014 appropriation includes \$26,000 for 2013 and ~~\$437,000~~ \$447,000 for 2014.

216.1        The 2015 appropriation includes \$68,000 \$49,000 for 2014 and \$366,000 \$602,000  
216.2        for 2015.

216.3        Sec. 19. Laws 2013, chapter 116, article 6, section 12, subdivision 3, is amended to read:  
216.4              **Subd. 3. Debt service equalization.** For debt service aid according to Minnesota  
216.5        Statutes, section 123B.53, subdivision 6:

216.6              ~~19,083,000~~  
216.7        \$ 19,778,000 ..... 2014  
216.8              ~~25,060,000~~  
216.9        \$ 22,591,000 ..... 2015

216.10        The 2014 appropriation includes \$2,397,000 for 2013 and \$16,686,000 \$17,381,000  
216.11        for 2014.

216.12        The 2015 appropriation includes \$2,626,000 \$1,931,000 for 2014 and \$22,434,000  
216.13        \$20,660,000 for 2015.

216.14        Sec. 20. Laws 2013, chapter 116, article 6, section 12, subdivision 4, is amended to read:  
216.15              **Subd. 4. Alternative facilities bonding aid.** For alternative facilities bonding aid,  
216.16        according to Minnesota Statutes, section 123B.59, subdivision 1:

216.17              ~~19,287,000~~  
216.18        \$ 19,982,000 ..... 2014  
216.19        \$ 19,287,000 ..... 2015

216.20        The 2014 appropriation includes \$2,623,000 for 2013 and \$16,664,000 \$17,359,000  
216.21        for 2014.

216.22        The 2015 appropriation includes \$2,623,000 \$1,928,000 for 2014 and \$16,664,000  
216.23        \$17,359,000 for 2015.

216.24        Sec. 21. Laws 2013, chapter 116, article 6, section 12, subdivision 6, is amended to read:  
216.25              **Subd. 6. Deferred maintenance aid.** For deferred maintenance aid, according to  
216.26        Minnesota Statutes, section 123B.591, subdivision 4:

216.27              ~~3,564,000~~  
216.28        \$ 3,858,000 ..... 2014  
216.29              ~~3,730,000~~  
216.30        \$ 4,024,000 ..... 2015

216.31        The 2014 appropriation includes \$456,000 for 2013 and \$3,108,000 \$3,402,000  
216.32        for 2014.

216.33        The 2015 appropriation includes \$489,000 \$378,000 for 2014 and \$3,241,000  
216.34        \$3,646,000 for 2015.

217.1

## F. NUTRITION AND LIBRARIES

217.2 Sec. 22. Laws 2013, chapter 116, article 7, section 21, subdivision 4, is amended to read:

217.3 Subd. 4. **Kindergarten milk.** For kindergarten milk aid under Minnesota Statutes,  
217.4 section 124D.118:

217.5		1,039,000	
217.6	\$	<u>992,000</u>	..... 2014
217.7		1,049,000	
217.8	\$	<u>1,002,000</u>	..... 2015

217.9 Sec. 23. Laws 2013, chapter 116, article 7, section 21, subdivision 6, is amended to read:

217.10 Subd. 6. **Basic system support.** For basic system support grants under Minnesota  
217.11 Statutes, section 134.355:

217.12		13,570,000	
217.13	\$	<u>14,058,000</u>	..... 2014
217.14		13,570,000	
217.15	\$	<u>13,570,000</u>	..... 2015

217.16 The 2014 appropriation includes \$1,845,000 for 2013 and ~~\$11,725,000~~ \$12,213,000  
217.17 for 2014.

217.18 The 2015 appropriation includes ~~\$1,845,000~~ \$1,357,000 for 2014 and ~~\$11,725,000~~  
217.19 \$12,213,000 for 2015.

217.20 Sec. 24. Laws 2013, chapter 116, article 7, section 21, subdivision 7, is amended to read:

217.21 Subd. 7. **Multicounty, multitype library systems.** For grants under Minnesota  
217.22 Statutes, sections 134.353 and 134.354, to multicounty, multitype library systems:

217.23		1,300,000	
217.24	\$	<u>1,346,000</u>	..... 2014
217.25	\$	1,300,000	..... 2015

217.26 The 2014 appropriation includes \$176,000 for 2013 and ~~\$1,124,000~~ \$1,170,000  
217.27 for 2014.

217.28 The 2015 appropriation includes ~~\$176,000~~ \$130,000 for 2014 and ~~\$1,124,000~~  
217.29 \$1,170,000 for 2015.

217.30 Sec. 25. Laws 2013, chapter 116, article 7, section 21, subdivision 9, is amended to read:

217.31 Subd. 9. **Regional library telecommunications aid.** For regional library  
217.32 telecommunications aid under Minnesota Statutes, section 134.355:

218.1                    ~~2,300,000~~  
218.2        \$      2,382,000   .... 2014  
218.3        \$      2,300,000   .... 2015

218.4                    The 2014 appropriation includes \$312,000 for 2013 and ~~\$1,988,000~~ \$2,070,000  
218.5                    for 2014.

218.6                    The 2015 appropriation includes ~~\$312,000~~ \$230,000 for 2014 and ~~\$1,988,000~~  
218.7                    \$2,070,000 for 2015.

218.8                    **G. EARLY CHILDHOOD EDUCATION, SELF-SUFFICIENCY,  
218.9                    AND LIFELONG LEARNING**

218.10                  Sec. 26. Laws 2013, chapter 116, article 8, section 5, subdivision 4, is amended to read:  
218.11                  Subd. 4. **Health and developmental screening aid.** For health and developmental  
218.12                  screening aid under Minnesota Statutes, sections 121A.17 and 121A.19:

218.13                    ~~3,421,000~~  
218.14        \$      3,527,000   .... 2014  
218.15                    ~~3,344,000~~  
218.16        \$      3,330,000   .... 2015

218.17                  The 2014 appropriation includes \$474,000 for 2013 and ~~\$2,947,000~~ \$3,053,000  
218.18                  for 2014.

218.19                  The 2015 appropriation includes ~~\$463,000~~ \$339,000 for 2014 and ~~\$2,881,000~~  
218.20                  \$2,991,000 for 2015.

218.21                  Sec. 27. Laws 2013, chapter 116, article 8, section 5, subdivision 10, is amended to read:  
218.22                  Subd. 10. **Community education aid.** For community education aid under  
218.23                  Minnesota Statutes, section 124D.20:

218.24                    ~~935,000~~  
218.25        \$      955,000   .... 2014  
218.26                    ~~1,056,000~~  
218.27        \$      1,060,000   .... 2015

218.28                  The 2014 appropriation includes \$118,000 for 2013 and ~~\$817,000~~ \$837,000 for 2014.  
218.29                  The 2015 appropriation includes ~~\$128,000~~ \$93,000 for 2014 and ~~\$928,000~~ \$967,000  
218.30                  for 2015.

218.31                  Sec. 28. Laws 2013, chapter 116, article 8, section 5, subdivision 11, is amended to read:  
218.32                  Subd. 11. **Adults with disabilities program aid.** For adults with disabilities  
218.33                  programs under Minnesota Statutes, section 124D.56:

219.1                   **710,000**  
 219.2       \$           **735,000**       ..... 2014  
 219.3       \$           710,000       ..... 2015

219.4                   The 2014 appropriation includes \$96,000 for 2013 and **\$614,000** **\$639,000** for 2014.  
 219.5                   The 2015 appropriation includes **\$96,000** **\$71,000** for 2014 and **\$614,000** **\$639,000**  
 219.6                   for 2015.

## ARTICLE 14

### **HEALTH AND HUMAN SERVICES APPROPRIATIONS**

#### **Section 1. HEALTH AND HUMAN SERVICES APPROPRIATIONS.**

219.10                  The sums shown in the columns marked "Appropriations" are added to or, if shown  
 219.11                  in parentheses, subtracted from the appropriations in Laws 2013, chapter 108, articles 14  
 219.12                  and 15, to the agencies and for the purposes specified in this article. The appropriations  
 219.13                  are from the general fund and are available for the fiscal years indicated for each purpose.  
 219.14                  The figures "2014" and "2015" used in this article mean that the addition to or subtraction  
 219.15                  from the appropriation listed under them is available for the fiscal year ending June 30,  
 219.16                  2014, or June 30, 2015, respectively. Supplemental appropriations and reductions to  
 219.17                  appropriations for the fiscal year ending June 30, 2014, are effective the day following  
 219.18                  final enactment unless a different effective date is explicit.

	APPROPRIATIONS	
	Available for the Year	
	Ending June 30	
	2014	2015

#### **Sec. 2. COMMISSIONER OF HUMAN SERVICES**

219.25                  Subdivision 1. <u>Total Appropriation</u>	<b><u>(1,873,000)</u></b>	<b><u>93,149,000</u></b>
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219.26                  The appropriation modifications for  
 219.27                  each purpose are shown in the following  
 219.28                  subdivisions.

#### Appropriations by Fund

	2014	2015
219.31                  General	<b><u>(1,873,000)</u></b>	<b><u>92,247,000</u></b>
219.32                  Federal TANF	<b><u>-0-</u></b>	<b><u>902,000</u></b>

#### **Subd. 2. Central Office Operations**

219.34                  (a) <u>Operations</u>	<b><u>-0-</u></b>	<b><u>99,000</u></b>
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220.1 **Base adjustment.** The general fund base is  
220.2 increased by \$222,000 in fiscal year 2016  
220.3 and decreased by \$26,000 in fiscal year 2017.

220.4 (b) Health Care -0- 113,000

220.5 **Base adjustment.** The general fund base is  
220.6 increased by \$112,000 in fiscal years 2016  
220.7 and 2017.

220.9    **Base adjustment.** The general fund base is  
220.10    decreased by \$83,000 in fiscal year 2016 and  
220.11    \$108,000 in fiscal year 2017.

220.12 (d) Chemical and Mental Health -0- 150,000

220.13 \$35,000 in fiscal year 2015 is to develop  
220.14 an online training program to promote  
220.15 better clarity and interpretation of the civil  
220.16 commitment laws for interested individuals  
220.17 and personnel, specifically county and  
220.18 hospital staff and mental health providers,  
220.19 to understand, clarify, and interpret the  
220.20 Civil Commitment Act under Minnesota  
220.21 Statutes, chapter 253B, as it pertains to  
220.22 persons with mental illnesses. The training  
220.23 must be developed in collaboration with  
220.24 the ombudsman for mental health and  
220.25 developmental disabilities, Minnesota  
220.26 County Attorneys Association, National  
220.27 Alliance on Mental Illness of Minnesota,  
220.28 Mental Health Consumer/Survivor Network  
220.29 of Minnesota, Mental Health Association,  
220.30 Minnesota Psychiatric Society, Hennepin  
220.31 Commitment Defense Panel, Minnesota  
220.32 Disability Law Center, Minnesota  
220.33 Association of Community Mental Health

221.1 and Minnesota Board of Public Defense.

221.2 This is a onetime appropriation.

221.3 **Base adjustment.** The general fund base is  
 221.4 decreased by \$150,000 in fiscal years 2016  
 221.5 and 2017.

221.6 Subd. 3. **Forecasted Programs**

221.7 **(a) MFIP/DWP**

221.8 **Appropriations by Fund**

221.9 <u>General</u>	<u>-0-</u>	<u>122,000</u>
221.10 <u>Federal TANF</u>	<u>-0-</u>	<u>550,000</u>

221.11 **(b) General Assistance** -0- 21,000

221.12 **(c) Group Residential Housing** -0- 681,000

221.13 **(d) MinnesotaCare** -0- -0-

221.14 The forecast amounts in fiscal years 2016  
 221.15 and 2017 for the low-income uninsured  
 221.16 children's health program under Minnesota  
 221.17 Statutes, section 256L.30, must be from the  
 221.18 general fund.

221.19 **(e) Medical Assistance** (1,858,000) 83,258,000

221.20 **(f) Alternative Care** -0- 965,000

221.21 Subd. 4. **Grant Programs**

221.22 **(a) Children's Services Grants** -0- (3,000)

221.23 **Base adjustment.** The general fund base is  
 221.24 increased by \$9,000 in fiscal year 2017.

221.25 **(b) Child and Economic Support Grants** -0- 1,500,000

221.26 \$500,000 is for the safe harbor shelter and  
 221.27 housing fund for housing and supportive  
 221.28 services for youth who are sexually exploited.

221.29 \$1,000,000 is for purposes of the Homeless  
 221.30 Youth Act under Minnesota Statutes, section  
 221.31 256K.45. This appropriation is available  
 221.32 until expended.

222.1	<u>(c) Aging and Adult Services Grants</u>	<u>(15,000)</u>	<u>1,212,000</u>
222.2	\$250,000 in fiscal year 2015 is for the		
222.3	<u>Minnesota Board on Aging for congregate</u>		
222.4	<u>dining services under Minnesota Statutes,</u>		
222.5	<u>section 256.9752. This is a onetime</u>		
222.6	<u>appropriation and is available until expended.</u>		
222.7	<b>Base adjustment.</b> The general fund base is		
222.8	<u>decreased by \$5,000 in fiscal year 2016 and</u>		
222.9	<u>increased by \$8,000 in fiscal year 2017.</u>		
222.10	<u>(d) Deaf and Hard-of-Hearing Grants</u>	<u>-0-</u>	<u>81,000</u>
222.11	<b>Base adjustment.</b> The general fund base is		
222.12	<u>increased by \$9,000 in fiscal years 2016 and</u>		
222.13	<u>2017.</u>		
222.14	<u>(e) Disabilities Grants</u>	<u>-0-</u>	<u>1,267,000</u>
222.15	<b>Base adjustment.</b> The general fund base is		
222.16	<u>increased by \$281,000 in fiscal year 2016</u>		
222.17	<u>and \$292,000 in fiscal year 2017.</u>		
222.18	<u>(f) Adult Mental Health Grants</u>	<u>-0-</u>	<u>1,000,000</u>
222.19	<u>This appropriation is for intensive community</u>		
222.20	<u>rehabilitation services through April 30,</u>		
222.21	<u>2016.</u>		
222.22	<b>Base adjustment.</b> The general fund base is		
222.23	<u>decreased by \$247,000 in fiscal year 2016</u>		
222.24	<u>and \$1,000,000 in fiscal year 2017.</u>		
222.25	<u>Subd. 5. State-Operated Services</u>		
222.26	<u>(a) SOS Mental Health</u>	<u>-0-</u>	<u>423,000</u>
222.27	<b>Base adjustment.</b> The general fund base is		
222.28	<u>increased by \$107,000 in fiscal years 2016</u>		
222.29	<u>and 2017.</u>		
222.30	<u>(b) SOS Enterprise Services</u>	<u>-0-</u>	<u>-0-</u>
222.31	<u>Community Addiction Recovery</u>		
222.32	<u>Enterprise deficiency funding.</u>		

223.1 Notwithstanding Minnesota Statutes, section  
223.2 254B.06, subdivision 1, \$4,000,000 is  
223.3 transferred in fiscal years 2014 and 2015 only  
223.4 from the consolidated chemical dependency  
223.5 treatment fund administrative account in the  
223.6 special revenue fund and deposited into the  
223.7 enterprise fund for the Community Addiction  
223.8 Recovery Enterprise. This paragraph is  
223.9 effective the day following final enactment.

223.10 Subd. 6. Sex Offender Program -0- 1,250,000

223.11 Court-ordered experts. \$1,250,000 in  
223.12 fiscal year 2014 is for the commissioner to  
223.13 comply with the United States District Court  
223.14 order of February 20, 2014, in the matter of  
223.15 Karsjens et al. v. Jesson et al. For purposes  
223.16 of Minnesota Statutes, section 246B.10,  
223.17 activities funded by this appropriation are  
223.18 not considered part of the cost of care. This  
223.19 appropriation is onetime and is available  
223.20 until June 30, 2017. This paragraph expires  
223.21 June 30, 2017.

223.22 Base adjustment. The general fund base is  
223.23 decreased by \$1,250,000 in fiscal years 2016  
223.24 and 2017.

223.25 Subd. 7. Technical Activities -0- 352,000

223.26 This appropriation is from the federal TANF  
223.27 fund.

223.28 Base adjustment. The federal TANF fund  
223.29 base is increased by \$684,000 in fiscal year  
223.30 2016 and \$1,207,000 in fiscal year 2017.

223.31 Sec. 3. COMMISSIONER OF HEALTH.

223.32 Subdivision 1. Total Appropriation \$ 767,000 \$ 3,757,000

223.33 Appropriations by Fund  
223.34 2014 2015

224.1	<u>General</u>	<u>950,000</u>	<u>4,035,000</u>
224.2	<u>State Government</u>		
224.3	<u>Special Revenue</u>	<u>817,000</u>	<u>722,000</u>
224.4	<u>Health Care Access</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>

224.5 **Subd. 2. Health Improvement**

224.6 **Appropriations by Fund**

224.7	<u>General</u>	<u>(25,000)</u>	<u>2,025,000</u>
224.8	<u>State Government</u>		
224.9	<u>Special Revenue</u>	<u>-0-</u>	<u>14,000</u>

224.10 \$1,000,000 of the general fund appropriation

224.11 is for grants for comprehensive services,

224.12 including trauma-informed, culturally

224.13 specific services, for youth who are sexually

224.14 exploited. The commissioner may use up

224.15 to 6.5 percent of these funds, not to exceed

224.16 \$100,000, for the administration of these

224.17 grants.

224.18 \$100,000 of the general fund appropriation

224.19 in fiscal year 2015 is for a grant to a

224.20 Somali-based health care organization

224.21 located in Minnesota. The grant must be

224.22 used to address health inequities experienced

224.23 by first generation Somali women by

224.24 creating cultural awareness and education

224.25 for health care professionals and the Somali

224.26 community. The information developed

224.27 must be culturally specific in order to

224.28 improve Somali women's access to maternal

224.29 health and preventive care; reduce infant

224.30 mortality; and increase health literacy. The

224.31 grant recipient must use community-based

224.32 participatory research focusing on Somali

224.33 women centered programs, and must develop

224.34 a culturally appropriate methodology

224.35 to measure program effectiveness in

224.36 achieving better health outcomes for Somali

225.1   women. The grant recipient must report  
225.2   the organization's outcomes in terms of  
225.3   developing best practices for providing  
225.4   culturally appropriate health care to the  
225.5   commissioner by September 1, 2016. This is  
225.6   a onetime appropriation.

225.7   **Healthy Housing Grants.** (a) \$100,000 of  
225.8   the general fund appropriation in fiscal year  
225.9   2015 is for education and training grants  
225.10   under Minnesota Statutes, section 144.9513,  
225.11   subdivision 3.

225.12   (b) \$300,000 of the general fund  
225.13   appropriation in fiscal year 2015 is for  
225.14   healthy homes implementation grants under  
225.15   Minnesota Statutes, section 144.9513,  
225.16   subdivision 4.

225.17   (c) \$100,000 of the general fund  
225.18   appropriation in fiscal year 2015 is for  
225.19   lead poisoning prevention activities under  
225.20   Minnesota Statutes, sections 144.9501 to  
225.21   144.9512.

225.22   (d) No more than one full-time employee  
225.23   may be hired to administer the grants under  
225.24   Minnesota Statutes, section 144.9513.

225.25   **Home Visiting Pilot Project for Highest**  
225.26   **Risk Families.** \$400,000 in fiscal year  
225.27   2015 is for a pilot project to expand  
225.28   evidence-based high-quality home visiting,  
225.29   focusing on the youngest children living in  
225.30   the highest risk families receiving assistance  
225.31   through the Minnesota family investment  
225.32   program under Minnesota Statutes, chapter  
225.33   256J, in communities served by two  
225.34   counties, one county in the seven-county  
225.35   metropolitan area and one nonmetropolitan

226.1 county. The commissioner of health shall  
226.2 consult with the commissioner of human  
226.3 services and the commissioner of education  
226.4 on the administration of the pilot program.  
226.5 The commissioner of health shall provide a  
226.6 formative evaluation of the pilot project to  
226.7 the chairs and ranking minority members of  
226.8 the legislative committees with jurisdiction  
226.9 over health and human services policy and  
226.10 finance by January 1, 2016. The evaluation  
226.11 must include the identification of populations  
226.12 being served, including geographic area, risk  
226.13 factors, and demographics; and strategies  
226.14 being used to coordinate health, social  
226.15 services, and other community resources.

226.16 This is a onetime appropriation and is  
226.17 available until expended.

226.18 **Base Level Adjustment.** The general fund  
226.19 base is decreased by \$550,000 in fiscal year  
226.20 2016 and \$500,000 in fiscal year 2017. The  
226.21 state government special revenue fund base  
226.22 is decreased by \$11,000 in fiscal years 2016  
226.23 and 2017.

226.24 **Subd. 3. Policy Quality and Compliance**

<u>Appropriations by Fund</u>		
<u>General</u>	<u>-0-</u>	<u>2,010,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>-0-</u>	<u>48,000</u>
<u>Health Care Access</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>

226.30 **Health Care Grants for Uninsured**

226.31 Individuals. (a) \$100,000 of the general  
226.32 fund appropriation in fiscal year 2015 is  
226.33 for dental provider grants in article 20,  
226.34 section 7, subdivision 1. This is a onetime  
226.35 appropriation and is available until expended.

227.1     (b) \$350,000 of the general fund  
227.2     appropriation in fiscal year 2015 is for  
227.3     community mental health program grants in  
227.4     article 20, section 7, subdivision 2. This is a  
227.5     onetime appropriation and is available until  
227.6     expended.

227.7 (c) \$1,200,000 of the general fund  
227.8 appropriation in fiscal year 2015 is for the  
227.9 emergency medical assistance outlier grant  
227.10 program in article 20, section 7, subdivision  
227.11 3. This is a onetime appropriation and is  
227.12 available until expended.

227.13        (d) \$350,000 of the general fund  
227.14        appropriation in fiscal year 2015 is for  
227.15        community health center grants under  
227.16        Minnesota Statutes, section 145.9269. A  
227.17        community health center that receives a grant  
227.18        from this appropriation is not eligible for a  
227.19        grant under paragraph (b). This is a onetime  
227.20        appropriation and is available until expended.

227.21    (e) The commissioner may use up to one  
227.22    percent of the appropriations for health care  
227.23    grants for uninsured individuals in fiscal year  
227.24    2015 only for grant administration.

227.25 **Base level adjustment.** The general fund  
227.26 base is decreased by \$2,000,000 in fiscal  
227.27 years 2016 and 2017.

227.28 Subd. 4. **Health Protection** 817,000 648,000

227.29 This appropriation is from the state  
227.30 government special revenue fund.

**227.31 Subd. 5. Administrative Support Services**

## Appropriations by Fund

227.33	<u>General</u>	<u>975,000</u>	-0-
227.34	<u>State Government</u>		
227.35	Special Revenue	-0-	12,000

228.1      Lawsuit settlement. The general fund  
228.2      appropriation in fiscal year 2014 is a onetime  
228.3      appropriation for the cost of settling the  
228.4      lawsuit Beader v. State of Minnesota.

228.5 **Base adjustment.** The state government  
228.6 special revenue fund base is increased by  
228.7 \$19,000 in fiscal years 2016 and 2017.

228.8 Sec. 4. **OMBUDSMAN FOR MENTAL**  
228.9 **HEALTH AND DEVELOPMENTAL**  
228.10 **DISABILITIES.**

\$ -0- \$ 150,000

-0- \$

150,000

228.11 Sec. 5. Laws 2013, chapter 1, section 6, as amended by Laws 2013, chapter 108,  
228.12 article 6, section 32, is amended to read:

## Sec. 6. TRANSFER.

228.14       (a) The commissioner of management and budget shall transfer from the health care  
228.15 access fund to the general fund up to \$21,319,000 in fiscal year 2014; up to \$42,314,000  
228.16 in fiscal year 2015; up to \$56,147,000 in fiscal year 2016; and up to \$64,683,000 in fiscal  
228.17 year 2017.

228.18       (b) The commissioner of human services shall determine the difference between the  
228.19 actual or forecasted cost to the medical assistance program of adding 19- and 20-year-olds  
228.20 and parents and relative caretaker populations with income between 100 and 138 percent of  
228.21 the federal poverty guidelines and the cost of adding those populations that was estimated  
228.22 during the 2013 legislative session based on the data from the February 2013 forecast.

228.23 (c) For each fiscal year from 2014 to 2017, the commissioner of human services shall  
228.24 certify and report to the commissioner of management and budget the actual or forecasted  
228.25 estimated cost difference of adding 19- and 20-year-olds and parents and relative caretaker  
228.26 populations with income between 100 and 138 percent of the federal poverty guidelines,  
228.27 as determined under paragraph (b), to the commissioner of management and budget at  
228.28 least four weeks prior to the release of a forecast under Minnesota Statutes, section  
228.29 16A.103, of each fiscal year.

228.30 (d) No later than three weeks before the release of the forecast For fiscal years 2014 to  
228.31 2017, forecasts under Minnesota Statutes, section 16A.103, prepared by the commissioner  
228.32 of management and budget shall ~~reduce the~~ include actual or estimated adjustments to  
228.33 ~~health care access fund transfer transfers~~ in paragraph (a), ~~by the cumulative differences in~~  
228.34 ~~costs reported by the commissioner of human services under~~ according to paragraph (e)  
228.35 (e) If, for any fiscal year, the amount of the cumulative cost differences determined under

229.1 paragraph (b) is positive, no change is made to the appropriation. If, for any fiscal year,  
229.2 the amount of the cumulative cost differences determined under paragraph (b) is less than  
229.3 the amount of the original appropriation, the appropriation for that year must be zero.

229.4 (e) For each fiscal year from 2014 to 2017, the commissioner of management and  
229.5 budget must adjust the transfer amounts in paragraph (a) by the cumulative difference in  
229.6 costs reported by the commissioner of human services under paragraph (c). If, for any  
229.7 fiscal year, the amount of the cumulative difference in costs reported under paragraph (c)  
229.8 is positive, no adjustment shall be made.

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

229.10 Sec. 6. Laws 2013, chapter 108, article 14, section 2, subdivision 3, is amended to read:

229.11 **Subd. 3. TANF Transfer to Federal Child Care  
229.12 and Development Fund**

229.13 (a) The following TANF fund amounts  
229.14 are appropriated to the commissioner for  
229.15 purposes of MFIP/transition year child care  
229.16 assistance under Minnesota Statutes, section  
229.17 119B.05:  
229.18 (1) fiscal year 2014; \$14,020,000; and  
229.19 (2) fiscal year 2015, ~~\$14,020,000;~~  
229.20 \$14,372,000;  
229.21 (3) fiscal year 2016; \$1,378,000; and  
229.22 (4) fiscal year 2017; \$3,378,000.

229.23 (b) The commissioner shall authorize the  
229.24 transfer of sufficient TANF funds to the  
229.25 federal child care and development fund to  
229.26 meet this appropriation and shall ensure that  
229.27 all transferred funds are expended according  
229.28 to federal child care and development fund  
229.29 regulations.

229.30 Sec. 7. Laws 2013, chapter 108, article 14, section 2, subdivision 5, is amended to read:

229.31 **Subd. 5. Forecasted Programs**

230.1 The amounts that may be spent from this  
230.2 appropriation for each purpose are as follows:

### 230.3 (a) MFIP/DWP

## 230.4 Appropriations by Fund

230.5	General	72,583,000	76,927,000
230.6	Federal TANF	80,342,000	76,851,000

230.9     **General Assistance Standard.** The  
230.10    commissioner shall set the monthly standard  
230.11    of assistance for general assistance units  
230.12    consisting of an adult recipient who is  
230.13    childless and unmarried or living apart  
230.14    from parents or a legal guardian at \$203.  
230.15    The commissioner may reduce this amount  
230.16    according to Laws 1997, chapter 85, article  
230.17    3, section 54.

230.18   **Emergency General Assistance.** The  
230.19   amount appropriated for emergency general  
230.20   assistance funds is limited to no more  
230.21   than \$6,729,812 in fiscal year 2014 and  
230.22   \$6,729,812 in fiscal year 2015. Funds  
230.23   to counties shall be allocated by the  
230.24   commissioner using the allocation method in  
230.25   Minnesota Statutes, section 256D.06.

230.26 (d) MN Supplemental Assistance 38,646,000 39,821,000

230.27 (e) Group Residential Housing 141,138,000 150,988,000

230.28 (f) MinnesotaCare 297,707,000 247,284,000

230.29 This appropriation is from the health care  
230.30 access fund.

**230.31 (g) Medical Assistance**

231.1		Appropriations by Fund	
231.2	General	4,443,768,000	4,431,612,000
231.3	Health Care Access	179,550,000	226,081,000

231.4     **Spending to be apportioned.** The  
231.5     commissioner shall apportion expenditures  
231.6     under this paragraph consistent with the  
231.7     requirements of section 12.

231.8     **Support Services for Deaf and**  
231.9     **Hard-of-Hearing.** \$121,000 in fiscal  
231.10    year 2014 and \$141,000 in fiscal year 2015;  
231.11    and \$10,000 in fiscal year 2014 and \$13,000  
231.12    in fiscal year 2015 are from the health care  
231.13    access fund for the hospital reimbursement  
231.14    increase in Minnesota Statutes, section  
231.15    256.969, subdivision 29, paragraph (b).

## **231.16 Disproportionate Share Payments.**

231.17 Effective for services provided on or after  
231.18 July 1, 2011, through June 30, 2015, the  
231.19 commissioner of human services shall  
231.20 deposit, in the health care access fund,  
231.21 additional federal matching funds received  
231.22 under Minnesota Statutes, section 256B.199,  
231.23 paragraph (e), as disproportionate share  
231.24 hospital payments for inpatient hospital  
231.25 services provided under MinnesotaCare to  
231.26 lawfully present noncitizens who are not  
231.27 eligible for MinnesotaCare with federal  
231.28 financial participation due to immigration  
231.29 status. The amount deposited shall not exceed  
231.30 \$2,200,000 for the time period specified.

231.31   **Funding for Services Provided to EMA**

231.32   **Recipients.** \$2,200,000 in fiscal year 2014 is

231.33   from the health care access fund to provide

231.34   services to emergency medical assistance

231.35   recipients under Minnesota Statutes, section

232.1 256B.06, subdivision 4, paragraph (l). This  
232.2 is a onetime appropriation and is available in  
232.3 either year of the biennium.

232.4 **Base level adjustment. For fiscal years 2016**  
232.5 **and 2017 only, the health care access fund**  
232.6 **base for medical assistance is \$221,035,000**  
232.7 **in fiscal year 2016 and \$221,035,000 in fiscal**  
232.8 **year 2017.**

232.9 **(h) Alternative Care** 50,776,000 54,922,000

232.10 **Alternative Care Transfer.** Any money  
232.11 allocated to the alternative care program that  
232.12 is not spent for the purposes indicated does  
232.13 not cancel but shall be transferred to the  
232.14 medical assistance account.

232.15 **(i) CD Treatment Fund** 81,440,000 74,875,000

232.16 **Balance Transfer.** The commissioner must  
232.17 transfer \$18,188,000 from the consolidated  
232.18 chemical dependency treatment fund to the  
232.19 general fund by September 30, 2013.

232.20 Sec. 8. Laws 2013, chapter 108, article 14, section 2, subdivision 6, as amended by  
232.21 Laws 2013, chapter 144, section 25, is amended to read:

232.22 **Subd. 6. Grant Programs**

232.23 The amounts that may be spent from this  
232.24 appropriation for each purpose are as follows:

232.25 **(a) Support Services Grants**

	Appropriations by Fund	
232.27 General	8,915,000	13,333,000
232.28 Federal TANF	94,611,000	94,611,000

232.29 **Paid Work Experience.** \$2,168,000  
232.30 each year in fiscal years 2015 and 2016  
232.31 is from the general fund for paid work  
232.32 experience for long-term MFIP recipients.  
232.33 Paid work includes full and partial wage

233.1 subsidies and other related services such as  
233.2 job development, marketing, preworksite  
233.3 training, job coaching, and postplacement  
233.4 services. These are onetime appropriations.  
233.5 Unexpended funds for fiscal year 2015 do not  
233.6 cancel, but are available to the commissioner  
233.7 for this purpose in fiscal year 2016.

**233.8 Work Study Funding for MFIP**

233.9 **Participants.** \$250,000 each year in fiscal  
233.10 years 2015 and 2016 is from the general fund  
233.11 to pilot work study jobs for MFIP recipients  
233.12 in approved postsecondary education  
233.13 programs. This is a onetime appropriation.  
233.14 Unexpended funds for fiscal year 2015 do  
233.15 not cancel, but are available for this purpose  
233.16 in fiscal year 2016.

**233.17 Local Strategies to Reduce Disparities.**

233.18 \$2,000,000 each year in fiscal years 2015  
233.19 and 2016 is from the general fund for  
233.20 local projects that focus on services for  
233.21 subgroups within the MFIP caseload  
233.22 who are experiencing poor employment  
233.23 outcomes. These are onetime appropriations.  
233.24 Unexpended funds for fiscal year 2015 do not  
233.25 cancel, but are available to the commissioner  
233.26 for this purpose in fiscal year 2016.

**233.27 Home Visiting Collaborations for MFIP**

233.28 **Teen Parents.** \$200,000 per year in fiscal  
233.29 years 2014 and 2015 is from the general fund  
233.30 and \$200,000 in fiscal year 2016 is from the  
233.31 federal TANF fund for technical assistance  
233.32 and training to support local collaborations  
233.33 that provide home visiting services for  
233.34 MFIP teen parents. The general fund

234.1 appropriation is onetime. The federal TANF  
234.2 fund appropriation is added to the base.

234.3 **Performance Bonus Funds for Counties.**

234.4 The TANF fund base is increased by  
234.5 \$1,500,000 each year in fiscal years 2016  
234.6 and 2017. The commissioner must allocate  
234.7 this amount each year to counties that exceed  
234.8 their expected range of performance on the  
234.9 annualized three-year self-support index  
234.10 as defined in Minnesota Statutes, section  
234.11 256J.751, subdivision 2, clause (6). This is a  
234.12 permanent base adjustment. Notwithstanding  
234.13 any contrary provisions in this article, this  
234.14 provision expires June 30, 2016.

234.15 **Base Adjustment.** The general fund base is  
234.16 decreased by \$200,000 in fiscal year 2016  
234.17 and \$4,618,000 in fiscal year 2017. The  
234.18 TANF fund base is increased by \$1,700,000  
234.19 in fiscal years 2016 and 2017.

234.20 **(b) Basic Sliding Fee Child Care Assistance  
234.21 Grants**

36,836,000 42,318,000

234.22 **Base Adjustment.** The general fund base is  
234.23 increased by \$3,778,000 in fiscal year 2016  
234.24 and by \$3,849,000 in fiscal year 2017.

234.25 **(c) Child Care Development Grants**

1,612,000 1,737,000

234.26 **(d) Child Support Enforcement Grants**

50,000 50,000

234.27 **Federal Child Support Demonstration**

234.28 **Grants.** Federal administrative  
234.29 reimbursement resulting from the federal  
234.30 child support grant expenditures authorized  
234.31 under United States Code, title 42, section  
234.32 1315, is appropriated to the commissioner  
234.33 for this activity.

234.34 **(e) Children's Services Grants**



236.1 are appropriated for postadoption services,  
236.2 including a parent-to-parent support network.

236.3 **Base Adjustment.** The general fund base is  
236.4 increased by \$5,913,000 in fiscal year 2016  
236.5 and by \$10,297,000 in fiscal year 2017.

236.6 **(f) Child and Community Service Grants** 53,301,000 53,301,000

236.7 **(g) Child and Economic Support Grants** 21,047,000 20,848,000

236.8 **Minnesota Food Assistance Program.**

236.9 Unexpended funds for the Minnesota food  
236.10 assistance program for fiscal year 2014 do  
236.11 not cancel but are available for this purpose  
236.12 in fiscal year 2015.

236.13 **Transitional Housing.** \$250,000 each year  
236.14 is for the transitional housing programs under  
236.15 Minnesota Statutes, section 256E.33.

236.16 **Emergency Services.** \$250,000 each year  
236.17 is for emergency services grants under  
236.18 Minnesota Statutes, section 256E.36.

236.19 **Family Assets for Independence.** \$250,000  
236.20 each year is for the Family Assets for  
236.21 Independence Minnesota program. This  
236.22 appropriation is available in either year of the  
236.23 biennium and may be transferred between  
236.24 fiscal years.

236.25 **Food Shelf Programs.** \$375,000 in fiscal  
236.26 year 2014 and \$375,000 in fiscal year  
236.27 2015 are for food shelf programs under  
236.28 Minnesota Statutes, section 256E.34. If the  
236.29 appropriation for either year is insufficient,  
236.30 the appropriation for the other year is  
236.31 available for it. Notwithstanding Minnesota  
236.32 Statutes, section 256E.34, subdivision 4, no  
236.33 portion of this appropriation may be used  
236.34 by Hunger Solutions for its administrative

237.1 expenses, including but not limited to rent  
237.2 and salaries.

237.3 **Homeless Youth Act.** \$2,000,000 in fiscal  
237.4 year 2014 and \$2,000,000 in fiscal year 2015  
237.5 is for purposes of Minnesota Statutes, section  
237.6 256K.45.

237.7 **Safe Harbor Shelter and Housing.**

237.8 \$500,000 in fiscal year 2014 and \$500,000 in  
237.9 fiscal year 2015 is for a safe harbor shelter  
237.10 and housing fund for housing and supportive  
237.11 services for youth who are sexually exploited.

237.12 **High-risk adults.** \$200,000 in fiscal  
237.13 year 2014 is for a grant to the nonprofit  
237.14 organization selected to administer the  
237.15 demonstration project for high-risk adults  
237.16 under Laws 2007, chapter 54, article 1,  
237.17 section 19, in order to complete the project.  
237.18 This is a onetime appropriation.

237.19 **(h) Health Care Grants**

Appropriations by Fund			
237.21 General	190,000	190,000	
237.22 Health Care Access	190,000	190,000	

237.23 **Emergency Medical Assistance Referral**  
237.24 **and Assistance Grants.** (a) The  
237.25 commissioner of human services shall  
237.26 award grants to nonprofit programs that  
237.27 provide immigration legal services based  
237.28 on indigency to provide legal services for  
237.29 immigration assistance to individuals with  
237.30 emergency medical conditions or complex  
237.31 and chronic health conditions who are not  
237.32 currently eligible for medical assistance  
237.33 or other public health care programs, but  
237.34 who may meet eligibility requirements with  
237.35 immigration assistance.

238.1 (b) The grantees, in collaboration with  
238.2 hospitals and safety net providers, shall  
238.3 provide referral assistance to connect  
238.4 individuals identified in paragraph (a) with  
238.5 alternative resources and services to assist in  
238.6 meeting their health care needs. \$100,000  
238.7 is appropriated in fiscal year 2014 and  
238.8 \$100,000 in fiscal year 2015. This is a  
238.9 onetime appropriation.

238.10 **Base Adjustment.** The general fund is  
238.11 decreased by \$100,000 in fiscal year 2016  
238.12 and \$100,000 in fiscal year 2017.

238.13 **(i) Aging and Adult Services Grants** 14,827,000 15,010,000

238.14 **Base Adjustment.** The general fund is  
238.15 increased by \$1,150,000 in fiscal year 2016  
238.16 and \$1,151,000 in fiscal year 2017.

238.17 **Community Service Development**

238.18 **Grants and Community Services Grants.**  
238.19 Community service development grants and  
238.20 community services grants are reduced by  
238.21 \$1,150,000 each year. This is a onetime  
238.22 reduction.

238.23 **(j) Deaf and Hard-of-Hearing Grants** 1,771,000 1,785,000

238.24 **(k) Disabilities Grants** 18,605,000 18,823,000

238.25 **Advocating Change Together.** \$310,000 in  
238.26 fiscal year 2014 is for a grant to Advocating  
238.27 Change Together (ACT) to maintain and  
238.28 promote services for persons with intellectual  
238.29 and developmental disabilities throughout  
238.30 the state. This appropriation is onetime. Of  
238.31 this appropriation:

238.32 (1) \$120,000 is for direct costs associated  
238.33 with the delivery and evaluation of  
238.34 peer-to-peer training programs administered

239.1 throughout the state, focusing on education,  
239.2 employment, housing, transportation, and  
239.3 voting;

239.4 (2) \$100,000 is for delivery of statewide  
239.5 conferences focusing on leadership and  
239.6 skill development within the disability  
239.7 community; and

239.8 (3) \$90,000 is for administrative and general  
239.9 operating costs associated with managing  
239.10 or maintaining facilities, program delivery,  
239.11 staff, and technology.

239.12 **Base Adjustment.** The general fund base  
239.13 is increased by \$535,000 in fiscal year 2016  
239.14 and by \$709,000 in fiscal year 2017.

239.15 **(I) Adult Mental Health Grants**

Appropriations by Fund		
General	71,199,000	69,530,000
Health Care Access	750,000	750,000
Lottery Prize	1,733,000	1,733,000

239.20 **Compulsive Gambling Treatment.** Of the  
239.21 general fund appropriation, \$602,000 in  
239.22 fiscal year 2014 and \$747,000 in fiscal year  
239.23 2015 are for compulsive gambling treatment  
239.24 under Minnesota Statutes, section 297E.02,  
239.25 subdivision 3, paragraph (c).

239.26 **Problem Gambling.** \$225,000 in fiscal year  
239.27 2014 and \$225,000 in fiscal year 2015 is  
239.28 appropriated from the lottery prize fund for a  
239.29 grant to the state affiliate recognized by the  
239.30 National Council on Problem Gambling. The  
239.31 affiliate must provide services to increase  
239.32 public awareness of problem gambling,  
239.33 education and training for individuals and  
239.34 organizations providing effective treatment  
239.35 services to problem gamblers and their

240.1 families, and research relating to problem  
240.2 gambling.

240.3 **Funding Usage.** Up to 75 percent of a fiscal  
240.4 year's appropriations for adult mental health  
240.5 grants may be used to fund allocations in that  
240.6 portion of the fiscal year ending December  
240.7 31.

240.8 **Base Adjustment.** The general fund base is  
240.9 decreased by \$4,427,000 in fiscal years 2016  
240.10 and 2017.

240.11 **Mental Health Pilot Project.** \$230,000  
240.12 each year is for a grant to the Zumbro  
240.13 Valley Mental Health Center. The grant  
240.14 shall be used to implement a pilot project  
240.15 to test an integrated behavioral health care  
240.16 coordination model. The grant recipient must  
240.17 report measurable outcomes and savings  
240.18 to the commissioner of human services  
240.19 by January 15, 2016. This is a onetime  
240.20 appropriation.

240.21 **High-risk adults.** \$200,000 in fiscal  
240.22 year 2014 is for a grant to the nonprofit  
240.23 organization selected to administer the  
240.24 demonstration project for high-risk adults  
240.25 under Laws 2007, chapter 54, article 1,  
240.26 section 19, in order to complete the project.  
240.27 This is a onetime appropriation.

240.28 **(m) Child Mental Health Grants** 18,246,000 20,636,000

240.29 **Text Message Suicide Prevention**

240.30 **Program.** \$625,000 in fiscal year 2014 and  
240.31 \$625,000 in fiscal year 2015 is for a grant  
240.32 to a nonprofit organization to establish and  
240.33 implement a statewide text message suicide  
240.34 prevention program. The program shall  
240.35 implement a suicide prevention counseling

241.1 text line designed to use text messaging to  
241.2 connect with crisis counselors and to obtain  
241.3 emergency information and referrals to  
241.4 local resources in the local community. The  
241.5 program shall include training within schools  
241.6 and communities to encourage the use of the  
241.7 program.

241.8 **Mental Health First Aid Training.** \$22,000  
241.9 in fiscal year 2014 and \$23,000 in fiscal  
241.10 year 2015 is to train teachers, social service  
241.11 personnel, law enforcement, and others who  
241.12 come into contact with children with mental  
241.13 illnesses, in children and adolescents mental  
241.14 health first aid training.

241.15 **Funding Usage.** Up to 75 percent of a fiscal  
241.16 year's appropriation for child mental health  
241.17 grants may be used to fund allocations in that  
241.18 portion of the fiscal year ending December  
241.19 31.

241.20 **(n) CD Treatment Support Grants** 1,816,000 1,816,000

241.21 **SBIRT Training.** (1) \$300,000 each year is  
241.22 for grants to train primary care clinicians to  
241.23 provide substance abuse brief intervention  
241.24 and referral to treatment (SBIRT). This is a  
241.25 onetime appropriation. The commissioner of  
241.26 human services shall apply to SAMHSA for  
241.27 an SBIRT professional training grant.

241.28 (2) If the commissioner of human services  
241.29 receives a grant under clause (1) funds  
241.30 appropriated under this clause, equal to  
241.31 the grant amount, up to the available  
241.32 appropriation, shall be transferred to the  
241.33 Minnesota Organization on Fetal Alcohol  
241.34 Syndrome (MOFAS). MOFAS must use  
241.35 the funds for grants. Grant recipients must

242.1 be selected from communities that are  
242.2 not currently served by federal Substance  
242.3 Abuse Prevention and Treatment Block  
242.4 Grant funds. Grant money must be used to  
242.5 reduce the rates of fetal alcohol syndrome  
242.6 and fetal alcohol effects, and the number of  
242.7 drug-exposed infants. Grant money may be  
242.8 used for prevention and intervention services  
242.9 and programs, including, but not limited to,  
242.10 community grants, professional education,  
242.11 public awareness, and diagnosis.

242.12 **Fetal Alcohol Syndrome Grant.** \$180,000  
242.13 each year from the general fund is for a  
242.14 grant to the Minnesota Organization on Fetal  
242.15 Alcohol Syndrome (MOFAS) to support  
242.16 nonprofit Fetal Alcohol Spectrum Disorders  
242.17 (FASD) outreach prevention programs  
242.18 in Olmsted County. This is a onetime  
242.19 appropriation.

242.20 **Base Adjustment.** The general fund base is  
242.21 decreased by \$480,000 in fiscal year 2016  
242.22 and \$480,000 in fiscal year 2017.

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

242.24 Sec. 9. Laws 2013, chapter 108, article 14, section 3, subdivision 1, is amended to read:

242.25		<del>169,326,000</del>	<del>165,531,000</del>
242.26	<b>Subdivision 1. Total Appropriation</b>	\$ <u>169,026,000</u>	\$ <u>165,231,000</u>

242.27	Appropriations by Fund		
	2014	2015	
242.28			
242.29	General	79,476,000	74,256,000
242.30	State Government		
242.31	Special Revenue	48,094,000	50,119,000
242.32	Health Care Access	29,743,000	29,143,000
242.33	Federal TANF	11,713,000	11,713,000
242.34	Special Revenue	300,000	300,000

243.1 The amounts that may be spent for each  
243.2 purpose are specified in the following  
243.3 subdivisions.

243.4 Sec. 10. Laws 2013, chapter 108, article 14, section 3, subdivision 4, is amended to read:

243.5 **Subd. 4. Health Protection**

Appropriations by Fund		
243.7 General	9,201,000	9,201,000
243.8 State Government		
243.9 Special Revenue	32,633,000	32,636,000
243.10 Special Revenue	300,000	300,000

243.11 **Infectious Disease Laboratory.** Of the  
243.12 general fund appropriation, \$200,000 in  
243.13 fiscal year 2014 and \$200,000 in fiscal year  
243.14 2015 are to monitor infectious disease trends  
243.15 and investigate infectious disease outbreaks.

243.16 **Surveillance for Elevated Blood Lead**

243.17 **Levels.** Of the general fund appropriation,  
243.18 \$100,000 in fiscal year 2014 and \$100,000  
243.19 in fiscal year 2015 are for the blood lead  
243.20 surveillance system under Minnesota  
243.21 Statutes, section 144.9502.

243.22 **Base Level Adjustment.** The state  
243.23 government special revenue base is increased  
243.24 by \$6,000 in fiscal year 2016 and by \$13,000  
243.25 in fiscal year 2017.

243.26 Sec. 11. Laws 2013, chapter 108, article 14, section 4, subdivision 8, is amended to read:

243.27 **Subd. 8. Board of Nursing Home  
Administrators** 3,742,000 2,252,000

243.29 **Administrative Services Unit - Operating**

243.30 **Costs.** Of this appropriation, \$676,000  
243.31 in fiscal year 2014 and \$626,000 in  
243.32 fiscal year 2015 are for operating costs  
243.33 of the administrative services unit. The  
243.34 administrative services unit may receive

244.1 and expend reimbursements for services  
244.2 performed by other agencies.

244.3 **Administrative Services Unit - Volunteer**

244.4 **Health Care Provider Program.** Of this  
244.5 appropriation, \$150,000 in fiscal year 2014  
244.6 and \$150,000 in fiscal year 2015 are to pay  
244.7 for medical professional liability coverage  
244.8 required under Minnesota Statutes, section  
244.9 214.40.

244.10 **Administrative Services Unit - Contested**

244.11 **Cases and Other Legal Proceedings.** Of  
244.12 this appropriation, \$200,000 in fiscal year  
244.13 2014 and \$200,000 in fiscal year 2015 are  
244.14 for costs of contested case hearings and other  
244.15 unanticipated costs of legal proceedings  
244.16 involving health-related boards funded  
244.17 under this section. Upon certification of a  
244.18 health-related board to the administrative  
244.19 services unit that the costs will be incurred  
244.20 and that there is insufficient money available  
244.21 to pay for the costs out of money currently  
244.22 available to that board, the administrative  
244.23 services unit is authorized to transfer money  
244.24 from this appropriation to the board for  
244.25 payment of those costs with the approval  
244.26 of the commissioner of management and  
244.27 budget. This appropriation does not cancel  
244.28 and is available until expended.

244.29 This appropriation includes \$44,000 in  
244.30 fiscal year 2014 for rulemaking. This is  
244.31 a onetime appropriation. \$1,441,000 in  
244.32 fiscal year 2014 and \$420,000 in fiscal year  
244.33 2015 are for the development of a shared  
244.34 disciplinary, regulatory, licensing, and  
244.35 information management system. \$391,000

245.1 in fiscal year 2014 is a onetime appropriation  
245.2 for retirement costs in the health-related  
245.3 boards. This funding may be transferred to  
245.4 the health boards incurring retirement costs.  
245.5 These funds are available either year of the  
245.6 biennium.

245.7 This appropriation includes \$16,000 in fiscal  
245.8 years 2014 and 2015 for evening security,  
245.9 \$2,000 in fiscal years 2014 and 2015 for a  
245.10 state vehicle lease, and \$18,000 in fiscal  
245.11 years 2014 and 2015 for shared office space  
245.12 and administrative support. \$205,000 in  
245.13 fiscal year 2014 and \$221,000 in fiscal year  
245.14 2015 are for shared information technology  
245.15 services, equipment, and maintenance.

245.16 The remaining balance of the state  
245.17 government special revenue fund  
245.18 appropriation in Laws 2011, First Special  
245.19 Session chapter 9, article 10, section 8,  
245.20 subdivision 8, for Board of Nursing Home  
245.21 Administrators rulemaking, estimated to  
245.22 be \$44,000, is canceled, and the remaining  
245.23 balance of the state government special  
245.24 revenue fund appropriation in Laws 2011,  
245.25 First Special Session chapter 9, article 10,  
245.26 section 8, subdivision 8, for electronic  
245.27 licensing system adaptors, estimated to be  
245.28 \$761,000, and for the development and  
245.29 implementation of a disciplinary, regulatory,  
245.30 licensing, and information management  
245.31 system, estimated to be \$1,100,000, are  
245.32 canceled. This paragraph is effective the day  
245.33 following final enactment.

245.34 **Base Adjustment.** The base is decreased by  
245.35 \$370,000 in fiscal years 2016 and 2017.

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

246.2       Sec. 12. Laws 2013, chapter 108, article 14, section 12, is amended to read:

246.3       **Sec. 12. APPROPRIATION ADJUSTMENTS.**

246.4       (a) The general fund appropriation in section 2, subdivision 5, paragraph (g),  
246.5       includes up to \$53,391,000 in fiscal year 2014; \$216,637,000 in fiscal year 2015;  
246.6       \$261,660,000 in fiscal year 2016; and \$279,984,000 in fiscal year 2017, for medical  
246.7       assistance eligibility and administration changes related to:

246.8       (1) eligibility for children age two to 18 with income up to 275 percent of the federal  
246.9       poverty guidelines;

246.10       (2) eligibility for pregnant women with income up to 275 percent of the federal  
246.11       poverty guidelines;

246.12       (3) Affordable Care Act enrollment and renewal processes, including elimination  
246.13       of six-month renewals, ex parte eligibility reviews, preprinted renewal forms, changes  
246.14       in verification requirements, and other changes in the eligibility determination and  
246.15       enrollment and renewal process;

246.16       (4) automatic eligibility for children who turn 18 in foster care until they reach age 26;

246.17       (5) eligibility related to spousal impoverishment provisions for waiver recipients; and

246.18       (6) presumptive eligibility determinations by hospitals.

246.19       (b) the commissioner of human services shall determine the difference between the  
246.20       actual or ~~forecasted~~ estimated costs to the medical assistance program attributable to  
246.21       the program changes in paragraph (a), clauses (1) to (6), and the costs of paragraph (a),  
246.22       clauses (1) to (6), that were estimated during the 2013 legislative session based on data  
246.23       from the 2013 February forecast. ~~The costs in this paragraph must be calculated between~~  
246.24 ~~January 1, 2014, and June 30, 2017.~~

246.25       (c) For each fiscal year from 2014 to 2017, the commissioner of human services  
246.26       shall certify the actual or ~~forecasted~~ estimated cost differences to the medical assistance  
246.27       program determined under paragraph (b), and report the difference in costs to the  
246.28       commissioner of management and budget at least four weeks prior to a forecast under  
246.29       Minnesota Statutes, section 16A.103. ~~No later than three weeks before the release of~~  
246.30 ~~the forecast For fiscal years 2014 to 2017, forecasts under Minnesota Statutes, section~~  
246.31 ~~16A.103, prepared by~~ the commissioner of management and budget shall ~~reduce~~ include  
246.32 ~~actual or estimated adjustments to the health care access fund appropriation in section~~  
246.33 ~~2, subdivision 5, paragraph (g), by the cumulative difference in costs determined in~~  
246.34 ~~according to paragraph (b) (d). If for any fiseal year, the amount of the eumulative cost~~  
246.35 ~~differences determined under paragraph (b) is positive, no adjustment shall be made to the~~

247.1 ~~health care access fund appropriation. If for any fiscal year, the amount of the cumulative~~  
247.2 ~~cost differences determined under paragraph (b) is less than the original appropriation, the~~  
247.3 ~~appropriation for that fiscal year is zero.~~

247.4 (d) For each fiscal year from 2014 to 2017, the commissioner of management and  
247.5 budget must adjust the health care access fund appropriation by the cumulative difference  
247.6 in costs reported by the commissioner of human services under paragraph (b). If, for any  
247.7 fiscal year, the amount of the cumulative difference in costs determined under paragraph  
247.8 (b) is positive, no adjustment shall be made to the health care access fund appropriation.

247.9 (e) This section expires on January 1, 2018.

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

247.11 Sec. 13. **DEDICATED FUNDS REPORT.**

247.12 By October 1, 2014, and with each February forecast thereafter, the commissioner of  
247.13 human services must provide to the chairs and ranking minority members of the house of  
247.14 representatives and senate committees with jurisdiction over health and human services  
247.15 finance a report of all dedicated funds and accounts. The report must include the name  
247.16 of the dedicated fund or account; a description of its purpose, and the legal citation for  
247.17 its creation; the beginning balance, projected receipts, and expenditures; and the ending  
247.18 balance for each fund and account.

247.19 Sec. 14. **EXPIRATION OF UNCODIFIED LANGUAGE.**

247.20 All uncodified language in this article expires on June 30, 2015, unless a different  
247.21 expiration date is specified.

247.22 **ARTICLE 15**

247.23 **CHEMICAL AND MENTAL HEALTH**

247.24 Section 1. Minnesota Statutes 2012, section 245.466, is amended by adding a  
247.25 subdivision to read:

247.26 Subd. 3a. **Transition plan related to termination of contract.** Counties must  
247.27 prepare a transition plan that provides for continuity of care in the event of contract  
247.28 termination with a community mental health center under section 245.715, or a community  
247.29 support services program under section 245.462, subdivision 6. The county shall provide  
247.30 at least 90 days' notice of the termination to the contracted agency and the commissioner  
247.31 of human services. The transition plan must provide information to clients on how to  
247.32 access medical records and how to transfer to other providers.

248.1 Sec. 2. Minnesota Statutes 2012, section 245A.04, is amended by adding a subdivision  
248.2 to read:

248.3 Subd. 15a. Plan for transfer of clients and records upon closure. (a) Except for  
248.4 child care providers, an applicant for initial or continuing licensure must submit a written  
248.5 plan indicating how the agency will provide for the transfer of clients and records for both  
248.6 open and closed cases if the agency closes. The plan must provide for managing private  
248.7 and confidential information concerning agency clients. The plan must also provide  
248.8 for notifying affected clients of the closure at least 25 days prior to closure, including  
248.9 information on how to access their medical records. A controlling individual of the agency  
248.10 must annually review and sign the plan.

248.11 (b) Plans for the transfer of open cases and case records must specify arrangements  
248.12 the agency will make to transfer clients to another agency or county agency for  
248.13 continuation of services and to transfer the case record with the client.

248.14 (c) Plans for the transfer of closed case records must be accompanied by a signed  
248.15 agreement or other documentation indicating that a county or a similarly licensed agency  
248.16 has agreed to accept and maintain the agency's closed case records and to provide  
248.17 follow-up services as necessary to affected clients.

248.18 Sec. 3. Minnesota Statutes 2012, section 253B.066, subdivision 1, is amended to read:

248.19 Subdivision 1. **Treatment alternatives.** If the court orders early intervention  
248.20 under section 253B.065, subdivision 5, the court may include in its order a variety of  
248.21 treatment alternatives including, but not limited to, day treatment, medication compliance  
248.22 monitoring, assertive community treatment, crisis assessment and stabilization, partial  
248.23 hospitalization, and short-term hospitalization not to exceed 21 days.

248.24 If the court orders short-term hospitalization and the proposed patient will not go  
248.25 voluntarily, the court may direct a health officer, peace officer, or other person to take the  
248.26 person into custody and transport the person to the hospital.

248.27 Sec. 4. Minnesota Statutes 2012, section 254B.12, is amended to read:

248.28 **254B.12 RATE METHODOLOGY.**

248.29 Subdivision 1. **CCDTF rate methodology established.** The commissioner shall  
248.30 establish a new rate methodology for the consolidated chemical dependency treatment  
248.31 fund. The new methodology must replace county-negotiated rates with a uniform  
248.32 statewide methodology that must include a graduated reimbursement scale based on the  
248.33 patients' level of acuity and complexity. At least biennially, the commissioner shall review  
248.34 the financial information provided by vendors to determine the need for rate adjustments.

249.1        **Subd. 2. Payment methodology for state-operated vendors.** (a) Notwithstanding  
249.2 subdivision 1, the commissioner shall seek federal authority to develop a separate  
249.3 payment methodology for chemical dependency treatment services provided under the  
249.4 consolidated chemical dependency treatment fund by a state-operated vendor. This  
249.5 payment methodology is effective for services provided on or after October 1, 2015, or on  
249.6 or after the receipt of federal approval, whichever is later.

249.7        (b) Before implementing an approved payment methodology under paragraph  
249.8 (a), the commissioner must also receive any necessary legislative approval of required  
249.9 changes to state law or funding.

249.10      Sec. 5. Minnesota Statutes 2013 Supplement, section 256B.06, subdivision 4, is  
249.11 amended to read:

249.12        Subd. 4. **Citizenship requirements.** (a) Eligibility for medical assistance is limited  
249.13 to citizens of the United States, qualified noncitizens as defined in this subdivision, and  
249.14 other persons residing lawfully in the United States. Citizens or nationals of the United  
249.15 States must cooperate in obtaining satisfactory documentary evidence of citizenship or  
249.16 nationality according to the requirements of the federal Deficit Reduction Act of 2005,  
249.17 Public Law 109-171.

249.18        (b) "Qualified noncitizen" means a person who meets one of the following  
249.19 immigration criteria:

249.20        (1) admitted for lawful permanent residence according to United States Code, title 8;

249.21        (2) admitted to the United States as a refugee according to United States Code,  
249.22 title 8, section 1157;

249.23        (3) granted asylum according to United States Code, title 8, section 1158;

249.24        (4) granted withholding of deportation according to United States Code, title 8,  
249.25 section 1253(h);

249.26        (5) paroled for a period of at least one year according to United States Code, title 8,  
249.27 section 1182(d)(5);

249.28        (6) granted conditional entrant status according to United States Code, title 8,  
249.29 section 1153(a)(7);

249.30        (7) determined to be a battered noncitizen by the United States Attorney General  
249.31 according to the Illegal Immigration Reform and Immigrant Responsibility Act of 1996,  
249.32 title V of the Omnibus Consolidated Appropriations Bill, Public Law 104-200;

249.33        (8) is a child of a noncitizen determined to be a battered noncitizen by the United  
249.34 States Attorney General according to the Illegal Immigration Reform and Immigrant

250.1 Responsibility Act of 1996, title V, of the Omnibus Consolidated Appropriations Bill,  
250.2 Public Law 104-200; or

250.3 (9) determined to be a Cuban or Haitian entrant as defined in section 501(e) of Public  
250.4 Law 96-422, the Refugee Education Assistance Act of 1980.

250.5 (c) All qualified noncitizens who were residing in the United States before August  
250.6 22, 1996, who otherwise meet the eligibility requirements of this chapter, are eligible for  
250.7 medical assistance with federal financial participation.

250.8 (d) Beginning December 1, 1996, qualified noncitizens who entered the United  
250.9 States on or after August 22, 1996, and who otherwise meet the eligibility requirements  
250.10 of this chapter are eligible for medical assistance with federal participation for five years  
250.11 if they meet one of the following criteria:

250.12 (1) refugees admitted to the United States according to United States Code, title 8,  
250.13 section 1157;

250.14 (2) persons granted asylum according to United States Code, title 8, section 1158;

250.15 (3) persons granted withholding of deportation according to United States Code,  
250.16 title 8, section 1253(h);

250.17 (4) veterans of the United States armed forces with an honorable discharge for  
250.18 a reason other than noncitizen status, their spouses and unmarried minor dependent  
250.19 children; or

250.20 (5) persons on active duty in the United States armed forces, other than for training,  
250.21 their spouses and unmarried minor dependent children.

250.22 Beginning July 1, 2010, children and pregnant women who are noncitizens  
250.23 described in paragraph (b) or who are lawfully present in the United States as defined  
250.24 in Code of Federal Regulations, title 8, section 103.12, and who otherwise meet  
250.25 eligibility requirements of this chapter, are eligible for medical assistance with federal  
250.26 financial participation as provided by the federal Children's Health Insurance Program  
250.27 Reauthorization Act of 2009, Public Law 111-3.

250.28 (e) Nonimmigrants who otherwise meet the eligibility requirements of this chapter  
250.29 are eligible for the benefits as provided in paragraphs (f) to (h). For purposes of this  
250.30 subdivision, a "nonimmigrant" is a person in one of the classes listed in United States  
250.31 Code, title 8, section 1101(a)(15).

250.32 (f) Payment shall also be made for care and services that are furnished to noncitizens,  
250.33 regardless of immigration status, who otherwise meet the eligibility requirements of  
250.34 this chapter, if such care and services are necessary for the treatment of an emergency  
250.35 medical condition.

251.1       (g) For purposes of this subdivision, the term "emergency medical condition" means  
251.2       a medical condition that meets the requirements of United States Code, title 42, section  
251.3       1396b(v).

251.4       (h)(1) Notwithstanding paragraph (g), services that are necessary for the treatment  
251.5       of an emergency medical condition are limited to the following:

251.6           (i) services delivered in an emergency room or by an ambulance service licensed  
251.7       under chapter 144E that are directly related to the treatment of an emergency medical  
251.8       condition;

251.9           (ii) services delivered in an inpatient hospital setting following admission from an  
251.10      emergency room or clinic for an acute emergency condition; and

251.11          (iii) follow-up services that are directly related to the original service provided  
251.12       to treat the emergency medical condition and are covered by the global payment made  
251.13       to the provider.

251.14       (2) Services for the treatment of emergency medical conditions do not include:

251.15           (i) services delivered in an emergency room or inpatient setting to treat a  
251.16       nonemergency condition;

251.17           (ii) organ transplants, stem cell transplants, and related care;

251.18           (iii) services for routine prenatal care;

251.19          (iv) continuing care, including long-term care, nursing facility services, home health  
251.20       care, adult day care, day training, or supportive living services;

251.21          (v) elective surgery;

251.22          (vi) outpatient prescription drugs, unless the drugs are administered or dispensed as  
251.23       part of an emergency room visit;

251.24          (vii) preventative health care and family planning services;

251.25          (viii) rehabilitation services;

251.26          (ix) physical, occupational, or speech therapy;

251.27          (x) transportation services;

251.28          (xi) case management;

251.29          (xii) prosthetics, orthotics, durable medical equipment, or medical supplies;

251.30          (xiii) dental services;

251.31          (xiv) hospice care;

251.32          (xv) audiology services and hearing aids;

251.33          (xvi) podiatry services;

251.34          (xvii) chiropractic services;

251.35          (xviii) immunizations;

251.36          (xix) vision services and eyeglasses;

252.1                         (xx) waiver services;

252.2                         (XXI) individualized education programs; or

252.3                         (XXII) chemical dependency treatment.

252.4                         (i) Pregnant noncitizens who are ineligible for federally funded medical assistance because of immigration status, are not covered by a group health plan or health insurance coverage according to Code of Federal Regulations, title 42, section 457.310, and who otherwise meet the eligibility requirements of this chapter, are eligible for medical assistance through the period of pregnancy, including labor and delivery, and 60 days postpartum, to the extent federal funds are available under title XXI of the Social Security Act, and the state children's health insurance program.

252.11                         (j) Beginning October 1, 2003, persons who are receiving care and rehabilitation services from a nonprofit center established to serve victims of torture and are otherwise ineligible for medical assistance under this chapter are eligible for medical assistance without federal financial participation. These individuals are eligible only for the period during which they are receiving services from the center. Individuals eligible under this paragraph shall not be required to participate in prepaid medical assistance. Beginning July 1, 2014, the commissioner shall pay claims in full and subsequently bill counties for the nonfederal share of costs associated with adult mental health targeted case management services provided under this paragraph.

252.20                         (k) Notwithstanding paragraph (h), clause (2), the following services are covered as emergency medical conditions under paragraph (f) except where coverage is prohibited under federal law:

252.23                         (1) dialysis services provided in a hospital or freestanding dialysis facility; and

252.24                         (2) surgery and the administration of chemotherapy, radiation, and related services necessary to treat cancer if the recipient has a cancer diagnosis that is not in remission and requires surgery, chemotherapy, or radiation treatment.

252.27                         (l) Effective July 1, 2013, recipients of emergency medical assistance under this subdivision are eligible for coverage of the elderly waiver services provided under section 256B.0915, and coverage of rehabilitative services provided in a nursing facility. The age limit for elderly waiver services does not apply. In order to qualify for coverage, a recipient of emergency medical assistance is subject to the assessment and reassessment requirements of section 256B.0911. Initial and continued enrollment under this paragraph is subject to the limits of available funding.

252.34                         Sec. 6. Minnesota Statutes 2012, section 256B.0615, subdivision 3, is amended to read:

253.1        Subd. 3. **Eligibility.** Peer support services may be made available to consumers of  
253.2        (1) the intensive rehabilitative mental health services under section 256B.0622; (2) adult  
253.3        rehabilitative mental health services under section 256B.0623; and (3) crisis stabilization  
253.4        and mental health mobile crisis intervention services under section 256B.0624.

253.5        Sec. 7. Minnesota Statutes 2012, section 256B.0624, subdivision 2, is amended to read:

253.6        Subd. 2. **Definitions.** For purposes of this section, the following terms have the  
253.7        meanings given them.

253.8        (a) "Mental health crisis" is an adult behavioral, emotional, or psychiatric situation  
253.9        which, but for the provision of crisis response services, would likely result in significantly  
253.10        reduced levels of functioning in primary activities of daily living, or in an emergency  
253.11        situation, or in the placement of the recipient in a more restrictive setting, including, but  
253.12        not limited to, inpatient hospitalization.

253.13        (b) "Mental health emergency" is an adult behavioral, emotional, or psychiatric  
253.14        situation which causes an immediate need for mental health services and is consistent  
253.15        with section 62Q.55.

253.16        A mental health crisis or emergency is determined for medical assistance service  
253.17        reimbursement by a physician, a mental health professional, or crisis mental health  
253.18        practitioner with input from the recipient whenever possible.

253.19        (c) "Mental health crisis assessment" means an immediate face-to-face assessment  
253.20        by a physician, a mental health professional, or mental health practitioner under the  
253.21        clinical supervision of a mental health professional, following a screening that suggests  
253.22        that the adult may be experiencing a mental health crisis or mental health emergency  
253.23        situation. It includes, when feasible, assessing whether the person might be willing to  
253.24        voluntarily accept treatment, determining whether the person has an advance directive,  
253.25        and obtaining information and history from involved family members or caretakers.

253.26        (d) "Mental health mobile crisis intervention services" means face-to-face,  
253.27        short-term intensive mental health services initiated during a mental health crisis or mental  
253.28        health emergency to help the recipient cope with immediate stressors, identify and utilize  
253.29        available resources and strengths, engage in voluntary treatment, and begin to return to the  
253.30        recipient's baseline level of functioning.

253.31        (1) This service is provided on site by a mobile crisis intervention team outside of  
253.32        an inpatient hospital setting. Mental health mobile crisis intervention services must be  
253.33        available 24 hours a day, seven days a week.

253.34        (2) The initial screening must consider other available services to determine which  
253.35        service intervention would best address the recipient's needs and circumstances.

254.1       (3) The mobile crisis intervention team must be available to meet promptly  
254.2 face-to-face with a person in mental health crisis or emergency in a community setting or  
254.3 hospital emergency room.

254.4       (4) The intervention must consist of a mental health crisis assessment and a crisis  
254.5 treatment plan.

254.6       (5) The team must be available to individuals who are experiencing a co-occurring  
254.7 substance use disorder, who do not need the level of care provided in a detoxification  
254.8 facility.

254.9       (5) (6) The treatment plan must include recommendations for any needed crisis  
254.10 stabilization services for the recipient, including engagement in treatment planning and  
254.11 family psychoeducation.

254.12       (e) "Mental health crisis stabilization services" means individualized mental  
254.13 health services provided to a recipient following crisis intervention services which are  
254.14 designed to restore the recipient to the recipient's prior functional level. Mental health  
254.15 crisis stabilization services may be provided in the recipient's home, the home of a family  
254.16 member or friend of the recipient, another community setting, or a short-term supervised,  
254.17 licensed residential program. Mental health crisis stabilization does not include partial  
254.18 hospitalization or day treatment. Mental health crisis stabilization services includes  
254.19 family psychoeducation.

254.20 Sec. 8. Minnesota Statutes 2012, section 256B.0624, subdivision 5, is amended to read:

254.21       **Subd. 5. Mobile crisis intervention staff qualifications.** For provision of adult  
254.22 mental health mobile crisis intervention services, a mobile crisis intervention team is  
254.23 comprised of at least two mental health professionals as defined in section 245.462,  
254.24 subdivision 18, clauses (1) to (6), or a combination of at least one mental health  
254.25 professional and one mental health practitioner as defined in section 245.462, subdivision  
254.26 17, with the required mental health crisis training and under the clinical supervision of  
254.27 a mental health professional on the team. The team must have at least two people with  
254.28 at least one member providing on-site crisis intervention services when needed. Team  
254.29 members must be experienced in mental health assessment, crisis intervention techniques,  
254.30 treatment engagement strategies, working with families, and clinical decision-making  
254.31 under emergency conditions and have knowledge of local services and resources.  
254.32 The team must recommend and coordinate the team's services with appropriate local  
254.33 resources such as the county social services agency, mental health services, and local  
254.34 law enforcement when necessary.

255.1 Sec. 9. Minnesota Statutes 2012, section 256B.0624, subdivision 6, is amended to read:

255.2       **Subd. 6. Crisis assessment and mobile intervention treatment planning.** (a)

255.3 Prior to initiating mobile crisis intervention services, a screening of the potential crisis  
255.4 situation must be conducted. The screening may use the resources of crisis assistance  
255.5 and emergency services as defined in sections 245.462, subdivision 6, and 245.469,  
255.6 subdivisions 1 and 2. The screening must gather information, determine whether a crisis  
255.7 situation exists, identify parties involved, and determine an appropriate response.

255.8       (b) If a crisis exists, a crisis assessment must be completed. A crisis assessment  
255.9 evaluates any immediate needs for which emergency services are needed and, as time  
255.10 permits, the recipient's current life situation, sources of stress, mental health problems  
255.11 and symptoms, strengths, cultural considerations, support network, vulnerabilities, current  
255.12 functioning, and the recipient's preferences as communicated directly by the recipient,  
255.13 or as communicated in a health care directive as described in chapters 145C and 253B,  
255.14 the treatment plan described under paragraph (d), a crisis prevention plan, or a wellness  
255.15 recovery action plan.

255.16       (c) If the crisis assessment determines mobile crisis intervention services are needed,  
255.17 the intervention services must be provided promptly. As opportunity presents during the  
255.18 intervention, at least two members of the mobile crisis intervention team must confer  
255.19 directly or by telephone about the assessment, treatment plan, and actions taken and  
255.20 needed. At least one of the team members must be on site providing crisis intervention  
255.21 services. If providing on-site crisis intervention services, a mental health practitioner must  
255.22 seek clinical supervision as required in subdivision 9.

255.23       (d) The mobile crisis intervention team must develop an initial, brief crisis treatment  
255.24 plan as soon as appropriate but no later than 24 hours after the initial face-to-face  
255.25 intervention. The plan must address the needs and problems noted in the crisis assessment  
255.26 and include measurable short-term goals, cultural considerations, and frequency and type  
255.27 of services to be provided to achieve the goals and reduce or eliminate the crisis. The  
255.28 treatment plan must be updated as needed to reflect current goals and services.

255.29       (e) The team must document which short-term goals have been met and when no  
255.30 further crisis intervention services are required.

255.31       (f) If the recipient's crisis is stabilized, but the recipient needs a referral to other  
255.32 services, the team must provide referrals to these services. If the recipient has a case  
255.33 manager, planning for other services must be coordinated with the case manager. If the  
255.34 recipient is unable to follow up on the referral, the team must link the recipient to the  
255.35 service and follow up to ensure the recipient is receiving the service.

256.1        (g) If the recipient's crisis is stabilized and the recipient does not have an advance  
256.2        directive, the case manager or crisis team shall offer to work with the recipient to develop  
256.3        one.

256.4        Sec. 10. Minnesota Statutes 2012, section 256B.0624, subdivision 10, is amended to  
256.5        read:

256.6        Subd. 10. **Recipient file.** Providers of mobile crisis intervention or crisis stabilization  
256.7        services must maintain a file for each recipient containing the following information:

256.8        (1) individual crisis treatment plans signed by the recipient, mental health  
256.9        professional, and mental health practitioner who developed the crisis treatment plan, or  
256.10       if the recipient refused to sign the plan, the date and reason stated by the recipient as to  
256.11       why the recipient would not sign the plan;

256.12       (2) signed release forms;

256.13       (3) recipient health information and current medications;

256.14       (4) emergency contacts for the recipient;

256.15       (5) case records which document the date of service, place of service delivery,  
256.16       signature of the person providing the service, and the nature, extent, and units of service.

256.17       Direct or telephone contact with the recipient's family or others should be documented;

256.18       (6) required clinical supervision by mental health professionals;

256.19       (7) summary of the recipient's case reviews by staff; and

256.20       (8) any written information by the recipient that the recipient wants in the file; and

256.21       (9) an advance directive, if there is one available.

256.22       Documentation in the file must comply with all requirements of the commissioner.

256.23       Sec. 11. Minnesota Statutes 2012, section 256B.0625, is amended by adding a  
256.24       subdivision to read:

256.25       Subd. 64. **Medical assistance.** Medical assistance, subject to federal approval,  
256.26       covers mental health intensive community rehabilitation services. This subdivision is  
256.27       effective no later than 120 days after federal approval.

256.28       Sec. 12. Minnesota Statutes 2012, section 256I.05, subdivision 2, is amended to read:

256.29       Subd. 2. **Monthly rates; exemptions.** The maximum group residential housing rate  
256.30       does not apply. This subdivision applies to a residence that on August 1, 1984, was licensed  
256.31       by the commissioner of health only as a boarding care home, certified by the commissioner  
256.32       of health as an intermediate care facility, and licensed by the commissioner of human  
256.33       services under Minnesota Rules, parts 9520.0500 to 9520.0690. Notwithstanding the

provisions of subdivision 1c, the rate paid to a facility reimbursed under this subdivision shall be determined under section 256B.431, or under section 256B.434 if the facility is accepted by the commissioner for participation in the alternative payment demonstration project. The rate paid to this facility shall also include adjustments to the group residential housing rate according to subdivision 1, and any adjustments applicable to supplemental service rates statewide.

**Sec. 13. DETOXIFICATION SERVICES PLAN.**

The commissioner shall develop a plan to include detoxification services as a covered medical assistance benefit and present the plan to the members of the legislative committees having jurisdiction over health and human services provisions and funding by December 15, 2014.

**Sec. 14. MENTALLY ILL OFFENDERS ARRESTED OR SUBJECT TO ARREST; WORKING GROUP.**

Subdivision 1. Working group established; study and draft legislation required.  
The commissioner of human services may convene a working group to address issues related to offenders with mental illness who are arrested or subject to arrest. The working group shall consider the special needs of these offenders and determine how best to provide for these needs. Specifically, the group shall consider the efficacy of a facility that would serve as a central point for accepting, assessing, and addressing the needs of offenders with mental illness brought in by law enforcement as an alternative to arrest or following arrest. The facility would consolidate and coordinate existing resources as well as offer new resources that would provide a continuum of care addressing the immediate, short-term, and long-term needs of these offenders. The facility would do the following for these offenders: perform timely, credible, and useful mental health assessments; identify community placement opportunities; coordinate community care; make recommendations concerning pretrial release when appropriate; and, in some cases, provide direct services to offenders at the facility or in nearby jails. The working group shall establish criteria to determine which offenders may be admitted to the facility. The facility would be located in the metropolitan region and serve the needs of nearby counties. The facility would represent a partnership between the state, local units of government, and the private sector. In addition, the working group may consider how similar facilities could function in outstate areas. When studying this issue, the working group shall examine what other states have done in this area to determine what programs have been successful and use those programs as models in developing the program in Minnesota. The working group

258.1 may also study and make recommendations on other ways to improve the process for  
258.2 addressing and assisting these offenders. The commissioner shall enter into an agreement  
258.3 with NAMI Minnesota to carry out the work of the working group.

258.4       **Subd. 2. Membership.** The commissioner shall ensure that the working group  
258.5 has expertise and a broad range of interests represented, including, but not limited to:  
258.6 prosecutors; law enforcement, including jail staff; correctional officials; community  
258.7 corrections staff; probation officials; criminal defense attorneys; judges; county and city  
258.8 officials; mental health advocates; mental health professionals; and hospital and health  
258.9 care officials.

258.10      **Subd. 3. Administrative issues.** (a) The commissioner shall convene the first  
258.11 meeting of the working group by September 1, 2014. NAMI Minnesota shall provide  
258.12 meeting space and administrative support to the working group. The working group shall  
258.13 select a chair from among its members.

258.14      (b) The commissioner may solicit in-kind support from work group member  
258.15 agencies to accomplish its assigned duties.

258.16      **Subd. 4. Report required.** By January 1, 2015, the working group shall submit a  
258.17 report to the chairs and ranking minority members of the senate and house of representatives  
258.18 committees and divisions having jurisdiction over human services and public safety. The  
258.19 report must summarize the working group's activities and include its recommendations  
258.20 and draft legislation. The recommendations must be specific and include estimates of the  
258.21 costs involved in implementing the recommendations, including the funding sources that  
258.22 might be used to pay for it. The working group shall explore potential funding sources  
258.23 at the federal, local, and private levels, and provide this information in the report. In  
258.24 addition, the report must include draft legislation to implement the recommendations.

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

258.26      **Sec. 15. REPORT ON RATE SETTING METHODOLOGY FOR MENTAL  
258.27 HEALTH SERVICES.**

258.28       The commissioner of human services shall provide a report to the chairs of the  
258.29 Health and Human Services Finance Division by February 1, 2015, that assesses the  
258.30 current rate setting methodology for intensive residential treatment services (IRTS), adult  
258.31 crisis, and assertive community treatment (ACT). The report will include an assessment  
258.32 of alternative payment structures consistent with the intent and direction of the federal  
258.33 centers for Medicare and Medicaid services which could provide adequate reimbursement  
258.34 to sustain community-based mental health services regardless of geographic location.  
258.35 Stakeholders will be included in the development of the report and the report will also

259.1 include concerns regarding payment rates for other mental health services that may  
259.2 require further analysis in the future.

## ARTICLE 16

### CHILDREN, FAMILIES, AND NORTHSTAR CARE

259.5 Section 1. Minnesota Statutes 2012, section 245C.05, subdivision 5, is amended to read:

259.6       **Subd. 5. Fingerprints.** (a) Except as provided in paragraph (c), for any background  
259.7 study completed under this chapter, when the commissioner has reasonable cause to  
259.8 believe that further pertinent information may exist on the subject of the background  
259.9 study, the subject shall provide the commissioner with a set of classifiable fingerprints  
259.10 obtained from an authorized agency.

259.11       (b) For purposes of requiring fingerprints, the commissioner has reasonable cause  
259.12 when, but not limited to, the:

259.13           (1) information from the Bureau of Criminal Apprehension indicates that the subject  
259.14 is a multistate offender;

259.15           (2) information from the Bureau of Criminal Apprehension indicates that multistate  
259.16 offender status is undetermined; or

259.17           (3) commissioner has received a report from the subject or a third party indicating  
259.18 that the subject has a criminal history in a jurisdiction other than Minnesota.

259.19       (c) Except as specified under section 245C.04, subdivision 1, paragraph (d), for  
259.20 background studies conducted by the commissioner for child foster care ~~or~~, adoptions, or a  
259.21 transfer of permanent legal and physical custody of a child, the subject of the background  
259.22 study, who is 18 years of age or older, shall provide the commissioner with a set of  
259.23 classifiable fingerprints obtained from an authorized agency.

259.24 Sec. 2. Minnesota Statutes 2013 Supplement, section 245C.08, subdivision 1, is  
259.25 amended to read:

259.26       **Subdivision 1. Background studies conducted by Department of Human  
259.27 Services.** (a) For a background study conducted by the Department of Human Services,  
259.28 the commissioner shall review:

259.29           (1) information related to names of substantiated perpetrators of maltreatment of  
259.30 vulnerable adults that has been received by the commissioner as required under section  
259.31 626.557, subdivision 9c, paragraph (j);

259.32           (2) the commissioner's records relating to the maltreatment of minors in licensed  
259.33 programs, and from findings of maltreatment of minors as indicated through the social  
259.34 service information system;

260.1       (3) information from juvenile courts as required in subdivision 4 for individuals  
260.2 listed in section 245C.03, subdivision 1, paragraph (a), when there is reasonable cause;  
260.3       (4) information from the Bureau of Criminal Apprehension, including information  
260.4 regarding a background study subject's registration in Minnesota as a predatory offender  
260.5 under section 243.166;  
260.6       (5) except as provided in clause (6), information from the national crime information  
260.7 system when the commissioner has reasonable cause as defined under section 245C.05,  
260.8 subdivision 5; and  
260.9       (6) for a background study related to a child foster care application for licensure, a  
260.10 transfer of permanent legal and physical custody of a child under sections 260C.503 to  
260.11 260C.515, or adoptions, the commissioner shall also review:  
260.12       (i) information from the child abuse and neglect registry for any state in which the  
260.13 background study subject has resided for the past five years; and  
260.14       (ii) information from national crime information databases, when the background  
260.15 study subject is 18 years of age or older.  
260.16       (b) Notwithstanding expungement by a court, the commissioner may consider  
260.17 information obtained under paragraph (a), clauses (3) and (4), unless the commissioner  
260.18 received notice of the petition for expungement and the court order for expungement is  
260.19 directed specifically to the commissioner.  
260.20       (c) The commissioner shall also review criminal case information received according  
260.21 to section 245C.04, subdivision 4a, from the Minnesota court information system that  
260.22 relates to individuals who have already been studied under this chapter and who remain  
260.23 affiliated with the agency that initiated the background study.

260.24 Sec. 3. Minnesota Statutes 2012, section 245C.33, subdivision 1, is amended to read:  
260.25       Subdivision 1. **Adoption and transfer of permanent legal and physical custody;**  
260.26 **Background studies conducted by commissioner study requirements.** (a) Before  
260.27 placement of a child for purposes of adoption, the commissioner shall conduct a  
260.28 background study on individuals listed in section sections 259.41, subdivision 3, and  
260.29 260C.611, for county agencies and private agencies licensed to place children for adoption.  
260.30 When a prospective adoptive parent is seeking to adopt a child who is currently placed in  
260.31 the prospective adoptive parent's home and is under the guardianship of the commissioner  
260.32 according to section 260C.325, subdivision 1, paragraph (b), and the prospective adoptive  
260.33 parent holds a child foster care license, a new background study is not required when:  
260.34       (1) a background study was completed on persons required to be studied under section  
260.35 245C.03 in connection with the application for child foster care licensure after July 1, 2007;

261.1        (2) the background study included a review of the information in section 245C.08,  
261.2        subdivisions 1, 3, and 4; and

261.3        (3) as a result of the background study, the individual was either not disqualified  
261.4        or, if disqualified, the disqualification was set aside under section 245C.22, or a variance  
261.5        was issued under section 245C.30.

261.6        (b) Before the kinship placement agreement is signed for the purpose of transferring  
261.7        permanent legal and physical custody to a relative under sections 260C.503 to 260C.515,  
261.8        the commissioner shall conduct a background study on each person age 13 or older living  
261.9        in the home. When a prospective relative custodian has a child foster care license, a new  
261.10        background study is not required when:

261.11        (1) a background study was completed on persons required to be studied under section  
261.12        245C.03 in connection with the application for child foster care licensure after July 1, 2007;

261.13        (2) the background study included a review of the information in section 245C.08,  
261.14        subdivisions 1, 3, and 4; and

261.15        (3) as a result of the background study, the individual was either not disqualified or,  
261.16        if disqualified, the disqualification was set aside under section 245C.22, or a variance was  
261.17        issued under section 245C.30. The commissioner and the county agency shall expedite any  
261.18        request for a set aside or variance for a background study required under chapter 256N.

261.19        Sec. 4. Minnesota Statutes 2012, section 245C.33, subdivision 4, is amended to read:

261.20        **Subd. 4. Information commissioner reviews.** (a) The commissioner shall review  
261.21        the following information regarding the background study subject:

261.22        (1) the information under section 245C.08, subdivisions 1, 3, and 4;

261.23        (2) information from the child abuse and neglect registry for any state in which the  
261.24        subject has resided for the past five years; and

261.25        (3) information from national crime information databases, when required under  
261.26        section 245C.08.

261.27        (b) The commissioner shall provide any information collected under this subdivision  
261.28        to the county or private agency that initiated the background study. The commissioner  
261.29        shall also provide the agency:

261.30        (1) notice whether the information collected shows that the subject of the background  
261.31        study has a conviction listed in United States Code, title 42, section 671(a)(20)(A); and

261.32        (2) for background studies conducted under subdivision 1, paragraph (a), the date of  
261.33        all adoption-related background studies completed on the subject by the commissioner  
261.34        after June 30, 2007, and the name of the county or private agency that initiated the  
261.35        adoption-related background study.

262.1        Sec. 5. Minnesota Statutes 2013 Supplement, section 256B.055, subdivision 1, is  
262.2        amended to read:

262.3        Subdivision 1. **Children eligible for subsidized adoption assistance.** Medical  
262.4        assistance may be paid for a child eligible for or receiving adoption assistance payments  
262.5        under title IV-E of the Social Security Act, United States Code, title 42, sections 670 to  
262.6        676, and to any child who is not title IV-E eligible but who was determined eligible for  
262.7        adoption assistance under chapter 256N or section 259A.10, subdivision 2, and has a  
262.8        special need for medical or rehabilitative care.

262.9        Sec. 6. Minnesota Statutes 2012, section 256J.49, subdivision 13, is amended to read:

262.10        Subd. 13. **Work activity.** (a) "Work activity" means any activity in a participant's  
262.11        approved employment plan that leads to employment. For purposes of the MFIP program,  
262.12        this includes activities that meet the definition of work activity under the participation  
262.13        requirements of TANF. Work activity includes:

262.14        (1) unsubsidized employment, including work study and paid apprenticeships or  
262.15        internships;

262.16        (2) subsidized private sector or public sector employment, including grant diversion  
262.17        as specified in section 256J.69, on-the-job training as specified in section 256J.66, paid  
262.18        work experience, and supported work when a wage subsidy is provided;

262.19        (3) unpaid work experience, including community service, volunteer work,  
262.20        the community work experience program as specified in section 256J.67, unpaid  
262.21        apprenticeships or internships, and supported work when a wage subsidy is not provided.  
262.22        Unpaid work experience is only an option if the participant has been unable to obtain or  
262.23        maintain paid employment in the competitive labor market, and no paid work experience  
262.24        programs are available to the participant. Prior to placing a participant in unpaid work,  
262.25        the county must inform the participant that the participant will be notified if a paid work  
262.26        experience or supported work position becomes available. Unless a participant consents in  
262.27        writing to participate in unpaid work experience, the participant's employment plan may  
262.28        only include unpaid work experience if including the unpaid work experience in the plan  
262.29        will meet the following criteria:

262.30        (i) the unpaid work experience will provide the participant specific skills or  
262.31        experience that cannot be obtained through other work activity options where the  
262.32        participant resides or is willing to reside; and

262.33        (ii) the skills or experience gained through the unpaid work experience will result  
262.34        in higher wages for the participant than the participant could earn without the unpaid  
262.35        work experience;

263.1       (4) job search including job readiness assistance, job clubs, job placement,  
263.2       job-related counseling, and job retention services;

263.3       (5) job readiness education, including English as a second language (ESL) or  
263.4       functional work literacy classes ~~as limited by the provisions of section 256J.531,~~  
263.5       ~~subdivision 2,~~ general educational development (GED) or adult high school diploma  
263.6       course work, high school completion, and adult basic education ~~as limited by the~~  
263.7       ~~provisions of section 256J.531, subdivision 1;~~

263.8       (6) job skills training directly related to employment, including postsecondary  
263.9       education and training that can reasonably be expected to lead to employment, ~~as limited~~  
263.10      ~~by the provisions of section 256J.53;~~

263.11      (7) providing child care services to a participant who is working in a community  
263.12      service program;

263.13      (8) activities included in the employment plan that is developed under section  
263.14      256J.521, subdivision 3; and

263.15      (9) preemployment activities including chemical and mental health assessments,  
263.16      treatment, and services; learning disabilities services; child protective services; family  
263.17      stabilization services; or other programs designed to enhance employability.

263.18      (b) "Work activity" does not include activities done for political purposes as defined  
263.19      in section 211B.01, subdivision 6.

263.20     Sec. 7. Minnesota Statutes 2012, section 256J.53, subdivision 1, is amended to read:

263.21       Subdivision 1. **Length of program.** (a) In order for a postsecondary education  
263.22      or training program to be an approved work activity as defined in section 256J.49,  
263.23      subdivision 13, clause (6), it must be a program lasting ~~24 months~~ four years or less, and  
263.24      the participant must meet the requirements of subdivisions 2, 3, and 5.

263.25       (b) Participants with a high school diploma, general educational development  
263.26      (GED) credential, or an adult high school diploma must be informed of the opportunity  
263.27      to participate in postsecondary education or training while in the Minnesota family  
263.28      investment program.

263.29     Sec. 8. Minnesota Statutes 2012, section 256J.53, subdivision 2, is amended to read:

263.30       Subd. 2. **Approval of Postsecondary education or training.** (a) ~~In order for a~~  
263.31      postsecondary education or training program to be an approved activity in an employment  
263.32      plan, ~~the plan must include additional work activities if the education and training~~  
263.33      activities do not meet the minimum hours required to meet the federal work participation  
263.34      rate under Code of Federal Regulations, title 45, sections 261.31 and 261.35.

264.1       (b) Participants seeking approval of a postsecondary education or training plan  
264.2 must provide documentation that:

264.3       (1) the employment goal can only be met with the additional education or training;  
264.4       Participants who are interested in participating in postsecondary education or training as  
264.5 part of their employment plan must discuss their education plans with their job counselor.

264.6 Job counselors will work with participants to evaluate the options by:

264.7       (2) (1) advising whether there are suitable employment opportunities that require  
264.8 the specific education or training in the area in which the participant resides or is willing  
264.9 to reside;

264.10       (3) the education or training will result in significantly higher wages for the  
264.11 participant than the participant could earn without the education or training;

264.12       (4) (2) assisting the participant in exploring whether the participant can meet the  
264.13 requirements for admission into the program; and

264.14       (5) there is a reasonable expectation that the participant will complete the training  
264.15 program based on such factors as (3) discussing the participant's strengths and challenges  
264.16 based on the participant's MFIP assessment, previous education, training, and work  
264.17 history; current motivation; and changes in previous circumstances.

264.18       (b) The requirements of this subdivision do not apply to participants who are in:

264.19       (1) a recognized career pathway program that leads to stackable credentials;

264.20       (2) a training program lasting 12 weeks or fewer; or

264.21       (3) the final year of a multiyear postsecondary education or training program.

264.22 Sec. 9. Minnesota Statutes 2012, section 256J.53, subdivision 5, is amended to read:

264.23       **Subd. 5. Requirements after postsecondary education or training.** Upon  
264.24 completion of an approved education or training program, a participant who does not meet  
264.25 the participation requirements in section 256J.55, subdivision 1, through unsubsidized  
264.26 employment must participate in job search. If, after six 12 weeks of job search, the  
264.27 participant does not find a full-time job consistent with the employment goal, the  
264.28 participant must accept any offer of full-time suitable employment, or meet with the job  
264.29 counselor to revise the employment plan to include additional work activities necessary to  
264.30 meet hourly requirements.

264.31 Sec. 10. Minnesota Statutes 2012, section 256J.531, is amended to read:

264.32       **256J.531 BASIC EDUCATION; ENGLISH AS A SECOND LANGUAGE.**

264.33       Subdivision 1. **Approval of adult basic education.** With the exception of classes  
264.34 related to obtaining a general educational development credential (GED), a participant

265.1 must have reading or mathematics proficiency below a ninth grade level in order for  
265.2 adult basic education classes to be an A participant who lacks a high school diploma,  
265.3 general educational development (GED) credential, or an adult high school diploma  
265.4 must be allowed to pursue these credentials as an approved work activity, provided  
265.5 that the participant is making satisfactory progress. Participants eligible to pursue  
265.6 a general educational development (GED) credential or adult high school diploma  
265.7 under this subdivision must be informed of the opportunity to participate while in the  
265.8 Minnesota family investment program. The employment plan must also specify that  
265.9 the participant fulfill no more than one-half of the participation requirements in section  
265.10 256J.55, subdivision 1, through attending adult basic education or general educational  
265.11 development classes.

265.12 Subd. 2. **Approval of English as a second language.** In order for English as a  
265.13 second language (ESL) classes to be an approved work activity in an employment plan, a  
265.14 participant must be below a spoken language proficiency level of SPL6 or its equivalent,  
265.15 as measured by a nationally recognized test. In approving ESL as a work activity, the job  
265.16 counselor must give preference to enrollment in a functional work literacy program,  
265.17 if one is available, over a regular ESL program. A participant may not be approved  
265.18 for more than a combined total of 24 months of ESL classes while participating in the  
265.19 diversionary work program and the employment and training services component of  
265.20 MFIP. The employment plan must also specify that the participant fulfill no more than  
265.21 one-half of the participation requirements in section 256J.55, subdivision 1, through  
265.22 attending ESL classes. For participants enrolled in functional work literacy classes, no  
265.23 more than two-thirds of the participation requirements in section 256J.55, subdivision 1,  
265.24 may be met through attending functional work literacy classes.

265.25 Sec. 11. Minnesota Statutes 2013 Supplement, section 256N.02, is amended by adding  
265.26 a subdivision to read:

265.27 Subd. 14a. **Licensed child foster parent.** "Licensed child foster parent" means a  
265.28 person who is licensed for child foster care under Minnesota Rules, parts 2960.3000 to  
265.29 2960.3340, or licensed by a Minnesota tribe in accordance with tribal standards.

265.30 Sec. 12. Minnesota Statutes 2013 Supplement, section 256N.21, subdivision 2, is  
265.31 amended to read:

265.32 Subd. 2. **Placement in foster care.** To be eligible for foster care benefits under this  
265.33 section, the child must be in placement away from the child's legal parent or, guardian, or

266.1     Indian custodian as defined in section 260.755, subdivision 10, and all of the following  
266.2     criteria must be met must meet one of the criteria in clause (1) and either clause (2) or (3):

266.3         (1) the legally responsible agency must have placement authority and care  
266.4         responsibility, including for a child 18 years old or older and under age 21, who maintains  
266.5         eligibility for foster care consistent with section 260C.451;

266.6         (2) (1) the legally responsible agency must have placement authority to place the  
266.7         child with: (i) a voluntary placement agreement or a court order, consistent with sections  
266.8         260B.198, 260C.001, and 260D.01, or continued eligibility consistent with section  
266.9         260C.451 for a child 18 years old or older and under age 21 who maintains eligibility for  
266.10         foster care; or (ii) a voluntary placement agreement or court order by a Minnesota tribe  
266.11         that is consistent with United States Code, title 42, section 672(a)(2); and

266.12         (3) (2) the child must be is placed in an emergency relative placement under section  
266.13         245A.035, with a licensed foster family setting, foster residence setting, or treatment  
266.14         foster care setting licensed under Minnesota Rules, parts 2960.3000 to 2960.3340, a  
266.15         family foster home licensed or approved by a tribal agency or, for a child 18 years old or  
266.16         older and under age 21, child foster parent; or

266.17         (3) the child is placed in one of the following unlicensed child foster care settings:

266.18             (i) an emergency relative placement under tribal licensing regulations or section  
266.19             245A.035, with the legally responsible agency ensuring the relative completes the required  
266.20             child foster care application process;

266.21             (ii) a licensed adult foster home with an approved age variance under section  
266.22             245A.16 for no more than six months;

266.23             (iii) for a child 18 years old or older and under age 21 who is eligible for extended  
266.24             foster care under section 260C.451, an unlicensed supervised independent living setting  
266.25             approved by the agency responsible for the youth's child's care.; or

266.26             (iv) a preadoptive placement in a home specified in section 245A.03, subdivision  
266.27             2, paragraph (a), clause (9), with an approved adoption home study and signed adoption  
266.28             placement agreement.

266.29     Sec. 13. Minnesota Statutes 2013 Supplement, section 256N.21, is amended by adding  
266.30     a subdivision to read:

266.31         Subd. 7. **Background study.** (a) A county or private agency conducting a  
266.32         background study for purposes of child foster care licensing or approval must conduct  
266.33         the study in accordance with chapter 245C and must meet the requirements in United  
266.34         States Code, title 42, section 671(a)(20).

267.1        (b) A Minnesota tribe conducting a background study for purposes of child foster  
267.2        care licensing or approval must conduct the study in accordance with the requirements in  
267.3        United States Code, title 42, section 671(a)(20), when applicable.

267.4        Sec. 14. Minnesota Statutes 2013 Supplement, section 256N.22, subdivision 1, is  
267.5        amended to read:

267.6        Subdivision 1. **General eligibility requirements.** (a) To be eligible for guardianship  
267.7        assistance under this section, there must be a judicial determination under section  
267.8        260C.515, subdivision 4, that a transfer of permanent legal and physical custody to a  
267.9        relative is in the child's best interest. For a child under jurisdiction of a tribal court, a  
267.10        judicial determination under a similar provision in tribal code indicating that a relative  
267.11        will assume the duty and authority to provide care, control, and protection of a child who  
267.12        is residing in foster care, and to make decisions regarding the child's education, health  
267.13        care, and general welfare until adulthood, and that this is in the child's best interest is  
267.14        considered equivalent. Additionally, a child must:

267.15        (1) have been removed from the child's home pursuant to a voluntary placement  
267.16        agreement or court order;

267.17        (2)(i) have resided in with the prospective relative custodian who has been a  
267.18        licensed child foster care parent for at least six consecutive months in the home of the  
267.19        prospective relative custodian; or

267.20        (ii) have received from the commissioner an exemption from the requirement in item

267.21        (i) from the court that the prospective relative custodian has been a licensed child foster  
267.22        parent for at least six consecutive months, based on a determination that:

267.23        (A) an expedited move to permanency is in the child's best interest;

267.24        (B) expedited permanency cannot be completed without provision of guardianship  
267.25        assistance; and

267.26        (C) the prospective relative custodian is uniquely qualified to meet the child's needs,  
267.27        as defined in section 260C.212, subdivision 2, on a permanent basis;

267.28        (D) the child and prospective relative custodian meet the eligibility requirements  
267.29        of this section; and

267.30        (E) efforts were made by the legally responsible agency to place the child with the  
267.31        prospective relative custodian as a licensed child foster parent for six consecutive months  
267.32        before permanency, or an explanation why these efforts were not in the child's best interests;

267.33        (3) meet the agency determinations regarding permanency requirements in  
267.34        subdivision 2;

267.35        (4) meet the applicable citizenship and immigration requirements in subdivision 3;

268.1       (5) have been consulted regarding the proposed transfer of permanent legal and  
268.2 physical custody to a relative, if the child is at least 14 years of age or is expected to attain  
268.3 14 years of age prior to the transfer of permanent legal and physical custody; and

268.4       (6) have a written, binding agreement under section 256N.25 among the caregiver or  
268.5 caregivers, the financially responsible agency, and the commissioner established prior to  
268.6 transfer of permanent legal and physical custody.

268.7       (b) In addition to the requirements in paragraph (a), the child's prospective relative  
268.8 custodian or custodians must meet the applicable background study requirements in  
268.9 subdivision 4.

268.10       (c) To be eligible for title IV-E guardianship assistance, a child must also meet any  
268.11 additional criteria in section 473(d) of the Social Security Act. The sibling of a child  
268.12 who meets the criteria for title IV-E guardianship assistance in section 473(d) of the  
268.13 Social Security Act is eligible for title IV-E guardianship assistance if the child and  
268.14 sibling are placed with the same prospective relative custodian or custodians, and the  
268.15 legally responsible agency, relatives, and commissioner agree on the appropriateness of  
268.16 the arrangement for the sibling. A child who meets all eligibility criteria except those  
268.17 specific to title IV-E guardianship assistance is entitled to guardianship assistance paid  
268.18 through funds other than title IV-E.

268.19       Sec. 15. Minnesota Statutes 2013 Supplement, section 256N.22, subdivision 2, is  
268.20 amended to read:

268.21       **Subd. 2. Agency determinations regarding permanency.** (a) To be eligible for  
268.22 guardianship assistance, the legally responsible agency must complete the following  
268.23 determinations regarding permanency for the child prior to the transfer of permanent  
268.24 legal and physical custody:

268.25       (1) a determination that reunification and adoption are not appropriate permanency  
268.26 options for the child; and

268.27       (2) a determination that the child demonstrates a strong attachment to the prospective  
268.28 relative custodian and the prospective relative custodian has a strong commitment to  
268.29 caring permanently for the child.

268.30       (b) The legally responsible agency shall document the determinations in paragraph  
268.31 (a) and the eligibility requirements in this section that comply with United States Code,  
268.32 title 42, sections 673(d) and 675(1)(F). These determinations must be documented in a  
268.33 kinship placement agreement, which must be in the format prescribed by the commissioner  
268.34 and must be signed by the prospective relative custodian and the legally responsible  
268.35 agency. In the case of a Minnesota tribe, the determinations and eligibility requirements

269.1       in this section may be provided in an alternative format approved by the commissioner.  
269.2       Supporting information for completing each determination must be documented in the  
269.3       legally responsible agency's case file and make them available for review as requested  
269.4       by the financially responsible agency and the commissioner during the guardianship  
269.5       assistance eligibility determination process.

269.6       Sec. 16. Minnesota Statutes 2013 Supplement, section 256N.22, subdivision 4, is  
269.7       amended to read:

269.8           Subd. 4. **Background study.** (a) A background study ~~under section 245C.33~~ must be  
269.9       completed on each prospective relative custodian and any other adult residing in the home  
269.10       of the prospective relative custodian. The background study must meet the requirements of  
269.11       United States Code, title 42, section 671(a)(20). A study completed under section 245C.33  
269.12       meets this requirement. A background study on the prospective relative custodian or adult  
269.13       residing in the household previously completed under ~~section 245C.04~~ chapter 245C for the  
269.14       purposes of child foster care licensure ~~may~~ under chapter 245A or licensure by a Minnesota  
269.15       tribe, ~~shall~~ be used for the purposes of this section, provided that the background study is  
269.16       current meets the requirements of this subdivision and the prospective relative custodian is  
269.17       a licensed child foster parent at the time of the application for guardianship assistance.

269.18           (b) If the background study reveals:

269.19              (1) a felony conviction at any time for:  
269.20                  (i) child abuse or neglect;  
269.21                  (ii) spousal abuse;  
269.22                  (iii) a crime against a child, including child pornography; or  
269.23                  (iv) a crime involving violence, including rape, sexual assault, or homicide, but not  
269.24       including other physical assault or battery; or

269.25              (2) a felony conviction within the past five years for:

269.26                  (i) physical assault;  
269.27                  (ii) battery; or  
269.28                  (iii) a drug-related offense;

269.29       the prospective relative custodian is prohibited from receiving guardianship assistance  
269.30       on behalf of an otherwise eligible child.

269.31       Sec. 17. Minnesota Statutes 2013 Supplement, section 256N.22, subdivision 6, is  
269.32       amended to read:

270.1       Subd. 6. **Exclusions.** (a) A child with a guardianship assistance agreement under  
270.2 Northstar Care for Children is not eligible for the Minnesota family investment program  
270.3 child-only grant under chapter 256J.

270.4       (b) The commissioner shall not enter into a guardianship assistance agreement with:  
270.5           (1) a child's biological parent or stepparent;  
270.6           (2) an individual assuming permanent legal and physical custody of a child or the  
270.7 equivalent under tribal code without involvement of the child welfare system; or  
270.8           (3) an individual assuming permanent legal and physical custody of a child who was  
270.9 placed in Minnesota by another state or a tribe outside of Minnesota.

270.10      Sec. 18. Minnesota Statutes 2013 Supplement, section 256N.23, subdivision 1, is  
270.11 amended to read:

270.12      Subdivision 1. **General eligibility requirements.** (a) To be eligible for Northstar  
270.13 adoption assistance under this section, a child must:

270.14           (1) be determined to be a child with special needs under subdivision 2;  
270.15           (2) meet the applicable citizenship and immigration requirements in subdivision 3;  
270.16           (3)(i) meet the criteria in section 473 of the Social Security Act; or  
270.17           (ii) have had foster care payments paid on the child's behalf while in out-of-home  
270.18 placement through the county social service agency or ~~tribe and be either under the~~  
270.19 tribal social service agency prior to the issuance of a court order transferring the child's  
270.20 guardianship of to the commissioner or under the jurisdiction of a Minnesota tribe and  
270.21 adoption, according to tribal law, is in the child's documented permanency plan making  
270.22 the child a ward of the tribe; and

270.23           (4) have a written, binding agreement under section 256N.25 among the adoptive  
270.24 parent, the financially responsible agency, or, if there is no financially responsible agency,  
270.25 the agency designated by the commissioner, and the commissioner established prior to  
270.26 finalization of the adoption.

270.27           (b) In addition to the requirements in paragraph (a), an eligible child's adoptive parent  
270.28 or parents must meet the applicable background study requirements in subdivision 4.

270.29           (c) A child who meets all eligibility criteria except those specific to title IV-E adoption  
270.30 assistance shall receive adoption assistance paid through funds other than title IV-E.

270.31           (d) A child receiving Northstar kinship assistance payments under section 256N.22  
270.32 is eligible for Northstar adoption assistance when the criteria in paragraph (a) are met and  
270.33 the child's legal custodian is adopting the child.

271.1 Sec. 19. Minnesota Statutes 2013 Supplement, section 256N.23, subdivision 4, is  
271.2 amended to read:

271.3 Subd. 4. **Background study.** (a) A background study ~~under section 259.41~~ must be  
271.4 completed on each prospective adoptive parent: and all other adults residing in the home.  
271.5 A background study must meet the requirements of United States Code, title 42, section  
271.6 671(a)(20). A study completed under section 245C.33 meets this requirement. If the  
271.7 prospective adoptive parent is a licensed child foster parent licensed under chapter 245A  
271.8 or by a Minnesota tribe, the background study previously completed for the purposes of  
271.9 child foster care licensure shall be used for the purpose of this section, provided that the  
271.10 background study meets all other requirements of this subdivision and the prospective  
271.11 adoptive parent is a licensed child foster parent at the time of the application for adoption  
271.12 assistance.

271.13 (b) If the background study reveals:

271.14 (1) a felony conviction at any time for:  
271.15 (i) child abuse or neglect;  
271.16 (ii) spousal abuse;  
271.17 (iii) a crime against a child, including child pornography; or  
271.18 (iv) a crime involving violence, including rape, sexual assault, or homicide, but not  
271.19 including other physical assault or battery; or  
271.20 (2) a felony conviction within the past five years for:  
271.21 (i) physical assault;  
271.22 (ii) battery; or  
271.23 (iii) a drug-related offense;  
271.24 the adoptive parent is prohibited from receiving adoption assistance on behalf of an  
271.25 otherwise eligible child.

271.26 Sec. 20. Minnesota Statutes 2013 Supplement, section 256N.24, subdivision 9, is  
271.27 amended to read:

271.28 Subd. 9. **Timing of and requests for reassessments.** Reassessments for an eligible  
271.29 child must be completed within 30 days of any of the following events:  
271.30 (1) for a child in continuous foster care, when six months have elapsed since  
271.31 ~~completion of the last assessment~~ the initial assessment, and annually thereafter;  
271.32 (2) for a child in continuous foster care, change of placement location;  
271.33 (3) for a child in foster care, at the request of the financially responsible agency or  
271.34 legally responsible agency;  
271.35 (4) at the request of the commissioner; or

272.1       (5) at the request of the caregiver under subdivision 9 10.

272.2       Sec. 21. Minnesota Statutes 2013 Supplement, section 256N.24, subdivision 10,  
272.3       is amended to read:

272.4       Subd. 10. **Caregiver requests for reassessments.** (a) A caregiver may initiate  
272.5       a reassessment request for an eligible child in writing to the financially responsible  
272.6       agency or, if there is no financially responsible agency, the agency designated by the  
272.7       commissioner. The written request must include the reason for the request and the  
272.8       name, address, and contact information of the caregivers. ~~For an eligible child with a~~  
272.9       ~~guardianship assistance or adoption assistance agreement,~~ The caregiver may request a  
272.10       reassessment if at least six months have elapsed since any ~~previously requested review~~  
272.11       ~~previous assessment or reassessment.~~ For an eligible foster child, a foster parent may  
272.12       request reassessment in less than six months with written documentation that there have  
272.13       been significant changes in the child's needs that necessitate an earlier reassessment.

272.14       (b) A caregiver may request a reassessment of an at-risk child for whom ~~a~~  
272.15       ~~guardianship assistance or an~~ adoption assistance agreement has been executed if the  
272.16       caregiver has satisfied the commissioner with written documentation from a qualified  
272.17       expert that the potential disability upon which eligibility for the agreement was based has  
272.18       manifested itself, consistent with section 256N.25, subdivision 3, paragraph (b).

272.19       (c) If the reassessment cannot be completed within 30 days of the caregiver's request,  
272.20       the agency responsible for reassessment must notify the caregiver of the reason for the  
272.21       delay and a reasonable estimate of when the reassessment can be completed.

272.22       (d) Notwithstanding any provision to the contrary in paragraph (a) or subdivision 9,  
272.23       when a Northstar kinship assistance agreement or adoption assistance agreement under  
272.24       section 256N.25 has been signed by all parties, no reassessment may be requested or  
272.25       conducted until the court finalizes the transfer of permanent legal and physical custody or  
272.26       finalizes the adoption, or the assistance agreement expires according to section 256N.25,  
272.27       subdivision 1.

272.28       Sec. 22. Minnesota Statutes 2013 Supplement, section 256N.25, subdivision 2, is  
272.29       amended to read:

272.30       Subd. 2. **Negotiation of agreement.** (a) When a child is determined to be eligible  
272.31       for guardianship assistance or adoption assistance, the financially responsible agency, or,  
272.32       if there is no financially responsible agency, the agency designated by the commissioner,  
272.33       must negotiate with the caregiver to develop an agreement under subdivision 1. If and when  
272.34       the caregiver and agency reach concurrence as to the terms of the agreement, both parties

273.1 shall sign the agreement. The agency must submit the agreement, along with the eligibility  
273.2 determination outlined in sections 256N.22, subdivision 7, and 256N.23, subdivision 7, to  
273.3 the commissioner for final review, approval, and signature according to subdivision 1.

273.4 (b) A monthly payment is provided as part of the adoption assistance or guardianship  
273.5 assistance agreement to support the care of children unless the child is eligible for adoption  
273.6 assistance and determined to be an at-risk child, in which case ~~the speacial at-risk monthly~~  
273.7 ~~payment under seection 256N.26, subdivision 7, must no payment will be made unless and~~  
273.8 until the caregiver obtains written documentation from a qualified expert that the potential  
273.9 disability upon which eligibility for the agreement was based has manifested itself.

273.10 (1) The amount of the payment made on behalf of a child eligible for guardianship  
273.11 assistance or adoption assistance is determined through agreement between the prospective  
273.12 relative custodian or the adoptive parent and the financially responsible agency, or, if there  
273.13 is no financially responsible agency, the agency designated by the commissioner, using  
273.14 the assessment tool established by the commissioner in section 256N.24, subdivision 2,  
273.15 and the associated benefit and payments outlined in section 256N.26. Except as provided  
273.16 under section 256N.24, subdivision 1, paragraph (c), the assessment tool establishes  
273.17 the monthly benefit level for a child under foster care. The monthly payment under a  
273.18 guardianship assistance agreement or adoption assistance agreement may be negotiated up  
273.19 to the monthly benefit level under foster care. In no case may the amount of the payment  
273.20 under a guardianship assistance agreement or adoption assistance agreement exceed the  
273.21 foster care maintenance payment which would have been paid during the month if the  
273.22 child with respect to whom the guardianship assistance or adoption assistance payment is  
273.23 made had been in a foster family home in the state.

273.24 (2) The rate schedule for the agreement is determined based on the age of the  
273.25 child on the date that the prospective adoptive parent or parents or relative custodian or  
273.26 custodians sign the agreement.

273.27 (3) The income of the relative custodian or custodians or adoptive parent or parents  
273.28 must not be taken into consideration when determining eligibility for guardianship  
273.29 assistance or adoption assistance or the amount of the payments under section 256N.26.

273.30 (4) With the concurrence of the relative custodian or adoptive parent, the amount of  
273.31 the payment may be adjusted periodically using the assessment tool established by the  
273.32 commissioner in section 256N.24, subdivision 2, and the agreement renegotiated under  
273.33 subdivision 3 when there is a change in the child's needs or the family's circumstances.

273.34 (5) ~~The guardianship assistance or adoption assistance agreement of a child who is~~  
273.35 ~~identified as at-risk receives the speacial at-risk monthly payment under seection 256N.26,~~  
273.36 ~~subdivision 7, unless and until the potential disability manifests itself, as documented by~~

274.1 ~~an appropriate professional, and the commissioner authorizes commencement of payment~~  
274.2 ~~by modifying the agreement accordingly. A relative custodian or An adoptive parent~~  
274.3 ~~of an at-risk child with a guardianship assistance or an adoption assistance agreement~~  
274.4 ~~may request a reassessment of the child under section 256N.24, subdivision 9\_10, and~~  
274.5 ~~renegotiation of the guardianship assistance or adoption assistance agreement under~~  
274.6 ~~subdivision 3 to include a monthly payment, if the caregiver has written documentation~~  
274.7 ~~from a qualified expert that the potential disability upon which eligibility for the agreement~~  
274.8 ~~was based has manifested itself. Documentation of the disability must be limited to~~  
274.9 ~~evidence deemed appropriate by the commissioner.~~

274.10 (c) For guardianship assistance agreements:

274.11 (1) the initial amount of the monthly guardianship assistance payment must be  
274.12 equivalent to the foster care rate in effect at the time that the agreement is signed less any  
274.13 offsets under section 256N.26, subdivision 11, or a lesser negotiated amount if agreed to  
274.14 by the prospective relative custodian and specified in that agreement, unless ~~the child is~~  
274.15 ~~identified as at-risk or~~ the guardianship assistance agreement is entered into when a child  
274.16 is under the age of six; and

274.17 ~~(2) an at-risk child must be assigned level A as outlined in section 256N.26 and~~  
274.18 ~~receive the special at-risk monthly payment under section 256N.26, subdivision 7, unless~~  
274.19 ~~and until the potential disability manifests itself, as documented by a qualified expert, and~~  
274.20 ~~the commissioner authorizes commencement of payment by modifying the agreement~~  
274.21 ~~accordingly; and~~

274.22 (3) ~~(2)~~ the amount of the monthly payment for a guardianship assistance agreement  
274.23 for a child, ~~other than an at-risk child~~, who is under the age of six must be as specified in  
274.24 section 256N.26, subdivision 5.

274.25 (d) For adoption assistance agreements:

274.26 (1) for a child in foster care with the prospective adoptive parent immediately prior  
274.27 to adoptive placement, the initial amount of the monthly adoption assistance payment  
274.28 must be equivalent to the foster care rate in effect at the time that the agreement is signed  
274.29 less any offsets in section 256N.26, subdivision 11, or a lesser negotiated amount if agreed  
274.30 to by the prospective adoptive parents and specified in that agreement, unless the child is  
274.31 identified as at-risk or the adoption assistance agreement is entered into when a child is  
274.32 under the age of six;

274.33 (2) ~~for an at-risk child who must be assigned level A as outlined in section~~  
274.34 ~~256N.26 and receive the special at-risk monthly payment under section 256N.26,~~  
274.35 ~~subdivision 7, no payment will be made unless and until the potential disability manifests~~

275.1 itself, as documented by an appropriate professional, and the commissioner authorizes  
275.2 commencement of payment by modifying the agreement accordingly;

275.3 (3) the amount of the monthly payment for an adoption assistance agreement for  
275.4 a child under the age of six, other than an at-risk child, must be as specified in section  
275.5 256N.26, subdivision 5;

275.6 (4) for a child who is in the guardianship assistance program immediately prior  
275.7 to adoptive placement, the initial amount of the adoption assistance payment must be  
275.8 equivalent to the guardianship assistance payment in effect at the time that the adoption  
275.9 assistance agreement is signed or a lesser amount if agreed to by the prospective adoptive  
275.10 parent and specified in that agreement, unless the child is identified as an at-risk child; and

275.11 (5) for a child who is not in foster care placement or the guardianship assistance  
275.12 program immediately prior to adoptive placement or negotiation of the adoption assistance  
275.13 agreement, the initial amount of the adoption assistance agreement must be determined  
275.14 using the assessment tool and process in this section and the corresponding payment  
275.15 amount outlined in section 256N.26.

275.16 Sec. 23. Minnesota Statutes 2013 Supplement, section 256N.25, subdivision 3, is  
275.17 amended to read:

275.18 Subd. 3. **Renegotiation of agreement.** (a) A relative custodian or adoptive  
275.19 parent of a child with a guardianship assistance or adoption assistance agreement may  
275.20 request renegotiation of the agreement when there is a change in the needs of the child  
275.21 or in the family's circumstances. When a relative custodian or adoptive parent requests  
275.22 renegotiation of the agreement, a reassessment of the child must be completed consistent  
275.23 with section 256N.24, subdivisions 9 and 10. If the reassessment indicates that the  
275.24 child's level has changed, the financially responsible agency or, if there is no financially  
275.25 responsible agency, the agency designated by the commissioner or the commissioner's  
275.26 designee, and the caregiver must renegotiate the agreement to include a payment with  
275.27 the level determined through the reassessment process. The agreement must not be  
275.28 renegotiated unless the commissioner, the financially responsible agency, and the caregiver  
275.29 mutually agree to the changes. The effective date of any renegotiated agreement must be  
275.30 determined by the commissioner.

275.31 (b) ~~A relative custodian or An~~ adoptive parent of an at-risk child with ~~a guardianship~~  
275.32 ~~assistance or an~~ adoption assistance agreement may request renegotiation of the agreement  
275.33 to include a monthly payment ~~higher than the special at-risk monthly payment~~ under  
275.34 section 256N.26, subdivision 7, if the caregiver has written documentation from a  
275.35 qualified expert that the potential disability upon which eligibility for the agreement

276.1 was based has manifested itself. Documentation of the disability must be limited to  
276.2 evidence deemed appropriate by the commissioner. Prior to renegotiating the agreement, a  
276.3 reassessment of the child must be conducted as outlined in section 256N.24, subdivision  
276.4 9. The reassessment must be used to renegotiate the agreement to include an appropriate  
276.5 monthly payment. The agreement must not be renegotiated unless the commissioner, the  
276.6 financially responsible agency, and the caregiver mutually agree to the changes. The  
276.7 effective date of any renegotiated agreement must be determined by the commissioner.

276.8 (c) Renegotiation of a guardianship assistance or adoption assistance agreement is  
276.9 required when one of the circumstances outlined in section 256N.26, subdivision 13,  
276.10 occurs.

276.11 Sec. 24. Minnesota Statutes 2013 Supplement, section 256N.26, subdivision 1, is  
276.12 amended to read:

276.13 Subdivision 1. **Benefits.** (a) There are three benefits under Northstar Care for  
276.14 Children: medical assistance, basic payment, and supplemental difficulty of care payment.

276.15 (b) A child is eligible for medical assistance under subdivision 2.

276.16 (c) A child is eligible for the basic payment under subdivision 3, except for a child  
276.17 assigned level A under section 256N.24, subdivision 1, because the child is determined to  
276.18 be an at-risk child receiving ~~guardianship assistance or~~ adoption assistance.

276.19 (d) A child, including a foster child age 18 to 21, is eligible for an additional  
276.20 supplemental difficulty of care payment under subdivision 4, as determined by the  
276.21 assessment under section 256N.24.

276.22 (e) An eligible child entering guardianship assistance or adoption assistance under  
276.23 the age of six receives a basic payment and supplemental difficulty of care payment as  
276.24 specified in subdivision 5.

276.25 (f) A child transitioning in from a pre-Northstar Care for Children program under  
276.26 section 256N.28, subdivision 7, shall receive basic and difficulty of care supplemental  
276.27 payments according to those provisions.

276.28 Sec. 25. Minnesota Statutes 2013 Supplement, section 256N.27, subdivision 4, is  
276.29 amended to read:

276.30 Subd. 4. **Nonfederal share.** (a) The commissioner shall establish a percentage share  
276.31 of the maintenance payments, reduced by federal reimbursements under title IV-E of the  
276.32 Social Security Act, to be paid by the state and to be paid by the financially responsible  
276.33 agency.

277.1       (b) These state and local shares must initially be calculated based on the ratio of the  
277.2 average appropriate expenditures made by the state and all financially responsible agencies  
277.3 during calendar years 2011, 2012, 2013, and 2014. For purposes of this calculation,  
277.4 appropriate expenditures for the financially responsible agencies must include basic and  
277.5 difficulty of care payments for foster care reduced by federal reimbursements, but not  
277.6 including any initial clothing allowance, administrative payments to child care agencies  
277.7 specified in section 317A.907, child care, or other support or ancillary expenditures. For  
277.8 purposes of this calculation, appropriate expenditures for the state shall include adoption  
277.9 assistance and relative custody assistance, reduced by federal reimbursements.

277.10      (c) For each of the periods January 1, 2015, to June 30, 2016, and fiscal years 2017,  
277.11 2018, and 2019, the commissioner shall adjust this initial percentage of state and local  
277.12 shares to reflect the relative expenditure trends during calendar years 2011, 2012, 2013, and  
277.13 2014, taking into account appropriations for Northstar Care for Children and the turnover  
277.14 rates of the components. In making these adjustments, the commissioner's goal shall be to  
277.15 make these state and local expenditures other than the appropriations for Northstar Care  
277.16 for Children to be the same as they would have been had Northstar Care for Children not  
277.17 been implemented, or if that is not possible, proportionally higher or lower, as appropriate.  
277.18 Except for adjustments so that the costs of the phase-in are borne by the state, the state and  
277.19 local share percentages for fiscal year 2019 must be used for all subsequent years.

277.20      Sec. 26. Minnesota Statutes 2012, section 257.85, subdivision 11, is amended to read:

277.21       Subd. 11. **Financial considerations.** (a) Payment of relative custody assistance  
277.22 under a relative custody assistance agreement is subject to the availability of state funds  
277.23 and payments may be reduced or suspended on order of the commissioner if insufficient  
277.24 funds are available.

277.25       (b) Upon receipt from a local agency of a claim for reimbursement, the commissioner  
277.26 shall reimburse the local agency in an amount equal to 100 percent of the relative custody  
277.27 assistance payments provided to relative custodians. The A local agency may not seek and  
277.28 the commissioner shall not provide reimbursement for the administrative costs associated  
277.29 with performing the duties described in subdivision 4.

277.30       (c) For the purposes of determining eligibility or payment amounts under MFIP,  
277.31 relative custody assistance payments shall be excluded in determining the family's  
277.32 available income.

277.33       (d) For expenditures made on or before December 31, 2014, upon receipt from a  
277.34 local agency of a claim for reimbursement, the commissioner shall reimburse the local

278.1 agency in an amount equal to 100 percent of the relative custody assistance payments  
278.2 provided to relative custodians.

278.3 (e) For expenditures made on or after January 1, 2015, upon receipt from a local  
278.4 agency of a claim for reimbursement, the commissioner shall reimburse the local agency as  
278.5 part of the Northstar Care for Children fiscal reconciliation process under section 256N.27.

278.6 Sec. 27. Minnesota Statutes 2012, section 260C.212, subdivision 1, is amended to read:

278.7 Subdivision 1. **Out-of-home placement; plan.** (a) An out-of-home placement plan  
278.8 shall be prepared within 30 days after any child is placed in foster care by court order or a  
278.9 voluntary placement agreement between the responsible social services agency and the  
278.10 child's parent pursuant to section 260C.227 or chapter 260D.

278.11 (b) An out-of-home placement plan means a written document which is prepared  
278.12 by the responsible social services agency jointly with the parent or parents or guardian  
278.13 of the child and in consultation with the child's guardian ad litem, the child's tribe, if the  
278.14 child is an Indian child, the child's foster parent or representative of the foster care facility,  
278.15 and, where appropriate, the child. For a child in voluntary foster care for treatment under  
278.16 chapter 260D, preparation of the out-of-home placement plan shall additionally include  
278.17 the child's mental health treatment provider. As appropriate, the plan shall be:

278.18 (1) submitted to the court for approval under section 260C.178, subdivision 7;  
278.19 (2) ordered by the court, either as presented or modified after hearing, under section  
278.20 260C.178, subdivision 7, or 260C.201, subdivision 6; and

278.21 (3) signed by the parent or parents or guardian of the child, the child's guardian ad  
278.22 litem, a representative of the child's tribe, the responsible social services agency, and, if  
278.23 possible, the child.

278.24 (c) The out-of-home placement plan shall be explained to all persons involved in its  
278.25 implementation, including the child who has signed the plan, and shall set forth:

278.26 (1) a description of the foster care home or facility selected, including how the  
278.27 out-of-home placement plan is designed to achieve a safe placement for the child in the  
278.28 least restrictive, most family-like, setting available which is in close proximity to the home  
278.29 of the parent or parents or guardian of the child when the case plan goal is reunification,  
278.30 and how the placement is consistent with the best interests and special needs of the child  
278.31 according to the factors under subdivision 2, paragraph (b);

278.32 (2) the specific reasons for the placement of the child in foster care, and when  
278.33 reunification is the plan, a description of the problems or conditions in the home of the  
278.34 parent or parents which necessitated removal of the child from home and the changes the  
278.35 parent or parents must make in order for the child to safely return home;

279.1       (3) a description of the services offered and provided to prevent removal of the child  
279.2 from the home and to reunify the family including:

279.3       (i) the specific actions to be taken by the parent or parents of the child to eliminate  
279.4 or correct the problems or conditions identified in clause (2), and the time period during  
279.5 which the actions are to be taken; and

279.6       (ii) the reasonable efforts, or in the case of an Indian child, active efforts to be made  
279.7 to achieve a safe and stable home for the child including social and other supportive  
279.8 services to be provided or offered to the parent or parents or guardian of the child, the  
279.9 child, and the residential facility during the period the child is in the residential facility;

279.10       (4) a description of any services or resources that were requested by the child or the  
279.11 child's parent, guardian, foster parent, or custodian since the date of the child's placement  
279.12 in the residential facility, and whether those services or resources were provided and if  
279.13 not, the basis for the denial of the services or resources;

279.14       (5) the visitation plan for the parent or parents or guardian, other relatives as defined  
279.15 in section 260C.007, subdivision 27, and siblings of the child if the siblings are not placed  
279.16 together in foster care, and whether visitation is consistent with the best interest of the  
279.17 child, during the period the child is in foster care;

279.18       (6) when a child cannot return to or be in the care of either parent, documentation of  
279.19 steps to finalize the permanency plan for the child, including:

279.20       (i) reasonable efforts to place the child for adoption or legal guardianship of the child  
279.21 ~~if the court has issued an order terminating the rights of both parents of the child or of the~~  
279.22 ~~only known, living parent of the child~~. At a minimum, the documentation must include  
279.23 consideration of whether adoption is in the best interests of the child, child-specific  
279.24 recruitment efforts such as relative search and the use of state, regional, and national  
279.25 adoption exchanges to facilitate orderly and timely placements in and outside of the state.  
279.26 A copy of this documentation shall be provided to the court in the review required under  
279.27 section 260C.317, subdivision 3, paragraph (b); and

279.28       (ii) documentation necessary to support the requirements of the kinship placement  
279.29 agreement under section 256N.22 when adoption is determined not to be in the child's  
279.30 best interest;

279.31       (7) efforts to ensure the child's educational stability while in foster care, including:

279.32       (i) efforts to ensure that the child remains in the same school in which the child was  
279.33 enrolled prior to placement or upon the child's move from one placement to another,  
279.34 including efforts to work with the local education authorities to ensure the child's  
279.35 educational stability; or

- 280.1                 (ii) if it is not in the child's best interest to remain in the same school that the child  
280.2 was enrolled in prior to placement or move from one placement to another, efforts to  
280.3 ensure immediate and appropriate enrollment for the child in a new school;
- 280.4                 (8) the educational records of the child including the most recent information  
280.5 available regarding:
- 280.6                     (i) the names and addresses of the child's educational providers;
- 280.7                     (ii) the child's grade level performance;
- 280.8                     (iii) the child's school record;
- 280.9                     (iv) a statement about how the child's placement in foster care takes into account  
280.10 proximity to the school in which the child is enrolled at the time of placement; and  
280.11                     (v) any other relevant educational information;
- 280.12                 (9) the efforts by the local agency to ensure the oversight and continuity of health  
280.13 care services for the foster child, including:
- 280.14                     (i) the plan to schedule the child's initial health screens;
- 280.15                     (ii) how the child's known medical problems and identified needs from the screens,  
280.16 including any known communicable diseases, as defined in section 144.4172, subdivision  
280.17 2, will be monitored and treated while the child is in foster care;
- 280.18                     (iii) how the child's medical information will be updated and shared, including  
280.19 the child's immunizations;
- 280.20                     (iv) who is responsible to coordinate and respond to the child's health care needs,  
280.21 including the role of the parent, the agency, and the foster parent;
- 280.22                     (v) who is responsible for oversight of the child's prescription medications;
- 280.23                     (vi) how physicians or other appropriate medical and nonmedical professionals  
280.24 will be consulted and involved in assessing the health and well-being of the child and  
280.25 determine the appropriate medical treatment for the child; and
- 280.26                     (vii) the responsibility to ensure that the child has access to medical care through  
280.27 either medical insurance or medical assistance;
- 280.28                 (10) the health records of the child including information available regarding:
- 280.29                     (i) the names and addresses of the child's health care and dental care providers;
- 280.30                     (ii) a record of the child's immunizations;
- 280.31                     (iii) the child's known medical problems, including any known communicable  
280.32 diseases as defined in section 144.4172, subdivision 2;
- 280.33                     (iv) the child's medications; and
- 280.34                     (v) any other relevant health care information such as the child's eligibility for  
280.35 medical insurance or medical assistance;

281.1       (11) an independent living plan for a child age 16 or older. The plan should include,  
281.2 but not be limited to, the following objectives:

281.3       (i) educational, vocational, or employment planning;

281.4       (ii) health care planning and medical coverage;

281.5       (iii) transportation including, where appropriate, assisting the child in obtaining a  
281.6 driver's license;

281.7       (iv) money management, including the responsibility of the agency to ensure that  
281.8 the youth annually receives, at no cost to the youth, a consumer report as defined under  
281.9 section 13C.001 and assistance in interpreting and resolving any inaccuracies in the report;

281.10       (v) planning for housing;

281.11       (vi) social and recreational skills; and

281.12       (vii) establishing and maintaining connections with the child's family and  
281.13 community; and

281.14       (12) for a child in voluntary foster care for treatment under chapter 260D, diagnostic  
281.15 and assessment information, specific services relating to meeting the mental health care  
281.16 needs of the child, and treatment outcomes.

281.17       (d) The parent or parents or guardian and the child each shall have the right to legal  
281.18 counsel in the preparation of the case plan and shall be informed of the right at the time  
281.19 of placement of the child. The child shall also have the right to a guardian ad litem.  
281.20 If unable to employ counsel from their own resources, the court shall appoint counsel  
281.21 upon the request of the parent or parents or the child or the child's legal guardian. The  
281.22 parent or parents may also receive assistance from any person or social services agency  
281.23 in preparation of the case plan.

281.24       After the plan has been agreed upon by the parties involved or approved or ordered  
281.25 by the court, the foster parents shall be fully informed of the provisions of the case plan  
281.26 and shall be provided a copy of the plan.

281.27       Upon discharge from foster care, the parent, adoptive parent, or permanent legal and  
281.28 physical custodian, as appropriate, and the child, if appropriate, must be provided with  
281.29 a current copy of the child's health and education record.

281.30       Sec. 28. Minnesota Statutes 2012, section 260C.515, subdivision 4, is amended to read:

281.31       Subd. 4. **Custody to relative.** The court may order permanent legal and physical  
281.32 custody to a fit and willing relative in the best interests of the child according to the  
281.33 following conditions requirements:

282.1       (1) an order for transfer of permanent legal and physical custody to a relative shall  
282.2 only be made after the court has reviewed the suitability of the prospective legal and  
282.3 physical custodian;

282.4       (2) in transferring permanent legal and physical custody to a relative, the juvenile  
282.5 court shall follow the standards applicable under this chapter and chapter 260, and the  
282.6 procedures in the Minnesota Rules of Juvenile Protection Procedure;

282.7       (3) a transfer of legal and physical custody includes responsibility for the protection,  
282.8 education, care, and control of the child and decision making on behalf of the child;

282.9       (4) a permanent legal and physical custodian may not return a child to the permanent  
282.10 care of a parent from whom the court removed custody without the court's approval and  
282.11 without notice to the responsible social services agency;

282.12       (5) the social services agency may file a petition naming a fit and willing relative as  
282.13 a proposed permanent legal and physical custodian. A petition for transfer of permanent  
282.14 legal and physical custody to a relative who is not a parent shall be accompanied by a  
282.15 kinship placement agreement under section 256N.22, subdivision 2, between the agency  
282.16 and proposed permanent legal and physical custodian;

282.17       (6) another party to the permanency proceeding regarding the child may file a  
282.18 petition to transfer permanent legal and physical custody to a relative, ~~but the~~. The petition  
282.19 must include facts upon which the court can make the determination required under clause  
282.20 (7) and must be filed not later than the date for the required admit-deny hearing under  
282.21 section 260C.507; or if the agency's petition is filed under section 260C.503, subdivision  
282.22 2, the petition must be filed not later than 30 days prior to the trial required under section  
282.23 260C.509; and

282.24       (7) where a petition is for transfer of permanent legal and physical custody to a  
282.25 relative who is not a parent, the court must find that:

282.26       (i) transfer of permanent legal and physical custody and receipt of Northstar kinship  
282.27 assistance under chapter 256N, when requested and the child is eligible, is in the child's  
282.28 best interests;

282.29       (ii) adoption is not in the child's best interests based on the determinations in the  
282.30 kinship placement agreement required under section 256N.22, subdivision 2;

282.31       (iii) the agency made efforts to discuss adoption with the child's parent or parents,  
282.32 or the agency did not make efforts to discuss adoption and the reasons why efforts were  
282.33 not made; and

282.34       (iv) there are reasons to separate siblings during placement, if applicable;

282.35       (8) the court may finalize a permanent transfer of physical legal custody to a relative  
282.36 regardless of eligibility for Northstar kinship assistance under chapter 256N;

283.1        (9) the court may defer finalization of an order transferring permanent legal and  
283.2        physical custody to a relative when deferring finalization is necessary to determine  
283.3        eligibility for Northstar kinship assistance under chapter 256N; and

283.4        (7) (10) the juvenile court may maintain jurisdiction over the responsible social  
283.5        services agency, the parents or guardian of the child, the child, and the permanent legal  
283.6        and physical custodian for purposes of ensuring appropriate services are delivered to the  
283.7        child and permanent legal custodian for the purpose of ensuring conditions ordered by the  
283.8        court related to the care and custody of the child are met.

283.9        Sec. 29. Minnesota Statutes 2012, section 260C.611, is amended to read:

283.10        **260C.611 ADOPTION STUDY REQUIRED.**

283.11        (a) An adoption study under section 259.41 approving placement of the child in the  
283.12        home of the prospective adoptive parent shall be completed before placing any child under  
283.13        the guardianship of the commissioner in a home for adoption. If a prospective adoptive  
283.14        parent has a current child foster care license under chapter 245A and is seeking to adopt  
283.15        a foster child who is placed in the prospective adoptive parent's home and is under the  
283.16        guardianship of the commissioner according to section 260C.325, subdivision 1, the child  
283.17        foster care home study meets the requirements of this section for an approved adoption  
283.18        home study if:

283.19        (1) the written home study on which the foster care license was based is completed  
283.20        in the commissioner's designated format, consistent with the requirements in sections  
283.21        260C.215, subdivision 4, clause (5); and 259.41, subdivision 2; and Minnesota Rules,  
283.22        part 2960.3060, subpart 4;

283.23        (2) the background studies on each prospective adoptive parent and all required  
283.24        household members were completed according to section 245C.33;

283.25        (3) the commissioner has not issued, within the last three years, a sanction on the  
283.26        license under section 245A.07 or an order of a conditional license under section 245A.06;  
283.27        and

283.28        (4) the legally responsible agency determines that the individual needs of the child  
283.29        are being met by the prospective adoptive parent through an assessment under section  
283.30        256N.24, subdivision 2, or a documented placement decision consistent with section  
283.31        260C.212, subdivision 2.

283.32        (b) If a prospective adoptive parent has previously held a foster care license or  
283.33        adoptive home study, any update necessary to the foster care license, or updated or new  
283.34        adoptive home study, if not completed by the licensing authority responsible for the

284.1 previous license or home study, shall include collateral information from the previous  
284.2 licensing or approving agency, if available.

284.3 **Sec. 30. PARENT AWARE QUALITY RATING AND IMPROVEMENT  
SYSTEM ACCESSIBILITY REPORT.**

284.5       **Subdivision 1. Recommendations.** The commissioner of human services, in  
284.6 consultation with representatives from the child care and early childhood advocacy  
284.7 community, child care provider organizations, child care providers, organizations  
284.8 administering Parent Aware, the Departments of Education and Health, counties, and  
284.9 parents, shall make recommendations to the members of the legislative committees having  
284.10 jurisdiction over health and human services provisions and funding on increasing statewide  
284.11 accessibility for child care providers to the Parent Aware quality rating and improvement  
284.12 system and for increasing access to Parent Aware-rated programs for families with  
284.13 children. The recommendations must address the following factors impacting accessibility:  
284.14           (1) availability of rated and nonrated programs by child care provider type, within  
284.15 rural and underserved areas, and for different cultural and non-English-speaking groups;  
284.16           (2) time and resources necessary for child care providers to participate in Parent  
284.17 Aware at various rating levels, including cultural and linguistic considerations;  
284.18           (3) federal child care development fund regulations; and  
284.19           (4) other factors as determined by the commissioner.

284.20       **Subd. 2. Report.** By February 15, 2015, the commissioner of human services  
284.21 shall report to the legislative committees with jurisdiction over the child care  
284.22 assistance programs and the Parent Aware quality rating and improvement system with  
284.23 recommendations to increase access for families and child care providers to Parent Aware,  
284.24 including benchmarks for achieving the maximum participation in Parent Aware-rated  
284.25 child care programs by families receiving child care assistance.

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

284.27       **Sec. 31. REVISOR'S INSTRUCTION.**

284.28       The revisor of statutes shall change the term "guardianship assistance" to "Northstar  
284.29 kinship assistance" wherever it appears in Minnesota Statutes and Minnesota Rules to  
284.30 refer to the program components related to Northstar Care for Children under Minnesota  
284.31 Statutes, chapter 256N.

284.32       **Sec. 32. REPEALER.**

284.33       Minnesota Statutes 2013 Supplement, section 256N.26, subdivision 7, is repealed.

**ARTICLE 17****COMMUNITY FIRST SERVICES AND SUPPORTS**

285.3     Section 1. Minnesota Statutes 2012, section 245C.03, is amended by adding a  
285.4     subdivision to read:

285.5       Subd. 8. Community first services and supports organizations. The  
285.6       commissioner shall conduct background studies on any individual required under section  
285.7       256B.85 to have a background study completed under this chapter.

285.8     Sec. 2. Minnesota Statutes 2012, section 245C.04, is amended by adding a subdivision  
285.9     to read:

285.10       Subd. 7. Community first services and supports organizations. (a) The  
285.11       commissioner shall conduct a background study of an individual required to be studied  
285.12       under section 245C.03, subdivision 8, at least upon application for initial enrollment  
285.13       under section 256B.85.

285.14       (b) Before an individual described in section 245C.03, subdivision 8, begins a  
285.15       position allowing direct contact with a person served by an organization required to initiate  
285.16       a background study under section 256B.85, the organization must receive a notice from  
285.17       the commissioner that the support worker is:

285.18           (1) not disqualified under section 245C.14; or  
285.19           (2) disqualified, but the individual has received a set-aside of the disqualification  
285.20       under section 245C.22.

285.21     Sec. 3. Minnesota Statutes 2012, section 245C.10, is amended by adding a subdivision  
285.22     to read:

285.23       Subd. 10. Community first services and supports organizations. The  
285.24       commissioner shall recover the cost of background studies initiated by an agency-provider  
285.25       delivering services under section 256B.85, subdivision 11, or a financial management  
285.26       services contractor providing service functions under section 256B.85, subdivision 13,  
285.27       through a fee of no more than \$20 per study, charged to the organization responsible for  
285.28       submitting the background study form. The fees collected under this subdivision are  
285.29       appropriated to the commissioner for the purpose of conducting background studies.

285.30     Sec. 4. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 2, is  
285.31     amended to read:

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

286.3        (b) "Activities of daily living" or "ADLs" means eating, toileting, grooming,  
286.4 dressing, bathing, mobility, positioning, and transferring.

286.5        (c) "Agency-provider model" means a method of CFSS under which a qualified  
286.6 agency provides services and supports through the agency's own employees and policies.  
286.7 The agency must allow the participant to have a significant role in the selection and  
286.8 dismissal of support workers of their choice for the delivery of their specific services  
286.9 and supports.

286.10        (d) "Behavior" means a description of a need for services and supports used to  
286.11 determine the home care rating and additional service units. The presence of Level I  
286.12 behavior is used to determine the home care rating. "Level I behavior" means physical  
286.13 aggression towards self or others or destruction of property that requires the immediate  
286.14 response of another person. If qualified for a home care rating as described in subdivision  
286.15 8, additional service units can be added as described in subdivision 8, paragraph (f), for  
286.16 the following behaviors:

286.17        (1) Level I behavior;

286.18        (2) increased vulnerability due to cognitive deficits or socially inappropriate  
286.19 behavior; or

286.20        (3) increased need for assistance for recipients participants who are verbally  
286.21 aggressive or resistive to care so that time needed to perform activities of daily living is  
286.22 increased.

286.23        (e) "Budget model" means a service delivery method of CFSS that allows the use of  
286.24 a service budget and assistance from a financial management services (FMS) contractor  
286.25 for a participant to directly employ support workers and purchase supports and goods.

286.26        (e) (f) "Complex health-related needs" means an intervention listed in clauses (1)  
286.27 to (8) that has been ordered by a physician, and is specified in a community support  
286.28 plan, including:

286.29        (1) tube feedings requiring:

286.30        (i) a gastrojejunostomy tube; or

286.31        (ii) continuous tube feeding lasting longer than 12 hours per day;

286.32        (2) wounds described as:

286.33        (i) stage III or stage IV;

286.34        (ii) multiple wounds;

286.35        (iii) requiring sterile or clean dressing changes or a wound vac; or

- 287.1                             (iv) open lesions such as burns, fistulas, tube sites, or ostomy sites that require  
287.2 specialized care;
- 287.3                             (3) parenteral therapy described as:
- 287.4                             (i) IV therapy more than two times per week lasting longer than four hours for  
287.5 each treatment; or
- 287.6                             (ii) total parenteral nutrition (TPN) daily;
- 287.7                             (4) respiratory interventions, including:
- 287.8                             (i) oxygen required more than eight hours per day;
- 287.9                             (ii) respiratory vest more than one time per day;
- 287.10                             (iii) bronchial drainage treatments more than two times per day;
- 287.11                             (iv) sterile or clean suctioning more than six times per day;
- 287.12                             (v) dependence on another to apply respiratory ventilation augmentation devices  
287.13 such as BiPAP and CPAP; and
- 287.14                             (vi) ventilator dependence under section 256B.0652;
- 287.15                             (5) insertion and maintenance of catheter, including:
- 287.16                             (i) sterile catheter changes more than one time per month;
- 287.17                             (ii) clean intermittent catheterization, and including self-catheterization more than  
287.18 six times per day; or
- 287.19                             (iii) bladder irrigations;
- 287.20                             (6) bowel program more than two times per week requiring more than 30 minutes to  
287.21 perform each time;
- 287.22                             (7) neurological intervention, including:
- 287.23                             (i) seizures more than two times per week and requiring significant physical  
287.24 assistance to maintain safety; or
- 287.25                             (ii) swallowing disorders diagnosed by a physician and requiring specialized  
287.26 assistance from another on a daily basis; and
- 287.27                             (8) other congenital or acquired diseases creating a need for significantly increased  
287.28 direct hands-on assistance and interventions in six to eight activities of daily living.
- 287.29                             (f) (g) "Community first services and supports" or "CFSS" means the assistance and  
287.30 supports program under this section needed for accomplishing activities of daily living,  
287.31 instrumental activities of daily living, and health-related tasks through hands-on assistance  
287.32 to accomplish the task or constant supervision and cueing to accomplish the task, or the  
287.33 purchase of goods as defined in subdivision 7, paragraph (a), clause (3), that replace  
287.34 the need for human assistance.
- 287.35                             (g) (h) "Community first services and supports service delivery plan" or "service  
287.36 delivery plan" means a written summary of document detailing the services and supports

chosen by the participant to meet assessed needs that are within the approved CFSS service authorization amount. Services and supports are based on the community support plan identified in section 256B.0911 and coordinated services and support plan and budget identified in section 256B.0915, subdivision 6, if applicable, that is determined by the participant to meet the assessed needs, using a person-centered planning process.

(i) "Consultation services" means a Minnesota health care program enrolled provider organization that is under contract with the department and has the knowledge, skills, and ability to assist CFSS participants in using either the agency-provider model under subdivision 11 or the budget model under subdivision 13.

(h) (j) "Critical activities of daily living" means transferring, mobility, eating, and toileting.

(i) (k) "Dependency" in activities of daily living means a person requires hands-on assistance or constant supervision and cueing to accomplish one or more of the activities of daily living every day or on the days during the week that the activity is performed; however, a child may not be found to be dependent in an activity of daily living if, because of the child's age, an adult would either perform the activity for the child or assist the child with the activity and the assistance needed is the assistance appropriate for a typical child of the same age.

(j) (l) "Extended CFSS" means CFSS services and supports under the agency-provider model included in a service plan through one of the home and community-based services waivers and as approved and authorized under sections 256B.0915; 256B.092, subdivision 5; and 256B.49, which exceed the amount, duration, and frequency of the state plan CFSS services for participants.

(k) (m) "Financial management services contractor or vendor" or "FMS contractor" means a qualified organization having required for participants using the budget model under subdivision 13 that has a written contract with the department to provide vendor fiscal/employer agent financial management services necessary to use the budget model under subdivision 13 that (FMS). Services include but are not limited to: participant education and technical assistance; CFSS service delivery planning and budgeting; filing and payment of federal and state payroll taxes on behalf of the participant; initiating criminal background checks; billing, making payments, and for approved CFSS services with authorized funds; monitoring of spending expenditures; accounting for and disbursing CFSS funds; providing assistance in obtaining and filing for liability, workers' compensation, and unemployment coverage; and assisting providing participant instruction and technical assistance to the participant in fulfilling employer-related requirements in accordance with Section 3504 of the Internal Revenue Code and the

289.1     Internal Revenue Service Revenue Procedure 70-6 related regulations and interpretations,  
289.2     including Code of Federal Regulations, title 26, section 31.3504-1.

289.3       (l) "Budget model" means a service delivery method of CFSS that allows the use of  
289.4     an individualized CFSS service delivery plan and service budget and provides assistance  
289.5     from the financial management services contractor to facilitate participant employment of  
289.6     support workers and the acquisition of supports and goods.

289.7       (m) (n) "Health-related procedures and tasks" means procedures and tasks related  
289.8     to the specific needs of an individual that can be delegated taught or assigned by a  
289.9     state-licensed healthcare or mental health professional and performed by a support worker.

289.10      (n) (o) "Instrumental activities of daily living" means activities related to  
289.11     living independently in the community, including but not limited to: meal planning,  
289.12     preparation, and cooking; shopping for food, clothing, or other essential items; laundry;  
289.13     housecleaning; assistance with medications; managing finances; communicating needs  
289.14     and preferences during activities; arranging supports; and assistance with traveling around  
289.15     and participating in the community.

289.16      (o) (p) "Legal representative" means parent of a minor, a court-appointed guardian,  
289.17     or another representative with legal authority to make decisions about services and  
289.18     supports for the participant. Other representatives with legal authority to make decisions  
289.19     include but are not limited to a health care agent or an attorney-in-fact authorized through  
289.20     a health care directive or power of attorney.

289.21      (p) (q) "Medication assistance" means providing verbal or visual reminders to take  
289.22     regularly scheduled medication, and includes any of the following supports listed in clauses  
289.23     (1) to (3) and other types of assistance, except that a support worker may not determine  
289.24     medication dose or time for medication or inject medications into veins, muscles, or skin:

289.25       (1) under the direction of the participant or the participant's representative, bringing  
289.26     medications to the participant including medications given through a nebulizer, opening a  
289.27     container of previously set-up medications, emptying the container into the participant's  
289.28     hand, opening and giving the medication in the original container to the participant, or  
289.29     bringing to the participant liquids or food to accompany the medication;

289.30       (2) organizing medications as directed by the participant or the participant's  
289.31     representative; and

289.32       (3) providing verbal or visual reminders to perform regularly scheduled medications.

289.33      (q) (r) "Participant's representative" means a parent, family member, advocate,  
289.34     or other adult authorized by the participant to serve as a representative in connection  
289.35     with the provision of CFSS. This authorization must be in writing or by another method  
289.36     that clearly indicates the participant's free choice. The participant's representative must

290.1 have no financial interest in the provision of any services included in the participant's  
290.2 service delivery plan and must be capable of providing the support necessary to assist  
290.3 the participant in the use of CFSS. If through the assessment process described in  
290.4 subdivision 5 a participant is determined to be in need of a participant's representative, one  
290.5 must be selected. If the participant is unable to assist in the selection of a participant's  
290.6 representative, the legal representative shall appoint one. Two persons may be designated  
290.7 as a participant's representative for reasons such as divided households and court-ordered  
290.8 custodies. Duties of a participant's representatives may include:

290.9 (1) being available while ~~care is~~ services are provided in a method agreed upon by  
290.10 the participant or the participant's legal representative and documented in the participant's  
290.11 CFSS service delivery plan;

290.12 (2) monitoring CFSS services to ensure the participant's CFSS service delivery  
290.13 plan is being followed; and

290.14 (3) reviewing and signing CFSS time sheets after services are provided to provide  
290.15 verification of the CFSS services.

290.16 ~~(f)~~ (s) "Person-centered planning process" means a process that is directed by the  
290.17 participant to plan for services and supports. The person-centered planning process must:

290.18 (1) include people chosen by the participant;

290.19 (2) provide necessary information and support to ensure that the participant directs  
290.20 the process to the maximum extent possible, and is enabled to make informed choices  
290.21 and decisions;

290.22 (3) be timely and occur at time and locations of convenience to the participant;

290.23 (4) reflect cultural considerations of the participant;

290.24 (5) include strategies for solving conflict or disagreement within the process,  
290.25 including clear conflict-of-interest guidelines for all planning;

290.26 (6) provide the participant choices of the services and supports they receive and the  
290.27 staff providing those services and supports;

290.28 (7) include a method for the participant to request updates to the plan; and

290.29 (8) record the alternative home and community-based settings that were considered  
290.30 by the participant.

290.31 ~~(s)~~ (t) "Shared services" means the provision of CFSS services by the same CFSS  
290.32 support worker to two or three participants who voluntarily enter into an agreement to  
290.33 receive services at the same time and in the same setting by the same provider ~~employer~~.

290.34 ~~(t)~~ "Support specialist" means a professional with the skills and ability to assist the  
290.35 participant using either the agency-provider model under subdivision 11 or the flexible

291.1 spending model under subdivision 13, in services including but not limited to assistance  
291.2 regarding:

291.3 (1) the development, implementation, and evaluation of the CFSS service delivery  
291.4 plan under subdivision 6;

291.5 (2) recruitment, training, or supervision, including supervision of health-related tasks  
291.6 or behavioral supports appropriately delegated or assigned by a health care professional,  
291.7 and evaluation of support workers; and

291.8 (3) facilitating the use of informal and community supports, goods, or resources.

291.9 (u) "Support worker" means an a qualified and trained employee of the agency  
291.10 provider agency-provider or of the participant employer under the budget model who  
291.11 has direct contact with the participant and provides services as specified within the  
291.12 participant's service delivery plan.

291.13 (v) "Wages and benefits" means the hourly wages and salaries, the employer's  
291.14 share of FICA taxes, Medicare taxes, state and federal unemployment taxes, workers'  
291.15 compensation, mileage reimbursement, health and dental insurance, life insurance,  
291.16 disability insurance, long-term care insurance, uniform allowance, contributions to  
291.17 employee retirement accounts, or other forms of employee compensation and benefits.

291.18 (w) "Worker training and development" means services for developing workers'  
291.19 skills as required by the participant's individual CFSS delivery plan that are arranged for  
291.20 or provided by the agency-provider or purchased by the participant employer. These  
291.21 services include training, education, direct observation and supervision, and evaluation  
291.22 and coaching of job skills and tasks, including supervision of health-related tasks or  
291.23 behavioral supports.

291.24 Sec. 5. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 3, is  
291.25 amended to read:

291.26 Subd. 3. **Eligibility.** (a) CFSS is available to a person who meets one of the  
291.27 following:

291.28 (1) is a recipient an enrollee of medical assistance as determined under section  
291.29 256B.055, 256B.056, or 256B.057, subdivisions 5 and 9;

291.30 (2) is a recipient participant in the alternative care program under section  
291.31 256B.0913;

291.32 (3) is a waiver recipient participant as defined under section 256B.0915, 256B.092,  
291.33 256B.093, or 256B.49; or

291.34 (4) has medical services identified in a participant's individualized education  
291.35 program and is eligible for services as determined in section 256B.0625, subdivision 26.

292.1       (b) In addition to meeting the eligibility criteria in paragraph (a), a person must also  
292.2 meet all of the following:

292.3       (1) require assistance and be determined dependent in one activity of daily living or  
292.4 Level I behavior based on assessment under section 256B.0911; and

292.5       (2) is not a ~~recipient of participant under~~ a family support grant under section 252.32;  
292.6 ~~(3) lives in the person's own apartment or home including a family foster care setting~~  
292.7 ~~licensed under chapter 245A, but not in corporate foster care under chapter 245A; or a~~  
292.8 ~~nonecertified boarding care home or a boarding and lodging establishment under chapter~~  
292.9 ~~157.~~

292.10      Sec. 6. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 5, is  
292.11 amended to read:

292.12      Subd. 5. **Assessment requirements.** (a) The assessment of functional need must:

292.13       (1) be conducted by a certified assessor according to the criteria established in  
292.14 section 256B.0911, subdivision 3a;

292.15       (2) be conducted face-to-face, initially and at least annually thereafter, or when there  
292.16 is a significant change in the participant's condition or a change in the need for services  
292.17 and supports, or at the request of the participant when the participant experiences a change  
292.18 in condition or needs a change in the services or supports; and

292.19       (3) be completed using the format established by the commissioner.

292.20       (b) ~~A participant who is residing in a facility may be assessed and choose CFSS for~~  
292.21 ~~the purpose of using CFSS to return to the community as described in subdivisions 3~~  
292.22 ~~and 7, paragraph (a), clause (5).~~

292.23       (e) (b) The results of the assessment and any recommendations and authorizations  
292.24 for CFSS must be determined and communicated in writing by the lead agency's certified  
292.25 assessor as defined in section 256B.0911 to the participant and the agency-provider or  
292.26 financial management services provider FMS contractor chosen by the participant within  
292.27 40 calendar days and must include the participant's right to appeal under section 256.045,  
292.28 subdivision 3.

292.29       (d) (c) The lead agency assessor may request authorize a temporary authorization  
292.30 for CFSS services to be provided under the agency-provider model. Authorization for  
292.31 a temporary level of CFSS services under the agency-provider model is limited to the  
292.32 time specified by the commissioner, but shall not exceed 45 days. The level of services  
292.33 authorized under this provision paragraph shall have no bearing on a future authorization.  
292.34 Upon expiration of the temporary authorization, the participant shall access the  
292.35 consultation service to complete their initial orientation and selection of a service model.

293.1        Sec. 7. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 6, is  
293.2        amended to read:

293.3            **Subd. 6. Community first services and support service delivery plan.** (a) The  
293.4        CFSS service delivery plan must be developed, ~~implemented~~, and evaluated through a  
293.5        person-centered planning process by the participant, or the participant's representative  
293.6        or legal representative who may be assisted by a ~~support specialist~~ consultation services  
293.7        provider. The CFSS service delivery plan must reflect the services and supports that  
293.8        are important to the participant and for the participant to meet the needs assessed  
293.9        by the certified assessor and identified in the community support plan under section  
293.10      256B.0911, subdivision 3, or the coordinated services and support plan identified in  
293.11      section 256B.0915, subdivision 6, if applicable. The CFSS service delivery plan must be  
293.12      reviewed by the participant, the consultation services provider, and the agency-provider  
293.13      or ~~financial management serviees~~ FMS contractor prior to starting services and at least  
293.14      annually upon reassessment, or when there is a significant change in the participant's  
293.15      condition, or a change in the need for services and supports.

293.16            (b) The commissioner shall establish the format and criteria for the CFSS service  
293.17        delivery plan.

293.18            (c) The CFSS service delivery plan must be person-centered and:

- 293.19              (1) specify the consultation services provider, agency-provider, or ~~finaneial~~  
293.20        ~~management serviees~~ FMS contractor selected by the participant;
- 293.21              (2) reflect the setting in which the participant resides that is chosen by the participant;
- 293.22              (3) reflect the participant's strengths and preferences;
- 293.23              (4) include the means to address the clinical and support needs as identified through  
293.24        an assessment of functional needs;
- 293.25              (5) include individually identified goals and desired outcomes;
- 293.26              (6) reflect the services and supports, paid and unpaid, that will assist the participant  
293.27        to achieve identified goals, including the costs of the services and supports, and the  
293.28        providers of those services and supports, including natural supports;
- 293.29              (7) identify the amount and frequency of face-to-face supports and amount and  
293.30        frequency of remote supports and technology that will be used;
- 293.31              (8) identify risk factors and measures in place to minimize them, including  
293.32        individualized backup plans;
- 293.33              (9) be understandable to the participant and the individuals providing support;
- 293.34              (10) identify the individual or entity responsible for monitoring the plan;
- 293.35              (11) be finalized and agreed to in writing by the participant and signed by all  
293.36        individuals and providers responsible for its implementation;

294.1       (12) be distributed to the participant and other people involved in the plan; and  
294.2       (13) prevent the provision of unnecessary or inappropriate care;  
294.3       (14) include a detailed budget for expenditures for budget model participants or  
294.4       participants under the agency-provider model if purchasing goods; and  
294.5       (15) include a plan for worker training and development detailing what service  
294.6       components will be used, when the service components will be used, how they will be  
294.7       provided, and how these service components relate to the participant's individual needs  
294.8       and CFSS support worker services.

294.9       (d) The total units of agency-provider services or the service budget allocation  
294.10      amount for the budget model include both annual totals and a monthly average amount  
294.11      that cover the number of months of the service authorization. The amount used each  
294.12      month may vary, but additional funds must not be provided above the annual service  
294.13      authorization amount unless a change in condition is assessed and authorized by the  
294.14      certified assessor and documented in the community support plan, coordinated services  
294.15      and supports plan, and CFSS service delivery plan.

294.16       (e) In assisting with the development or modification of the plan during the  
294.17       authorization time period, the consultation services provider shall:

294.18       (1) consult with the FMS contractor on the spending budget when applicable; and  
294.19       (2) consult with the participant or participant's representative, agency-provider, and  
294.20       case manager/care coordinator.

294.21       (f) The service plan must be approved by the consultation services provider for  
294.22       participants without a case manager/care coordinator. A case manager/care coordinator  
294.23       must approve the plan for a waiver or alternative care program participant.

294.24       Sec. 8. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 7, is  
294.25       amended to read:

294.26       **Subd. 7. Community first services and supports; covered services.** Within the  
294.27       service unit authorization or service budget allocation amount, services and supports  
294.28       covered under CFSS include:

294.29       (1) assistance to accomplish activities of daily living (ADLs), instrumental activities  
294.30       of daily living (IADLs), and health-related procedures and tasks through hands-on  
294.31       assistance to accomplish the task or constant supervision and cueing to accomplish the task;  
294.32       (2) assistance to acquire, maintain, or enhance the skills necessary for the participant  
294.33       to accomplish activities of daily living, instrumental activities of daily living, or  
294.34       health-related tasks;

295.1       (3) expenditures for items, services, supports, environmental modifications, or  
295.2       goods, including assistive technology. These expenditures must:

295.3       (i) relate to a need identified in a participant's CFSS service delivery plan;

295.4       (ii) increase independence or substitute for human assistance to the extent that  
295.5       expenditures would otherwise be made for human assistance for the participant's assessed  
295.6       needs;

295.7       (4) observation and redirection for behavior or symptoms where there is a need for  
295.8       assistance. An assessment of behaviors must meet the criteria in this clause. A ~~recipient~~  
295.9       participant qualifies as having a need for assistance due to behaviors if the ~~recipient's~~  
295.10      participant's behavior requires assistance at least four times per week and shows one or  
295.11      more of the following behaviors:

295.12       (i) physical aggression towards self or others, or destruction of property that requires  
295.13       the immediate response of another person;

295.14       (ii) increased vulnerability due to cognitive deficits or socially inappropriate  
295.15       behavior; or

295.16       (iii) increased need for assistance for ~~recipients~~ participants who are verbally  
295.17       aggressive or resistive to care so that time needed to perform activities of daily living is  
295.18       increased;

295.19       (5) back-up systems or mechanisms, such as the use of pagers or other electronic  
295.20       devices, to ensure continuity of the participant's services and supports;

295.21       ~~(6) transition costs, including:~~

295.22       ~~(i) deposits for rent and utilities;~~

295.23       ~~(ii) first month's rent and utilities;~~

295.24       ~~(iii) bedding;~~

295.25       ~~(iv) basic kitchen supplies;~~

295.26       ~~(v) other necessities, to the extent that these necessities are not otherwise covered  
295.27       under any other funding that the participant is eligible to receive; and~~

295.28       ~~(vi) other required necessities for an individual to make the transition from a nursing  
295.29       facility, institution for mental diseases, or intermediate care facility for persons with  
295.30       developmental disabilities to a community-based home setting where the participant  
295.31       resides; and~~

295.32       ~~(7) (6) services provided by a support specialist consultation services provider under  
295.33       contract with the department and enrolled as a Minnesota health care program provider as  
295.34       defined under subdivision 2 that are chosen by the participant.~~ 17;

295.35       ~~(7) services provided by an FMS contractor under contract with the department  
295.36       as defined under subdivision 13;~~

296.1        (8) CFSS services provided by a qualified support worker who is a parent, stepparent,  
296.2        or legal guardian of a participant under age 18, or who is the participant's spouse. These  
296.3        support workers shall not provide any medical assistance home and community-based  
296.4        services in excess of 40 hours per seven-day period regardless of the number of parents,  
296.5        combination of parents and spouses, or number of children who receive medical assistance  
296.6        services; and

296.7        (9) worker training and development services as defined in subdivision 2, paragraph  
296.8        (w), and described in subdivision 18a.

296.9        Sec. 9. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 8, is  
296.10      amended to read:

296.11        **Subd. 8. Determination of CFSS service methodology.** (a) All community first  
296.12      services and supports must be authorized by the commissioner or the commissioner's  
296.13      designee before services begin, except for the assessments established in section  
296.14      256B.0911. The authorization for CFSS must be completed as soon as possible following  
296.15      an assessment but no later than 40 calendar days from the date of the assessment.

296.16        (b) The amount of CFSS authorized must be based on the recipient's participant's  
296.17      home care rating described in paragraphs (d) and (e) and any additional service units for  
296.18      which the person participant qualifies as described in paragraph (f).

296.19        (c) The home care rating shall be determined by the commissioner or the  
296.20      commissioner's designee based on information submitted to the commissioner identifying  
296.21      the following for a recipient participant:

296.22        (1) the total number of dependencies of activities of daily living as defined in  
296.23      subdivision 2, paragraph (b);

296.24        (2) the presence of complex health-related needs as defined in subdivision 2,  
296.25      paragraph (e); and

296.26        (3) the presence of Level I behavior as defined in subdivision 2, paragraph (d);  
296.27      ~~elause (1).~~

296.28        (d) The methodology to determine the total service units for CFSS for each home  
296.29      care rating is based on the median paid units per day for each home care rating from  
296.30      fiscal year 2007 data for the PCA program.

296.31        (e) Each home care rating is designated by the letters P through Z and EN and has  
296.32      the following base number of service units assigned:

296.33        (1) P home care rating requires Level I behavior or one to three dependencies in  
296.34      ADLs and qualifies one for five service units;

297.1       (2) Q home care rating requires Level I behavior and one to three dependencies in  
297.2       ADLs and qualifies one for six service units;

297.3       (3) R home care rating requires a complex health-related need and one to three  
297.4       dependencies in ADLs and qualifies one for seven service units;

297.5       (4) S home care rating requires four to six dependencies in ADLs and qualifies  
297.6       one for ten service units;

297.7       (5) T home care rating requires four to six dependencies in ADLs and Level I  
297.8       behavior and qualifies one for 11 service units;

297.9       (6) U home care rating requires four to six dependencies in ADLs and a complex  
297.10      health-related need and qualifies one for 14 service units;

297.11      (7) V home care rating requires seven to eight dependencies in ADLs and qualifies  
297.12      one for 17 service units;

297.13      (8) W home care rating requires seven to eight dependencies in ADLs and Level I  
297.14      behavior and qualifies one for 20 service units;

297.15      (9) Z home care rating requires seven to eight dependencies in ADLs and a complex  
297.16      health-related need and qualifies one for 30 service units; and

297.17      (10) EN home care rating includes ventilator dependency as defined in section  
297.18      256B.0651, subdivision 1, paragraph (g). Recipients Participants who meet the definition  
297.19      of ventilator-dependent and the EN home care rating and utilize a combination of CFSS  
297.20      and other ~~home care~~ home-care services are limited to a total of 96 service units per day  
297.21      for those services in combination. Additional units may be authorized when a recipient's  
297.22      participant's assessment indicates a need for two staff to perform activities. Additional  
297.23      time is limited to 16 service units per day.

297.24      (f) Additional service units are provided through the assessment and identification of  
297.25      the following:

297.26      (1) 30 additional minutes per day for a dependency in each critical activity of daily  
297.27      living as defined in subdivision 2, paragraph (h)(j);

297.28      (2) 30 additional minutes per day for each complex health-related function as  
297.29      defined in subdivision 2, paragraph (e)(f); and

297.30      (3) 30 additional minutes per day for each behavior issue as defined in subdivision 2,  
297.31      paragraph (d).

297.32      (g) The service budget for budget model participants shall be based on:

297.33      (1) assessed units as determined by the home care rating; and

297.34      (2) an adjustment needed for administrative expenses.

298.1        Sec. 10. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 9, is  
298.2        amended to read:

298.3            **Subd. 9. Noncovered services.** (a) Services or supports that are not eligible for  
298.4        payment under this section include those that:

298.5              (1) are not authorized by the certified assessor or included in the written service  
298.6        delivery plan;

298.7              (2) are provided prior to the authorization of services and the approval of the written  
298.8        CFSS service delivery plan;

298.9              (3) are duplicative of other paid services in the written service delivery plan;

298.10             (4) supplant natural unpaid supports that appropriately meet a need in the service  
298.11        plan, are provided voluntarily to the participant, and are selected by the participant in lieu  
298.12        of other services and supports;

298.13             (5) are not effective means to meet the participant's needs; and

298.14             (6) are available through other funding sources, including, but not limited to, funding  
298.15        through title IV-E of the Social Security Act.

298.16            (b) Additional services, goods, or supports that are not covered include:

298.17            (1) those that are not for the direct benefit of the participant, except that services for  
298.18        caregivers such as training to improve the ability to provide CFSS are considered to directly  
298.19        benefit the participant if chosen by the participant and approved in the support plan;

298.20            (2) any fees incurred by the participant, such as Minnesota health care programs fees  
298.21        and co-pays, legal fees, or costs related to advocate agencies;

298.22            (3) insurance, except for insurance costs related to employee coverage;

298.23            (4) room and board costs for the participant ~~with the exception of allowable~~  
298.24        ~~transition costs in subdivision 7, clause (6);~~

298.25            (5) services, supports, or goods that are not related to the assessed needs;

298.26            (6) special education and related services provided under the Individuals with  
298.27        Disabilities Education Act and vocational rehabilitation services provided under the  
298.28        Rehabilitation Act of 1973;

298.29            (7) assistive technology devices and assistive technology services other than those  
298.30        for back-up systems or mechanisms to ensure continuity of service and supports listed in  
298.31        subdivision 7;

298.32            (8) medical supplies and equipment covered under medical assistance;

298.33            (9) environmental modifications, except as specified in subdivision 7;

298.34            (10) expenses for travel, lodging, or meals related to training the participant, or the  
298.35        participant's representative, or legal representative, or paid or unpaid caregivers that  
298.36        exceed \$500 in a 12-month period;

- 299.1       (11) experimental treatments;
- 299.2       (12) any service or good covered by other medical assistance state plan services,  
299.3 including prescription and over-the-counter medications, compounds, and solutions and  
299.4 related fees, including premiums and co-payments;
- 299.5       (13) membership dues or costs, except when the service is necessary and appropriate  
299.6 to treat a physical health condition or to improve or maintain the participant's physical  
299.7 health condition. The condition must be identified in the participant's CFSS plan and  
299.8 monitored by a physician enrolled in a Minnesota health care program Minnesota health  
299.9 care program enrolled physician;
- 299.10      (14) vacation expenses other than the cost of direct services;
- 299.11      (15) vehicle maintenance or modifications not related to the disability, health  
299.12 condition, or physical need; and
- 299.13      (16) tickets and related costs to attend sporting or other recreational or entertainment  
299.14 events:<sup>2</sup>
- 299.15      (17) services provided and billed by a provider who is not an enrolled CFSS provider;
- 299.16      (18) CFSS provided by a participant's representative or paid legal guardian;
- 299.17      (19) services that are used solely as a child care or babysitting service;
- 299.18      (20) services that are the responsibility or in the daily rate of a residential or program  
299.19 license holder under the terms of a service agreement and administrative rules;
- 299.20      (21) sterile procedures;
- 299.21      (22) giving of injections into veins, muscles, or skin;
- 299.22      (23) homemaker services that are not an integral part of the assessed CFSS service;
- 299.23      (24) home maintenance or chore services;
- 299.24      (25) home-care services, including hospice services if elected by the participant  
299.25 covered by Medicare or any other insurance held by the participant;
- 299.26      (26) services to other members of the participant's household;
- 299.27      (27) services not specified as covered under medical assistance as CFSS;
- 299.28      (28) application of restraints or implementation of deprivation procedures;
- 299.29      (29) assessments by CFSS provider organizations or by independently enrolled  
299.30 registered nurses;
- 299.31      (30) services provided in lieu of legally required staffing in a residential or child  
299.32 care setting; and
- 299.33      (31) services provided by the residential or program license holder in a residence for  
299.34 more than four persons.

300.1        Sec. 11. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 10,  
300.2        is amended to read:

300.3        Subd. 10. **Provider Agency-provider and FMS contractor qualifications and,**  
300.4        **general requirements, and duties.** (a) Agency-providers delivering services under the  
300.5        agency-provider model under subdivision 11 or ~~financial management servicee (FMS)~~  
300.6        FMS contractors under subdivision 13 shall:

300.7        (1) enroll as a medical assistance Minnesota health care programs provider and meet  
300.8        all applicable provider standards and requirements;

300.9        ~~(2) comply with medical assistance provider enrollment requirements;~~

300.10        ~~(3)~~ (2) demonstrate compliance with ~~law~~ federal and state laws and policies of for  
300.11        CFSS as determined by the commissioner;

300.12        ~~(4)~~ (3) comply with background study requirements under chapter 245C and  
300.13        maintain documentation of background study requests and results;

300.14        ~~(5)~~ (4) verify and maintain records of all services and expenditures by the participant,  
300.15        including hours worked by support workers ~~and support specialists~~;

300.16        ~~(6)~~ (5) not engage in any agency-initiated direct contact or marketing in person, by  
300.17        telephone, or other electronic means to potential participants, guardians, family members,  
300.18        or participants' representatives;

300.19        (6) directly provide services and not use a subcontractor or reporting agent;

300.20        (7) meet the financial requirements established by the commissioner for financial  
300.21        solvency;

300.22        (8) have never had a lead agency contract or provider agreement discontinued due to  
300.23        fraud, or have never had an owner, board member, or manager fail a state or FBI-based  
300.24        criminal background check while enrolled or seeking enrollment as a Minnesota health  
300.25        care programs provider;

300.26        (9) have established business practices that include written policies and procedures,  
300.27        internal controls, and a system that demonstrates the provider's ability to deliver quality  
300.28        CFSS; and

300.29        (10) have an office located in Minnesota.

300.30        (b) In conducting general duties, agency-providers and FMS contractors shall:

300.31        ~~(7)~~ (1) pay support workers ~~and support specialists~~ based upon actual hours of  
300.32        services provided;

300.33        (2) pay for worker training and development services based upon actual hours of  
300.34        services provided or the unit cost of the training session purchased;

300.35        ~~(8)~~ (3) withhold and pay all applicable federal and state payroll taxes;

301.1       (9) (4) make arrangements and pay unemployment insurance, taxes, workers'  
301.2 compensation, liability insurance, and other benefits, if any;

301.3       (10) (5) enter into a written agreement with the participant, participant's  
301.4 representative, or legal representative that assigns roles and responsibilities to be  
301.5 performed before services, supports, or goods are provided using a format established by  
301.6 the commissioner;

301.7       (11) (6) report maltreatment as required under sections 626.556 and 626.557; and

301.8       (12) (7) provide the participant with a copy of the service-related rights under  
301.9 subdivision 20 at the start of services and supports; and

301.10      (8) comply with any data requests from the department consistent with the  
301.11      Minnesota Government Data Practices Act.

301.12      Sec. 12. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 11,  
301.13 is amended to read:

301.14      Subd. 11. **Agency-provider model.** (a) The agency-provider model is limited to  
301.15 the includes services provided by support workers and support specialists staff providing  
301.16 worker training and development services who are employed by an agency-provider  
301.17 that is licensed according to chapter 245A or meets other criteria established by the  
301.18 commissioner, including required training.

301.19      (b) The agency-provider shall allow the participant to have a significant role in the  
301.20 selection and dismissal of the support workers for the delivery of the services and supports  
301.21 specified in the participant's service delivery plan.

301.22      (c) A participant may use authorized units of CFSS services as needed within a  
301.23 service authorization that is not greater than 12 months. Using authorized units in a  
301.24 flexible manner in either the agency-provider model or the budget model does not increase  
301.25 the total amount of services and supports authorized for a participant or included in the  
301.26 participant's service delivery plan.

301.27      (d) A participant may share CFSS services. Two or three CFSS participants may  
301.28 share services at the same time provided by the same support worker.

301.29      (e) The agency-provider must use a minimum of 72.5 percent of the revenue  
301.30 generated by the medical assistance payment for CFSS for support worker wages and  
301.31 benefits. The agency-provider must document how this requirement is being met. The  
301.32 revenue generated by the support specialist worker training and development services  
301.33 and the reasonable costs associated with the support specialist worker training and  
301.34 development services must not be used in making this calculation.

302.1       (f) The agency-provider model must be used by individuals who have been restricted  
302.2 by the Minnesota restricted recipient program under Minnesota Rules, parts 9505.2160  
302.3 to 9505.2245.

302.4       (g) Participants purchasing goods under this model, along with support worker  
302.5 services, must:

302.6       (1) specify the goods in the service delivery plan and detailed budget for  
302.7 expenditures that must be approved by the consultation services provider or the case  
302.8 manager/care coordinator; and

302.9       (2) use the FMS contractor for the billing and payment of such goods.

302.10      Sec. 13. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 12,  
302.11 is amended to read:

302.12      **Subd. 12. Requirements for enrollment of CFSS provider agency-provider**

302.13      **agencies.** (a) All CFSS provider ageneies agency-providers must provide, at the time of  
302.14 enrollment, reenrollment, and revalidation as a CFSS provider ageney agency-provider in  
302.15 a format determined by the commissioner, information and documentation that includes,  
302.16 but is not limited to, the following:

302.17       (1) the CFSS provider ageney's agency-provider's current contact information  
302.18 including address, telephone number, and e-mail address;

302.19       (2) proof of surety bond coverage. Upon new enrollment, or if the provider ageney's  
302.20 agency-provider's Medicaid revenue in the previous calendar year is less than or equal  
302.21 to \$300,000, the provider ageney agency-provider must purchase a performance bond of  
302.22 \$50,000. If the provider ageney's agency-provider's Medicaid revenue in the previous  
302.23 calendar year is greater than \$300,000, the provider ageney agency-provider must  
302.24 purchase a performance bond of \$100,000. The performance bond must be in a form  
302.25 approved by the commissioner, must be renewed annually, and must allow for recovery of  
302.26 costs and fees in pursuing a claim on the bond;

302.27       (3) proof of fidelity bond coverage in the amount of \$20,000;

302.28       (4) proof of workers' compensation insurance coverage;

302.29       (5) proof of liability insurance;

302.30       (6) a description of the CFSS provider ageney's agency-provider's organization  
302.31 identifying the names of all owners, managing employees, staff, board of directors, and  
302.32 the affiliations of the directors; and owners, or staff to other service providers;

302.33       (7) a copy of the CFSS provider ageney's agency-provider's written policies and  
302.34 procedures including: hiring of employees; training requirements; service delivery;  
302.35 and employee and consumer safety including process for notification and resolution

303.1 of consumer grievances, identification and prevention of communicable diseases, and  
303.2 employee misconduct;

303.3 (8) copies of all other forms the CFSS provider agency agency-provider uses in the  
303.4 course of daily business including, but not limited to:

303.5 (i) a copy of the CFSS provider agency's agency-provider's time sheet if the time  
303.6 sheet varies from the standard time sheet for CFSS services approved by the commissioner,  
303.7 and a letter requesting approval of the CFSS provider agency's agency-provider's  
303.8 nonstandard time sheet; and

303.9 (ii) the a copy of the participant's individual CFSS provider agency's template for the  
303.10 CFSS care service delivery plan;

303.11 (9) a list of all training and classes that the CFSS provider agency agency-provider  
303.12 requires of its staff providing CFSS services;

303.13 (10) documentation that the CFSS provider agency agency-provider and staff have  
303.14 successfully completed all the training required by this section;

303.15 (11) documentation of the agency's agency-provider's marketing practices;

303.16 (12) disclosure of ownership, leasing, or management of all residential properties  
303.17 that are used or could be used for providing home care home-care services;

303.18 (13) documentation that the agency agency-provider will use at least the following  
303.19 percentages of revenue generated from the medical assistance rate paid for CFSS services  
303.20 for employee personal care assistant CFSS support worker wages and benefits: 72.5  
303.21 percent of revenue from CFSS providers. The revenue generated by the support specialist  
303.22 worker training and development services and the reasonable costs associated with the  
303.23 support speacialist worker training and development services shall not be used in making  
303.24 this calculation; and

303.25 (14) documentation that the agency agency-provider does not burden recipients'  
303.26 participants' free exercise of their right to choose service providers by requiring personal  
303.27 care assistants CFSS support workers to sign an agreement not to work with any particular  
303.28 CFSS recipient participant or for another CFSS provider agency agency-provider after  
303.29 leaving the agency and that the agency is not taking action on any such agreements or  
303.30 requirements regardless of the date signed.

303.31 (b) CFSS provider agencies agency-providers shall provide to the commissioner  
303.32 the information specified in paragraph (a).

303.33 (c) All CFSS provider agencies agency-providers shall require all employees in  
303.34 management and supervisory positions and owners of the agency who are active in the  
303.35 day-to-day management and operations of the agency to complete mandatory training as  
303.36 determined by the commissioner. Employees in management and supervisory positions

304.1 and owners who are active in the day-to-day operations of an agency who have completed  
304.2 the required training as an employee with a CFSS provider agency agency-provider do  
304.3 not need to repeat the required training if they are hired by another agency, if they have  
304.4 completed the training within the past three years. CFSS provider agency agency-provider  
304.5 billing staff shall complete training about CFSS program financial management. Any new  
304.6 owners or employees in management and supervisory positions involved in the day-to-day  
304.7 operations are required to complete mandatory training as a requisite of working for the  
304.8 agency. CFSS provider agencies certified for participation in Medicare as home health  
304.9 agencies are exempt from the training required in this subdivision.

304.10 (d) The commissioner shall send annual renewal notifications to agency-providers  
304.11 30 days prior to renewal. The notification must:  
304.12 (1) list the materials and information the agency-provider is required to submit;  
304.13 (2) provide instructions on submitting information to the commissioner; and  
304.14 (3) provide a due date by which the commissioner must receive the requested  
304.15 information.

304.16 Agency-providers shall submit the required documentation for annual review within  
304.17 30 days of notification from the commissioner. If no documentation is submitted, the  
304.18 agency-provider enrollment number must be terminated or suspended.

304.19 Sec. 14. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 13,  
304.20 is amended to read:

304.21 Subd. 13. **Budget model.** (a) Under the budget model participants can may exercise  
304.22 more responsibility and control over the services and supports described and budgeted  
304.23 within the CFSS service delivery plan. Participants must use services provided by an FMS  
304.24 contractor as defined in subdivision 2, paragraph (m). Under this model, participants may  
304.25 use their approved service budget allocation to:

304.26 (1) directly employ support workers, and pay wages, federal and state payroll taxes,  
304.27 and premiums for workers' compensation, liability, and health insurance coverage; and  
304.28 (2) obtain supports and goods as defined in subdivision 7; and  
304.29 (3) choose a range of support assistance services from the financial management  
304.30 services (FMS) contractor related to:  
304.31 (i) assistance in managing the budget to meet the service delivery plan needs,  
304.32 consistent with federal and state laws and regulations;  
304.33 (ii) the employment, training, supervision, and evaluation of workers by the  
304.34 participant;  
304.35 (iii) acquisition and payment for supports and goods; and

305.1       (iv) evaluation of individual service outcomes as needed for the scope of the  
305.2 participant's degree of control and responsibility.

305.3       (b) Participants who are unable to fulfill any of the functions listed in paragraph (a)  
305.4 may authorize a legal representative or participant's representative to do so on their behalf.

305.5       (c) The commissioner shall disenroll or exclude participants from the budget model  
305.6 and transfer them to the agency-provider model under, but not limited to, the following  
305.7 circumstances:

305.8       (1) when a participant has been restricted by the Minnesota restricted recipient  
305.9 program, in which case the participant may be excluded for a specified time period under  
305.10 Minnesota Rules, parts 9505.2160 to 9505.2245;

305.11       (2) when a participant exits the budget model during the participant's service plan  
305.12 year. Upon transfer, the participant shall not access the budget model for the remainder of  
305.13 that service plan year; or

305.14       (3) when the department determines that the participant or participant's representative  
305.15 or legal representative cannot manage participant responsibilities under the budget model.

305.16       The commissioner must develop policies for determining if a participant is unable to  
305.17 manage responsibilities under the budget model.

305.18       (d) A participant may appeal in writing to the department under section 256.045,  
305.19 subdivision 3, to contest the department's decision under paragraph (c), clause (3), to  
305.20 disenroll or exclude the participant from the budget model.

305.21       (e) (e) The FMS contractor shall not provide CFSS services and supports under the  
305.22 agency-provider service model.

305.23       (f) The FMS contractor shall provide service functions as determined by the  
305.24 commissioner for budget model participants that include but are not limited to:

305.25       (1) information and consultation about CFSS;

305.26       (2) (1) assistance with the development of the detailed budget for expenditures  
305.27 portion of the service delivery plan and budget model as requested by the consultation  
305.28 services provider or participant;

305.29       (3) (2) billing and making payments for budget model expenditures;

305.30       (4) (3) assisting participants in fulfilling employer-related requirements according to  
305.31 Internal Revenue Service Revenue Procedure 70-6, section 3504, Agency Employer Tax  
305.32 Liability, regulation 137036-08 section 3504 of the Internal Revenue Code and related  
305.33 regulations and interpretations, including Code of Federal Regulations, title 26, section  
305.34 31.3504-1, which includes assistance with filing and paying payroll taxes, and obtaining  
305.35 worker compensation coverage;

305.36       (5) (4) data recording and reporting of participant spending; and

306.1       (6) other duties established in the contract with the department, including with  
306.2 respect to providing assistance to the participant, participant's representative, or legal  
306.3 representative in performing their employer responsibilities regarding support workers.  
306.4 The support worker shall not be considered the employee of the financial management  
306.5 serviees FMS contractor; and

306.6       (6) billing, payment, and accounting of approved expenditures for goods for  
306.7 agency-provider participants.

306.8       (d) ~~A participant who requests to purchase goods and supports along with support~~  
306.9 ~~worker services under the agency-provider model must use the budget model with~~  
306.10 ~~a service delivery plan that specifies the amount of services to be authorized to the~~  
306.11 ~~agency-provider and the expenditures to be paid by the FMS contractor.~~

306.12       (e) (g) The FMS contractor shall:

306.13       (1) not limit or restrict the participant's choice of service or support providers or  
306.14 service delivery models consistent with any applicable state and federal requirements;

306.15       (2) provide the participant, consultation services provider, and the targeted case  
306.16 manager, if applicable, with a monthly written summary of the spending for services and  
306.17 supports that were billed against the spending budget;

306.18       (3) be knowledgeable of state and federal employment regulations, including those  
306.19 under the Fair Labor Standards Act of 1938, and comply with the requirements under the  
306.20 Internal Revenue Service Revenue Procedure 70-6, Section 3504, section 3504 of the  
306.21 Internal Revenue Code and related regulations and interpretations, including Code of  
306.22 Federal Regulations, title 26, section 31.3504-1, regarding agency employer tax liability  
306.23 for vendor or fiscal employer agent, and any requirements necessary to process employer  
306.24 and employee deductions, provide appropriate and timely submission of employer tax  
306.25 liabilities, and maintain documentation to support medical assistance claims;

306.26       (4) have current and adequate liability insurance and bonding and sufficient cash  
306.27 flow as determined by the commissioner and have on staff or under contract a certified  
306.28 public accountant or an individual with a baccalaureate degree in accounting;

306.29       (5) assume fiscal accountability for state funds designated for the program and be  
306.30 held liable for any overpayments or violations of applicable statutes or rules, including but  
306.31 not limited to the Minnesota False Claims Act, chapter 15C; and

306.32       (6) maintain documentation of receipts, invoices, and bills to track all services and  
306.33 supports expenditures for any goods purchased and maintain time records of support  
306.34 workers. The documentation and time records must be maintained for a minimum of  
306.35 five years from the claim date and be available for audit or review upon request by the  
306.36 commissioner. Claims submitted by the FMS contractor to the commissioner for payment

307.1 must correspond with services, amounts, and time periods as authorized in the participant's  
307.2 spending service budget and service plan and must contain specific identifying information  
307.3 as determined by the commissioner.

307.4 (f) (h) The commissioner of human services shall:

307.5 (1) establish rates and payment methodology for the FMS contractor;  
307.6 (2) identify a process to ensure quality and performance standards for the FMS  
307.7 contractor and ensure statewide access to FMS contractors; and  
307.8 (3) establish a uniform protocol for delivering and administering CFSS services  
307.9 to be used by eligible FMS contractors.

307.10 (g) The commissioner of human services shall disenroll or exclude participants from  
307.11 the budget model and transfer them to the agency-provider model under the following  
307.12 circumstances that include but are not limited to:

307.13 (1) when a participant has been restricted by the Minnesota restricted recipient  
307.14 program, the participant may be excluded for a specified time period under Minnesota  
307.15 Rules, parts 9505.2160 to 9505.2245;  
307.16 (2) when a participant exits the budget model during the participant's service plan  
307.17 year. Upon transfer, the participant shall not access the budget model for the remainder of  
307.18 that service plan year; or  
307.19 (3) when the department determines that the participant or participant's representative  
307.20 or legal representative cannot manage participant responsibilities under the budget model.  
307.21 The commissioner must develop policies for determining if a participant is unable to  
307.22 manage responsibilities under a budget model.

307.23 (h) A participant may appeal under section 256.045, subdivision 3, in writing to the  
307.24 department to contest the department's decision under paragraph (c), clause (3), to remove  
307.25 or exclude the participant from the budget model.

307.26 Sec. 15. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 15,  
307.27 is amended to read:

307.28 Subd. 15. **Documentation of support services provided.** (a) Support services  
307.29 provided to a participant by a support worker employed by either an agency-provider  
307.30 or the participant acting as the employer must be documented daily by each support  
307.31 worker, on a time sheet form approved by the commissioner. All documentation may be  
307.32 Web-based, electronic, or paper documentation. The completed form must be submitted  
307.33 on a monthly regular basis to the provider or the participant and the FMS contractor  
307.34 selected by the participant to provide assistance with meeting the participant's employer  
307.35 obligations and kept in the recipient's health participant's record.

308.1       (b) The activity documentation must correspond to the written service delivery plan  
308.2 and be reviewed by the agency-provider or the participant and the FMS contractor when  
308.3 the participant is ~~acting as~~ the employer of the support worker.

308.4       (c) The time sheet must be on a form approved by the commissioner documenting  
308.5 time the support worker provides services ~~in the home to the participant~~. The following  
308.6 criteria must be included in the time sheet:

- 308.7           (1) full name of the support worker and individual provider number;
- 308.8           (2) ~~provider~~ agency-provider name and telephone numbers, if ~~an~~ agency-provider is  
308.9 responsible for delivery services under the written service plan;
- 308.10          (3) full name of the participant;
- 308.11          (4) consecutive dates, including month, day, and year, and arrival and departure  
308.12 times with a.m. or p.m. notations;
- 308.13          (5) signatures of the participant or the participant's representative;
- 308.14          (6) personal signature of the support worker;
- 308.15          (7) any shared care provided, if applicable;
- 308.16          (8) a statement that it is a federal crime to provide false information on CFSS  
308.17 billings for medical assistance payments; and
- 308.18          (9) dates and location of ~~recipient~~ participant stays in a hospital, care facility, or  
308.19 incarceration.

308.20       Sec. 16. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 16,  
308.21 is amended to read:

308.22       Subd. 16. **Support workers requirements.** (a) Support workers shall:

308.23          (1) enroll with the department as a support worker after a background study under  
308.24 chapter 245C has been completed and the support worker has received a notice from the  
308.25 commissioner that:

308.26          (i) the support worker is not disqualified under section 245C.14; or  
308.27          (ii) is disqualified, but the support worker has received a set-aside of the  
308.28 disqualification under section 245C.22;

308.29          (2) have the ability to effectively communicate with the participant or the  
308.30 participant's representative;

308.31          (3) have the skills and ability to provide the services and supports according to  
308.32 the ~~person's~~ participant's CFSS service delivery plan and respond appropriately to the  
308.33 participant's needs;

308.34          (4) not be a participant of CFSS, unless the support services provided by the support  
308.35 worker differ from those provided to the support worker;

309.1       (5) complete the basic standardized training as determined by the commissioner  
309.2 before completing enrollment. The training must be available in languages other than  
309.3 English and to those who need accommodations due to disabilities. Support worker  
309.4 training must include successful completion of the following training components: basic  
309.5 first aid, vulnerable adult, child maltreatment, OSHA universal precautions, basic roles  
309.6 and responsibilities of support workers including information about basic body mechanics,  
309.7 emergency preparedness, orientation to positive behavioral practices, orientation to  
309.8 responding to a mental health crisis, fraud issues, time cards and documentation, and an  
309.9 overview of person-centered planning and self-direction. Upon completion of the training  
309.10 components, the support worker must pass the certification test to provide assistance  
309.11 to participants;

309.12       (6) complete training and orientation on the participant's individual needs; and  
309.13       (7) maintain the privacy and confidentiality of the participant, and not independently  
309.14 determine the medication dose or time for medications for the participant.

309.15       (b) The commissioner may deny or terminate a support worker's provider enrollment  
309.16 and provider number if the support worker:

309.17       (1) lacks the skills, knowledge, or ability to adequately or safely perform the  
309.18 required work;  
309.19       (2) fails to provide the authorized services required by the participant employer;  
309.20       (3) has been intoxicated by alcohol or drugs while providing authorized services to  
309.21 the participant or while in the participant's home;  
309.22       (4) has manufactured or distributed drugs while providing authorized services to the  
309.23 participant or while in the participant's home; or  
309.24       (5) has been excluded as a provider by the commissioner of human services, or the  
309.25 United States Department of Health and Human Services, Office of Inspector General,  
309.26 from participation in Medicaid, Medicare, or any other federal health care program.

309.27       (c) A support worker may appeal in writing to the commissioner to contest the  
309.28 decision to terminate the support worker's provider enrollment and provider number.

309.29       (d) A support worker must not provide or be paid for more than 275 hours of  
309.30 CFSS per month, regardless of the number of participants the support worker serves or  
309.31 the number of agency-providers or participant employers by which the support worker  
309.32 is employed. The department shall not disallow the number of hours per day a support  
309.33 worker works unless it violates other law.

309.34       Sec. 17. Minnesota Statutes 2013 Supplement, section 256B.85, is amended by adding  
309.35 a subdivision to read:

310.1        **Subd. 16a. Exception to support worker requirements for continuity of services.**

310.2        The support worker for a participant may be allowed to enroll with a different CFSS  
310.3        agency-provider or FMS contractor upon initiation, rather than completion of a new  
310.4        background study according to chapter 245C, if the following conditions are met:

310.5        (1) the commissioner determines that the support worker's change in enrollment or  
310.6        affiliation is needed to ensure continuity of services and protect the health and safety  
310.7        of the participant;

310.8        (2) the chosen agency-provider or FMS contractor has been continuously enrolled as  
310.9        a CFSS agency-provider or FMS contractor for at least two years or since the inception of  
310.10        the CFSS program, whichever is shorter;

310.11        (3) the participant served by the support worker chooses to transfer to the CFSS  
310.12        agency-provider or the FMS contractor to which the support worker is transferring;

310.13        (4) the support worker has been continuously enrolled with the former CFSS  
310.14        agency-provider or FMS contractor since the support worker's last background study  
310.15        was completed; and

310.16        (5) the support worker continues to meet requirements of subdivision 16, excluding  
310.17        paragraph (a), clause (1).

310.18        Sec. 18. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 17,  
310.19        is amended to read:

310.20        **Subd. 17. Support specialist requirements and payments** **Consultation services**  
310.21        **description and duties.** The commissioner shall develop qualifications, scope of  
310.22        functions, and payment rates and service limits for a support specialist that may provide  
310.23        additional or specialized assistance necessary to plan, implement, arrange, augment, or  
310.24        evaluate services and supports.

310.25        (a) Consultation services means providing assistance to the participant in making  
310.26        informed choices regarding CFSS services in general, and self-directed tasks in particular,  
310.27        and in developing a person-centered service delivery plan to achieve quality service  
310.28        outcomes.

310.29        (b) Consultation services is a required service that may include but is not limited to:  
310.30        (1) an initial and annual orientation to CFSS information and policies, including  
310.31        selecting a service model;

310.32        (2) assistance with the development, implementation, management, and evaluation  
310.33        of the person-centered service delivery plan;

310.34        (3) consultation on recruiting, selecting, training, managing, directing, evaluating,  
310.35        and supervising support workers;

311.1        (4) reviewing the use of and access to informal and community supports, goods, or  
311.2        resources;  
311.3        (5) assistance with fulfilling responsibilities and requirements of CFSS, including  
311.4        modifying service delivery plans and changing service models; and  
311.5        (6) assistance with accessing FMS contractors or agency-providers.  
311.6        (c) Duties of a consultation services provider shall include but are not limited to:  
311.7        (1) review and finalization of the CFSS service delivery plan by the consultation  
311.8        services provider organization;  
311.9        (2) distribution of copies of the final service delivery plan to the participant and  
311.10        to the agency-provider or FMS contractor, case manager/care coordinator, and other  
311.11        designated parties;  
311.12        (3) an evaluation of services upon receiving information from an FMS contractor  
311.13        indicating spending or participant employer concerns;  
311.14        (4) a semiannual review of services if the participant does not have a case  
311.15        manager/care coordinator and when the support worker is a paid parent of a minor  
311.16        participant or the participant's spouse;  
311.17        (5) collection and reporting of data as required by the department; and  
311.18        (6) providing the participant with a copy of the service-related rights under  
311.19        subdivision 20 at the start of consultation services.

311.20       Sec. 19. Minnesota Statutes 2013 Supplement, section 256B.85, is amended by adding  
311.21       a subdivision to read:

311.22       **Subd. 17a. Consultation service provider qualifications and requirements.**  
311.23       The commissioner shall develop the qualifications and requirements for providers of  
311.24       consultation services under subdivision 17. These providers must satisfy at least the  
311.25       following qualifications and requirements:  
311.26       (1) are under contract with the department;  
311.27       (2) are not the FMS contractor as defined in subdivision 2, paragraph (m), the  
311.28       CFSS or home and community-based services waiver agency-provider or vendor to the  
311.29       participant, or a lead agency;  
311.30       (3) meet the service standards as established by the commissioner;  
311.31       (4) employ lead professional staff with a minimum of three years of experience  
311.32       in providing support planning, support broker, or consultation services and consumer  
311.33       education to participants using a self-directed program using FMS under medical  
311.34       assistance;

312.1       (5) are knowledgeable about CFSS roles and responsibilities including those of the  
312.2       certified assessor, FMS contractor, agency-provider, and case manager/care coordinator;  
312.3       (6) comply with medical assistance provider requirements;  
312.4       (7) understand the CFSS program and its policies;  
312.5       (8) are knowledgeable about self-directed principles and the application of the  
312.6       person-centered planning process;  
312.7       (9) have general knowledge of the FMS contractor duties and participant  
312.8       employment model, including all applicable federal, state, and local laws and regulations  
312.9       regarding tax, labor, employment, and liability and workers' compensation coverage for  
312.10      household workers; and  
312.11      (10) have all employees, including lead professional staff, staff in management  
312.12      and supervisory positions, and owners of the agency who are active in the day-to-day  
312.13      management and operations of the agency, complete training as specified in the contract  
312.14      with the department.

312.15      Sec. 20. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 18,  
312.16      is amended to read:

312.17      **Subd. 18. Service unit and budget allocation requirements and limits.** (a) For the  
312.18      agency-provider model, services will be authorized in units of service. The total service  
312.19      unit amount must be established based upon the assessed need for CFSS services, and must  
312.20      not exceed the maximum number of units available as determined under subdivision 8.  
312.21      (b) For the budget model, the service budget allocation allowed for services and  
312.22      supports is established by multiplying the number of units authorized under subdivision 8  
312.23      by the payment rate established by the commissioner defined in subdivision 8, paragraph  
312.24      (g).

312.25      Sec. 21. Minnesota Statutes 2013 Supplement, section 256B.85, is amended by adding  
312.26      a subdivision to read:

312.27      **Subd. 18a. Worker training and development services.** (a) The commissioner  
312.28      shall develop the scope of tasks and functions, service standards, and service limits for  
312.29      worker training and development services.

312.30      (b) Worker training and development services are in addition to the participant's  
312.31      assessed service units or service budget. Services provided according to this subdivision  
312.32      must:

313.1        (1) help support workers obtain and expand the skills and knowledge necessary to  
313.2        ensure competency in providing quality services as needed and defined in the participant's  
313.3        service delivery plan;

313.4        (2) be provided or arranged for by the agency-provider under subdivision 11 or  
313.5        purchased by the participant employer under the budget model under subdivision 13; and  
313.6        (3) be described in the participant's CFSS service delivery plan and documented in  
313.7        the participant's file.

313.8        (c) Services covered under worker training and development shall include:  
313.9        (1) support worker training on the participant's individual assessed needs, condition,  
313.10        or both, provided individually or in a group setting by a skilled and knowledgeable trainer  
313.11        beyond any training the participant or participant's representative provides;  
313.12        (2) tuition for professional classes and workshops for the participant's support  
313.13        workers that relate to the participant's assessed needs, condition, or both;  
313.14        (3) direct observation, monitoring, coaching, and documentation of support worker  
313.15        job skills and tasks, beyond any training the participant or participant's representative  
313.16        provides, including supervision of health-related tasks or behavioral supports that is  
313.17        conducted by an appropriate professional based on the participant's assessed needs.  
313.18        These services must be provided within 14 days of the start of services or the start of a  
313.19        new support worker except as provided in paragraph (d) and must be specified in the  
313.20        participant's service delivery plan; and

313.21        (4) reporting service and support concerns to the appropriate provider.  
313.22        (d) The services in paragraph (c), clause (3), are not required to be provided for a  
313.23        new support worker providing services for a participant due to staffing failures, unless the  
313.24        support worker is expected to provide ongoing backup staffing coverage.

313.25        (e) Worker training and development services shall not include:  
313.26        (1) general agency training, worker orientation, or training on CFSS self-directed  
313.27        models;  
313.28        (2) payment for preparation or development time for the trainer or presenter;  
313.29        (3) payment of the support worker's salary or compensation during the training;  
313.30        (4) training or supervision provided by the participant, the participant's support  
313.31        worker, or the participant's informal supports, including the participant's representative; or  
313.32        (5) services in excess of 96 units per annual service authorization, unless approved  
313.33        by the department.

313.34        Sec. 22. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 23,  
313.35        is amended to read:

314.1       Subd. 23. **Commissioner's access.** When the commissioner is investigating a  
314.2 possible overpayment of Medicaid funds, the commissioner must be given immediate  
314.3 access without prior notice to the ~~agency provider~~ agency-provider or FMS contractor's  
314.4 office during regular business hours and to documentation and records related to services  
314.5 provided and submission of claims for services provided. Denying the commissioner  
314.6 access to records is cause for immediate suspension of payment and terminating the agency  
314.7 provider's enrollment according to section 256B.064 or terminating the FMS contract.

314.8       Sec. 23. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 24,  
314.9 is amended to read:

314.10       Subd. 24. **CFSS agency-providers; background studies.** CFSS agency-providers  
314.11 enrolled to provide ~~personal care assistance~~ CFSS services under the medical assistance  
314.12 program shall comply with the following:

314.13       (1) owners who have a five percent interest or more and all managing employees  
314.14 are subject to a background study as provided in chapter 245C. This applies to currently  
314.15 enrolled CFSS agency-providers and those agencies seeking enrollment as a CFSS  
314.16 agency-provider. "Managing employee" has the same meaning as Code of Federal  
314.17 Regulations, title 42, section 455. An organization is barred from enrollment if:

314.18       (i) the organization has not initiated background studies on owners managing  
314.19 employees; or

314.20       (ii) the organization has initiated background studies on owners and managing  
314.21 employees, but the commissioner has sent the organization a notice that an owner or  
314.22 managing employee of the organization has been disqualified under section 245C.14, and  
314.23 the owner or managing employee has not received a set-aside of the disqualification  
314.24 under section 245C.22;

314.25       (2) a background study must be initiated and completed for all ~~support specialists~~  
314.26 staff who will have direct contact with the participant to provide worker training and  
314.27 development; and

314.28       (3) a background study must be initiated and completed for all support workers.

314.29       Sec. 24. Laws 2013, chapter 108, article 7, section 49, the effective date, is amended to  
314.30 read:

314.31       **EFFECTIVE DATE.** This section is effective upon federal approval but no earlier  
314.32 than April 1, 2014. The service will begin 90 days after federal approval ~~or April 1,~~  
314.33 ~~2014, whichever is later.~~ The commissioner of human services shall notify the revisor of  
314.34 statutes when this occurs.

**ARTICLE 18****CONTINUING CARE**

Section 1. Minnesota Statutes 2012, section 13.46, subdivision 4, is amended to read:

**Subd. 4. Licensing data.** (a) As used in this subdivision:

(1) "licensing data" are all data collected, maintained, used, or disseminated by the welfare system pertaining to persons licensed or registered or who apply for licensure or registration or who formerly were licensed or registered under the authority of the commissioner of human services;

(2) "client" means a person who is receiving services from a licensee or from an applicant for licensure; and

(3) "personal and personal financial data" are Social Security numbers, identity of and letters of reference, insurance information, reports from the Bureau of Criminal Apprehension, health examination reports, and social/home studies.

(b)(1)(i) Except as provided in paragraph (c), the following data on applicants, license holders, and former licensees are public: name, address, telephone number of licensees, date of receipt of a completed application, dates of licensure, licensed capacity, type of client preferred, variances granted, record of training and education in child care and child development, type of dwelling, name and relationship of other family members, previous license history, class of license, the existence and status of complaints, and the number of serious injuries to or deaths of individuals in the licensed program as reported to the commissioner of human services, the local social services agency, or any other county welfare agency. For purposes of this clause, a serious injury is one that is treated by a physician.

(ii) When a correction order, an order to forfeit a fine, an order of license suspension, an order of temporary immediate suspension, an order of license revocation, an order of license denial, or an order of conditional license has been issued, or a complaint is resolved, the following data on current and former licensees and applicants are public: the substance and investigative findings of the licensing or maltreatment complaint, licensing violation, or substantiated maltreatment; the record of informal resolution of a licensing violation; orders of hearing; findings of fact; conclusions of law; specifications of the final correction order, fine, suspension, temporary immediate suspension, revocation, denial, or conditional license contained in the record of licensing action; whether a fine has been paid; and the status of any appeal of these actions.

(iii) When a license denial under section 245A.05 or a sanction under section 245A.07 is based on a determination that the license holder or applicant is responsible for

316.1 maltreatment under section 626.556 or 626.557, the identity of the applicant or license  
316.2 holder as the individual responsible for maltreatment is public data at the time of the  
316.3 issuance of the license denial or sanction.

316.4 (iv) When a license denial under section 245A.05 or a sanction under section  
316.5 245A.07 is based on a determination that the license holder or applicant is disqualified  
316.6 under chapter 245C, the identity of the license holder or applicant as the disqualified  
316.7 individual and the reason for the disqualification are public data at the time of the  
316.8 issuance of the licensing sanction or denial. If the applicant or license holder requests  
316.9 reconsideration of the disqualification and the disqualification is affirmed, the reason for  
316.10 the disqualification and the reason to not set aside the disqualification are public data.

316.11 (2) Notwithstanding sections 626.556, subdivision 11, and 626.557, subdivision 12b,  
316.12 when any person subject to disqualification under section 245C.14 in connection with a  
316.13 license to provide family day care for children, child care center services, foster care for  
316.14 children in the provider's home, or foster care or day care services for adults in the provider's  
316.15 home is a substantiated perpetrator of maltreatment, and the substantiated maltreatment is  
316.16 a reason for a licensing action, the identity of the substantiated perpetrator of maltreatment  
316.17 is public data. For purposes of this clause, a person is a substantiated perpetrator if the  
316.18 maltreatment determination has been upheld under section 256.045; 626.556, subdivision  
316.19 10i; 626.557, subdivision 9d; or chapter 14, or if an individual or facility has not timely  
316.20 exercised appeal rights under these sections, except as provided under clause (1).

316.21 (3) For applicants who withdraw their application prior to licensure or denial of a  
316.22 license, the following data are public: the name of the applicant, the city and county in  
316.23 which the applicant was seeking licensure, the dates of the commissioner's receipt of the  
316.24 initial application and completed application, the type of license sought, and the date  
316.25 of withdrawal of the application.

316.26 (4) For applicants who are denied a license, the following data are public: the name  
316.27 and address of the applicant, the city and county in which the applicant was seeking  
316.28 licensure, the dates of the commissioner's receipt of the initial application and completed  
316.29 application, the type of license sought, the date of denial of the application, the nature of  
316.30 the basis for the denial, the record of informal resolution of a denial, orders of hearings,  
316.31 findings of fact, conclusions of law, specifications of the final order of denial, and the  
316.32 status of any appeal of the denial.

316.33 (5) The following data on persons subject to disqualification under section 245C.14 in  
316.34 connection with a license to provide family day care for children, child care center services,  
316.35 foster care for children in the provider's home, or foster care or day care services for adults  
316.36 in the provider's home, are public: the nature of any disqualification set aside under section

317.1       245C.22, subdivisions 2 and 4, and the reasons for setting aside the disqualification; the  
317.2       nature of any disqualification for which a variance was granted under sections 245A.04,  
317.3       subdivision 9; and 245C.30, and the reasons for granting any variance under section  
317.4       245A.04, subdivision 9; and, if applicable, the disclosure that any person subject to  
317.5       a background study under section 245C.03, subdivision 1, has successfully passed a  
317.6       background study. If a licensing sanction under section 245A.07, or a license denial under  
317.7       section 245A.05, is based on a determination that an individual subject to disqualification  
317.8       under chapter 245C is disqualified, the disqualification as a basis for the licensing sanction  
317.9       or denial is public data. As specified in clause (1), item (iv), if the disqualified individual  
317.10      is the license holder or applicant, the identity of the license holder or applicant and the  
317.11      reason for the disqualification are public data; and, if the license holder or applicant  
317.12      requested reconsideration of the disqualification and the disqualification is affirmed, the  
317.13      reason for the disqualification and the reason to not set aside the disqualification are  
317.14      public data. If the disqualified individual is an individual other than the license holder or  
317.15      applicant, the identity of the disqualified individual shall remain private data.

317.16       (6) When maltreatment is substantiated under section 626.556 or 626.557 and the  
317.17       victim and the substantiated perpetrator are affiliated with a program licensed under  
317.18       chapter 245A, the commissioner of human services, local social services agency, or  
317.19       county welfare agency may inform the license holder where the maltreatment occurred of  
317.20       the identity of the substantiated perpetrator and the victim.

317.21       (7) Notwithstanding clause (1), for child foster care, only the name of the license  
317.22       holder and the status of the license are public if the county attorney has requested that data  
317.23       otherwise classified as public data under clause (1) be considered private data based on the  
317.24       best interests of a child in placement in a licensed program.

317.25       (c) The following are private data on individuals under section 13.02, subdivision  
317.26       12, or nonpublic data under section 13.02, subdivision 9: personal and personal financial  
317.27       data on family day care program and family foster care program applicants and licensees  
317.28       and their family members who provide services under the license.

317.29       (d) The following are private data on individuals: the identity of persons who have  
317.30       made reports concerning licensees or applicants that appear in inactive investigative data,  
317.31       and the records of clients or employees of the licensee or applicant for licensure whose  
317.32       records are received by the licensing agency for purposes of review or in anticipation of a  
317.33       contested matter. The names of reporters of complaints or alleged violations of licensing  
317.34       standards under chapters 245A, 245B, 245C, and 245D, and applicable rules and alleged  
317.35       maltreatment under sections 626.556 and 626.557, are confidential data and may be  
317.36       disclosed only as provided in section 626.556, subdivision 11, or 626.557, subdivision 12b.

318.1       (e) Data classified as private, confidential, nonpublic, or protected nonpublic under  
318.2 this subdivision become public data if submitted to a court or administrative law judge as  
318.3 part of a disciplinary proceeding in which there is a public hearing concerning a license  
318.4 which has been suspended, immediately suspended, revoked, or denied.

318.5       (f) Data generated in the course of licensing investigations that relate to an alleged  
318.6 violation of law are investigative data under subdivision 3.

318.7       (g) Data that are not public data collected, maintained, used, or disseminated under  
318.8 this subdivision that relate to or are derived from a report as defined in section 626.556,  
318.9 subdivision 2, or 626.5572, subdivision 18, are subject to the destruction provisions of  
318.10 sections 626.556, subdivision 11c, and 626.557, subdivision 12b.

318.11       (h) Upon request, not public data collected, maintained, used, or disseminated under  
318.12 this subdivision that relate to or are derived from a report of substantiated maltreatment as  
318.13 defined in section 626.556 or 626.557 may be exchanged with the Department of Health  
318.14 for purposes of completing background studies pursuant to section 144.057 and with  
318.15 the Department of Corrections for purposes of completing background studies pursuant  
318.16 to section 241.021.

318.17       (i) Data on individuals collected according to licensing activities under chapters  
318.18 245A and 245C, data on individuals collected by the commissioner of human services  
318.19 according to investigations under chapters 245A, 245B, and 245C, and 245D, and  
318.20 sections 626.556 and 626.557 may be shared with the Department of Human Rights, the  
318.21 Department of Health, the Department of Corrections, the ombudsman for mental health  
318.22 and developmental disabilities, and the individual's professional regulatory board when  
318.23 there is reason to believe that laws or standards under the jurisdiction of those agencies may  
318.24 have been violated or the information may otherwise be relevant to the board's regulatory  
318.25 jurisdiction. Background study data on an individual who is the subject of a background  
318.26 study under chapter 245C for a licensed service for which the commissioner of human  
318.27 services is the license holder may be shared with the commissioner and the commissioner's  
318.28 delegate by the licensing division. Unless otherwise specified in this chapter, the identity  
318.29 of a reporter of alleged maltreatment or licensing violations may not be disclosed.

318.30       (j) In addition to the notice of determinations required under section 626.556,  
318.31 subdivision 10f, if the commissioner or the local social services agency has determined  
318.32 that an individual is a substantiated perpetrator of maltreatment of a child based on sexual  
318.33 abuse, as defined in section 626.556, subdivision 2, and the commissioner or local social  
318.34 services agency knows that the individual is a person responsible for a child's care in  
318.35 another facility, the commissioner or local social services agency shall notify the head  
318.36 of that facility of this determination. The notification must include an explanation of the

319.1 individual's available appeal rights and the status of any appeal. If a notice is given under  
319.2 this paragraph, the government entity making the notification shall provide a copy of the  
319.3 notice to the individual who is the subject of the notice.

319.4 (k) All not public data collected, maintained, used, or disseminated under this  
319.5 subdivision and subdivision 3 may be exchanged between the Department of Human  
319.6 Services, Licensing Division, and the Department of Corrections for purposes of  
319.7 regulating services for which the Department of Human Services and the Department  
319.8 of Corrections have regulatory authority.

319.9 Sec. 2. Minnesota Statutes 2012, section 144A.073, is amended by adding a  
319.10 subdivision to read:

319.11 Subd. 14. **Moratorium exception funding.** In fiscal year 2015, the commissioner  
319.12 of health may approve moratorium exception projects under this section for which the full  
319.13 annualized state share of medical assistance costs does not exceed \$1,000,000.

319.14 Sec. 3. Minnesota Statutes 2012, section 144A.33, subdivision 2, is amended to read:

319.15 Subd. 2. **Providing educational services.** The Minnesota Board on Aging shall  
319.16 provide a grant-in-aid to a statewide, independent, nonprofit, consumer-sponsored agency  
319.17 to provide educational services to councils.

319.18 Sec. 4. Minnesota Statutes 2013 Supplement, section 245.8251, is amended to read:

319.19 **245.8251 POSITIVE SUPPORT STRATEGIES AND EMERGENCY**  
319.20 **MANUAL RESTRAINT; LICENSED FACILITIES AND PROGRAMS.**

319.21 Subdivision 1. Rules governing the use of positive support strategies and  
319.22 restricting or prohibiting restrictive interventions. The commissioner of human  
319.23 services shall, within 24 months of May 23, 2013 by August 31, 2015, adopt rules  
319.24 governing the use of positive support strategies, safety interventions, and emergency use  
319.25 of manual restraint, and restricting or prohibiting the use of restrictive interventions, in  
319.26 all facilities and services licensed under chapter 245D-, and in all licensed facilities and  
319.27 licensed services serving persons with a developmental disability or related condition.  
319.28 For the purposes of this section, "developmental disability or related condition" has the  
319.29 meaning given in Minnesota Rules, part 9525.0016, subpart 2, items A to E.

319.30 Subd. 2. **Data collection.** (a) The commissioner shall, with stakeholder input,  
319.31 develop identify data collection elements specific to incidents of emergency use of  
319.32 manual restraint and positive support transition plans for persons receiving services from  
319.33 providers governed licensed facilities and licensed services under chapter 245D and in

320.1 licensed facilities and licensed services serving persons with a developmental disability  
320.2 or related condition as defined in Minnesota Rules, part 9525.0016, subpart 2, effective  
320.3 January 1, 2014. Providers Licensed facilities and licensed services shall report the data in  
320.4 a format and at a frequency determined by the commissioner of human services. Providers  
320.5 ~~shall submit the data~~ to the commissioner and the Office of the Ombudsman for Mental  
320.6 Health and Developmental Disabilities.

320.7 (b) Beginning July 1, 2013, providers licensed facilities and licensed services  
320.8 regulated under Minnesota Rules, parts 9525.2700 to 9525.2810, shall submit data  
320.9 regarding the use of all controlled procedures identified in Minnesota Rules, part  
320.10 9525.2740, in a format and at a frequency determined by the commissioner. Providers  
320.11 ~~shall submit the data~~ to the commissioner and the Office of the Ombudsman for Mental  
320.12 Health and Developmental Disabilities.

320.13 Subd. 3. External program review committee. Rules adopted according to this  
320.14 section shall establish requirements for an external program review committee appointed by  
320.15 the commissioner to monitor the implementation of the rules and make recommendations  
320.16 to the commissioner about any needed policy changes after adoption of the rules.

320.17 Subd. 4. Interim review panel. (a) The commissioner shall establish an interim  
320.18 review panel by August 15, 2014, for the purpose of reviewing requests for emergency  
320.19 use of procedures that have been part of an approved positive support transition plan  
320.20 when necessary to protect a person from imminent risk of serious injury as defined in  
320.21 section 245.91, subdivision 6, due to self-injurious behavior. The panel must make  
320.22 recommendations to the commissioner to approve or deny these requests based on criteria  
320.23 to be established by the interim review panel. The interim review panel shall operate until  
320.24 the external program review committee is established as required under subdivision 3.

320.25 (b) Members of the interim review panel shall be selected based on their expertise  
320.26 and knowledge related to the use of positive support strategies as alternatives to the use  
320.27 of restrictive interventions. The commissioner shall seek input and recommendations in  
320.28 establishing the interim review panel. Members of the interim review panel shall include  
320.29 the following representatives:

320.30 (1) an expert in positive supports;  
320.31 (2) a mental health professional, as defined in section 245.462;  
320.32 (3) a licensed health professional as defined in section 245D.02, subdivision 14; and  
320.33 (4) a representative of the Department of Health.

320.34 Sec. 5. Minnesota Statutes 2013 Supplement, section 245A.03, subdivision 7, is  
320.35 amended to read:

321.1       **Subd. 7. Licensing moratorium.** (a) The commissioner shall not issue an initial  
321.2 license for child foster care licensed under Minnesota Rules, parts 2960.3000 to 2960.3340,  
321.3 or adult foster care licensed under Minnesota Rules, parts 9555.5105 to 9555.6265, under  
321.4 this chapter for a physical location that will not be the primary residence of the license  
321.5 holder for the entire period of licensure. If a license is issued during this moratorium, and  
321.6 the license holder changes the license holder's primary residence away from the physical  
321.7 location of the foster care license, the commissioner shall revoke the license according  
321.8 to section 245A.07. The commissioner shall not issue an initial license for a community  
321.9 residential setting licensed under chapter 245D. Exceptions to the moratorium include:

321.10       (1) foster care settings that are required to be registered under chapter 144D;

321.11       (2) foster care licenses replacing foster care licenses in existence on May 15, 2009, or  
321.12 community residential setting licenses replacing adult foster care licenses in existence on  
321.13 December 31, 2013, and determined to be needed by the commissioner under paragraph (b);

321.14       (3) new foster care licenses or community residential setting licenses determined to  
321.15 be needed by the commissioner under paragraph (b) for the closure of a nursing facility,  
321.16 ICF/DD, or regional treatment center; restructuring of state-operated services that limits  
321.17 the capacity of state-operated facilities; or allowing movement to the community for  
321.18 people who no longer require the level of care provided in state-operated facilities as  
321.19 provided under section 256B.092, subdivision 13, or 256B.49, subdivision 24;

321.20       (4) new foster care licenses or community residential setting licenses determined  
321.21 to be needed by the commissioner under paragraph (b) for persons requiring hospital  
321.22 level care; or

321.23       (5) new foster care licenses or community residential setting licenses determined to  
321.24 be needed by the commissioner for the transition of people from personal care assistance  
321.25 to the home and community-based services.

321.26       (b) The commissioner shall determine the need for newly licensed foster care  
321.27 homes or community residential settings as defined under this subdivision. As part of the  
321.28 determination, the commissioner shall consider the availability of foster care capacity in  
321.29 the area in which the licensee seeks to operate, and the recommendation of the local  
321.30 county board. The determination by the commissioner must be final. A determination of  
321.31 need is not required for a change in ownership at the same address.

321.32       (c) When an adult resident served by the program moves out of a foster home that is  
321.33 not the primary residence of the license holder according to section 256B.49, subdivision  
321.34 15, paragraph (f), or the adult community residential setting, the county shall immediately  
321.35 inform the Department of Human Services Licensing Division. The department shall  
321.36 decrease the statewide licensed capacity for adult foster care settings where the physical

322.1 location is not the primary residence of the license holder, or for adult community  
322.2 residential settings, if the voluntary changes described in paragraph (e) are not sufficient to  
322.3 meet the savings required by reductions in licensed bed capacity under Laws 2011, First  
322.4 Special Session chapter 9, article 7, sections 1 and 40, paragraph (f), and maintain statewide  
322.5 long-term care residential services capacity within budgetary limits. Implementation of  
322.6 the statewide licensed capacity reduction shall begin on July 1, 2013. The commissioner  
322.7 shall delicense up to 128 beds by June 30, 2014, using the needs determination process.  
322.8 Prior to any involuntary reduction of licensed capacity, the commissioner shall consult  
322.9 with lead agencies and license holders to determine which adult foster care settings, where  
322.10 the physical location is not the primary residence of the license holder, or community  
322.11 residential settings, are licensed for up to five beds, but have operated at less than full  
322.12 capacity for 12 or more months as of March 1, 2014. The settings that meet these criteria  
322.13 must be the first to be considered for an involuntary decrease in statewide licensed capacity,  
322.14 up to a maximum of 35 beds. If more than 35 beds are identified that meet these criteria, the  
322.15 commissioner shall prioritize the selection of those beds to be closed based on the length  
322.16 of time the beds have been vacant. The longer a bed has been vacant, the higher priority  
322.17 it must be given for closure. Under this paragraph, the commissioner has the authority  
322.18 to reduce unused licensed capacity of a current foster care program, or the community  
322.19 residential settings, to accomplish the consolidation or closure of settings. Under this  
322.20 paragraph, the commissioner has the authority to manage statewide capacity, including  
322.21 adjusting the capacity available to each county and adjusting statewide available capacity,  
322.22 to meet the statewide needs identified through the process in paragraph (e). A decreased  
322.23 licensed capacity according to this paragraph is not subject to appeal under this chapter.

322.24 (d) Residential settings that would otherwise be subject to the decreased license  
322.25 capacity established in paragraph (c) shall be exempt under the following circumstances:

322.26 (1) until August 1, 2013, the license holder's beds occupied by residents whose

322.27 primary diagnosis is mental illness and the license holder is:

322.28 (i) a provider of assertive community treatment (ACT) or adult rehabilitative mental  
322.29 health services (ARMHS) as defined in section 256B.0623;

322.30 (ii) a mental health center certified under Minnesota Rules, parts 9520.0750 to  
322.31 9520.0870;

322.32 (iii) a mental health clinic certified under Minnesota Rules, parts 9520.0750 to  
322.33 9520.0870; or

322.34 (iv) a provider of intensive residential treatment services (IRTS) licensed under  
322.35 Minnesota Rules, parts 9520.0500 to 9520.0670; or

323.1       (2) the license holder's beds occupied by residents whose primary diagnosis is  
323.2 mental illness and the license holder is certified under the requirements in subdivision 6a  
323.3 or section 245D.33.

323.4       (e) A resource need determination process, managed at the state level, using the  
323.5 available reports required by section 144A.351, and other data and information shall  
323.6 be used to determine where the reduced capacity required under paragraph (c) will be  
323.7 implemented. The commissioner shall consult with the stakeholders described in section  
323.8 144A.351, and employ a variety of methods to improve the state's capacity to meet  
323.9 long-term care service needs within budgetary limits, including seeking proposals from  
323.10 service providers or lead agencies to change service type, capacity, or location to improve  
323.11 services, increase the independence of residents, and better meet needs identified by the  
323.12 long-term care services reports and statewide data and information. By February 1, 2013,  
323.13 and August 1, 2014, and each following year, the commissioner shall provide information  
323.14 and data on the overall capacity of licensed long-term care services, actions taken under  
323.15 this subdivision to manage statewide long-term care services and supports resources, and  
323.16 any recommendations for change to the legislative committees with jurisdiction over  
323.17 health and human services budget.

323.18       (f) At the time of application and reapplication for licensure, the applicant and the  
323.19 license holder that are subject to the moratorium or an exclusion established in paragraph  
323.20 (a) are required to inform the commissioner whether the physical location where the foster  
323.21 care will be provided is or will be the primary residence of the license holder for the entire  
323.22 period of licensure. If the primary residence of the applicant or license holder changes, the  
323.23 applicant or license holder must notify the commissioner immediately. The commissioner  
323.24 shall print on the foster care license certificate whether or not the physical location is the  
323.25 primary residence of the license holder.

323.26       (g) License holders of foster care homes identified under paragraph (f) that are not  
323.27 the primary residence of the license holder and that also provide services in the foster care  
323.28 home that are covered by a federally approved home and community-based services  
323.29 waiver, as authorized under section 256B.0915, 256B.092, or 256B.49, must inform the  
323.30 human services licensing division that the license holder provides or intends to provide  
323.31 these waiver-funded services.

323.32       Sec. 6. Minnesota Statutes 2013 Supplement, section 245A.042, subdivision 3, is  
323.33 amended to read:

323.34       **Subd. 3. Implementation.** (a) The commissioner shall implement the  
323.35 responsibilities of this chapter according to the timelines in paragraphs (b) and (c)

324.1 only within the limits of available appropriations or other administrative cost recovery  
324.2 methodology.

324.3 (b) The licensure of home and community-based services according to this section  
324.4 shall be implemented January 1, 2014. License applications shall be received and  
324.5 processed on a phased-in schedule as determined by the commissioner beginning July  
324.6 1, 2013. Licenses will be issued thereafter upon the commissioner's determination that  
324.7 the application is complete according to section 245A.04.

324.8 (c) Within the limits of available appropriations or other administrative cost recovery  
324.9 methodology, implementation of compliance monitoring must be phased in after January  
324.10 1, 2014.

324.11 (1) Applicants who do not currently hold a license issued under chapter 245B must  
324.12 receive an initial compliance monitoring visit after 12 months of the effective date of the  
324.13 initial license for the purpose of providing technical assistance on how to achieve and  
324.14 maintain compliance with the applicable law or rules governing the provision of home and  
324.15 community-based services under chapter 245D. If during the review the commissioner  
324.16 finds that the license holder has failed to achieve compliance with an applicable law or  
324.17 rule and this failure does not imminently endanger the health, safety, or rights of the  
324.18 persons served by the program, the commissioner may issue a licensing review report with  
324.19 recommendations for achieving and maintaining compliance.

324.20 (2) Applicants who do currently hold a license issued under this chapter must receive  
324.21 a compliance monitoring visit after 24 months of the effective date of the initial license.

324.22 (d) Nothing in this subdivision shall be construed to limit the commissioner's  
324.23 authority to suspend or revoke a license or issue a fine at any time under section 245A.07,  
324.24 or issue correction orders and make a license conditional for failure to comply with  
324.25 applicable laws or rules under section 245A.06, based on the nature, chronicity, or severity  
324.26 of the violation of law or rule and the effect of the violation on the health, safety, or  
324.27 rights of persons served by the program.

324.28 (e) License holders governed under chapter 245D must ensure compliance with the  
324.29 following requirements within the stated timelines:

324.30 (1) service initiation and service planning requirements must be met at the next  
324.31 annual meeting of the person's support team or by January 1, 2015, whichever is later,  
324.32 for the following:

324.33 (i) provision of a written notice that identifies the service recipient rights and an  
324.34 explanation of those rights as required under section 245D.04, subdivision 1;

324.35 (ii) service planning for basic support services as required under section 245D.07,  
324.36 subdivision 2; and

325.1        (iii) service planning for intensive support services under section 245D.071,  
325.2        subdivisions 3 and 4;  
325.3        (2) staff orientation to program requirements as required under section 245D.09,  
325.4        subdivision 4, for staff hired before January 1, 2014, must be met by January 1, 2015.  
325.5        The license holder may otherwise provide documentation verifying these requirements  
325.6        were met before January 1, 2014;  
325.7        (3) development of policy and procedures as required under section 245D.11, must  
325.8        be completed no later than August 31, 2014;  
325.9        (4) written or electronic notice and copies of policies and procedures must be  
325.10      provided to all persons or their legal representatives and case managers as required under  
325.11      section 245D.10, subdivision 4, paragraphs (b) and (c), by September 15, 2014, or within  
325.12      30 days of development of the required policies and procedures, whichever is earlier; and  
325.13      (5) all employees must be informed of the revisions and training must be provided on  
325.14      implementation of the revised policies and procedures as required under section 245D.10,  
325.15      subdivision 4, paragraph (d), by September 15, 2014, or within 30 days of development of  
325.16      the required policies and procedures, whichever is earlier.

325.17      Sec. 7. Minnesota Statutes 2013 Supplement, section 245A.16, subdivision 1, is  
325.18      amended to read:

325.19        Subdivision 1. **Delegation of authority to agencies.** (a) County agencies and  
325.20      private agencies that have been designated or licensed by the commissioner to perform  
325.21      licensing functions and activities under section 245A.04 and background studies for family  
325.22      child care under chapter 245C; to recommend denial of applicants under section 245A.05;  
325.23      to issue correction orders, to issue variances, and recommend a conditional license under  
325.24      section 245A.06, or to recommend suspending or revoking a license or issuing a fine under  
325.25      section 245A.07, shall comply with rules and directives of the commissioner governing  
325.26      those functions and with this section. The following variances are excluded from the  
325.27      delegation of variance authority and may be issued only by the commissioner:

325.28        (1) dual licensure of family child care and child foster care, dual licensure of child  
325.29      and adult foster care, and adult foster care and family child care;  
325.30        (2) adult foster care maximum capacity;  
325.31        (3) adult foster care minimum age requirement;  
325.32        (4) child foster care maximum age requirement;  
325.33        (5) variances regarding disqualified individuals except that county agencies may  
325.34      issue variances under section 245C.30 regarding disqualified individuals when the county  
325.35      is responsible for conducting a consolidated reconsideration according to sections 245C.25

326.1 and 245C.27, subdivision 2, clauses (a) and (b), of a county maltreatment determination  
326.2 and a disqualification based on serious or recurring maltreatment;

326.3 (6) the required presence of a caregiver in the adult foster care residence during  
326.4 normal sleeping hours; and

326.5 (7) variances for community residential setting licenses under chapter 245D.

326.6 Except as provided in section 245A.14, subdivision 4, paragraph (e), a county agency  
326.7 must not grant a license holder a variance to exceed the maximum allowable family child  
326.8 care license capacity of 14 children.

326.9 (b) County agencies must report information about disqualification reconsiderations  
326.10 under sections 245C.25 and 245C.27, subdivision 2, paragraphs (a) and (b), and variances  
326.11 granted under paragraph (a), clause (5), to the commissioner at least monthly in a format  
326.12 prescribed by the commissioner.

326.13 (c) For family day care programs, the commissioner may authorize licensing reviews  
326.14 every two years after a licensee has had at least one annual review.

326.15 (d) For family adult day services programs, the commissioner may authorize  
326.16 licensing reviews every two years after a licensee has had at least one annual review.

326.17 (e) A license issued under this section may be issued for up to two years.

326.18 (f) During implementation of chapter 245D, the commissioner shall consider:

326.19 (1) the role of counties in quality assurance;

326.20 (2) the duties of county licensing staff; and

326.21 (3) the possible use of joint powers agreements, according to section 471.59, with  
326.22 counties through which some licensing duties under chapter 245D may be delegated by  
326.23 the commissioner to the counties.

326.24 Any consideration related to this paragraph must meet all of the requirements of the  
326.25 corrective action plan ordered by the federal Centers for Medicare and Medicaid Services.

326.26 (g) Licensing authority specific to section 245D.06, subdivisions 5, 6, 7, and 8, or  
326.27 successor provisions; and section 245D.061 or successor provisions, for family child  
326.28 foster care programs providing out-of-home respite, as identified in section 245D.03,  
326.29 subdivision 1, paragraph (b), clause (1), is excluded from the delegation of authority  
326.30 to county and private agencies.

326.31 Sec. 8. Minnesota Statutes 2013 Supplement, section 245D.02, subdivision 3, is  
326.32 amended to read:

326.33 Subd. 3. **Case manager.** "Case manager" means the individual designated  
326.34 to provide waiver case management services, care coordination, or long-term care  
326.35 consultation, as specified in sections 256B.0913, 256B.0915, 256B.092, and 256B.49,

327.1 or successor provisions. For purposes of this chapter, "case manager" includes case  
327.2 management services as defined in Minnesota Rules, part 9520.0902, subpart 3.

327.3 Sec. 9. Minnesota Statutes 2013 Supplement, section 245D.02, subdivision 4b, is  
327.4 amended to read:

327.5 Subd. 4b. **Coordinated service and support plan.** "Coordinated service and  
327.6 support plan" has the meaning given in sections 256B.0913, subdivision 8; 256B.0915,  
327.7 subdivision 6; 256B.092, subdivision 1b; and 256B.49, subdivision 15, or successor  
327.8 provisions. For purposes of this chapter, "coordinated service and support plan" includes  
327.9 the individual program plan or individual treatment plan as defined in Minnesota Rules,  
327.10 part 9520.0510, subpart 12.

327.11 Sec. 10. Minnesota Statutes 2013 Supplement, section 245D.02, subdivision 8b,  
327.12 is amended to read:

327.13 Subd. 8b. **Expanded support team.** "Expanded support team" means the members  
327.14 of the support team defined in subdivision 46 34 and a licensed health or mental health  
327.15 professional or other licensed, certified, or qualified professionals or consultants working  
327.16 with the person and included in the team at the request of the person or the person's legal  
327.17 representative.

327.18 Sec. 11. Minnesota Statutes 2013 Supplement, section 245D.02, subdivision 11,  
327.19 is amended to read:

327.20 Subd. 11. **Incident.** "Incident" means an occurrence which involves a person and  
327.21 requires the program to make a response that is not a part of the program's ordinary  
327.22 provision of services to that person, and includes:

- 327.23 (1) serious injury of a person as determined by section 245.91, subdivision 6;
- 327.24 (2) a person's death;
- 327.25 (3) any medical emergency, unexpected serious illness, or significant unexpected  
327.26 change in an illness or medical condition of a person that requires the program to call  
327.27 911, physician treatment, or hospitalization;
- 327.28 (4) any mental health crisis that requires the program to call 911 or, a mental  
327.29 health crisis intervention team, or a similar mental health response team or service when  
327.30 available and appropriate;
- 327.31 (5) an act or situation involving a person that requires the program to call 911,  
327.32 law enforcement, or the fire department;
- 327.33 (6) a person's unauthorized or unexplained absence from a program;

328.1       (7) conduct by a person receiving services against another person receiving services  
328.2       that:

328.3       (i) is so severe, pervasive, or objectively offensive that it substantially interferes with  
328.4       a person's opportunities to participate in or receive service or support;

328.5       (ii) places the person in actual and reasonable fear of harm;

328.6       (iii) places the person in actual and reasonable fear of damage to property of the  
328.7       person; or

328.8       (iv) substantially disrupts the orderly operation of the program;

328.9       (8) any sexual activity between persons receiving services involving force or  
328.10      coercion as defined under section 609.341, subdivisions 3 and 14;

328.11       (9) any emergency use of manual restraint as identified in section 245D.061or  
328.12      successor provisions; or

328.13       (10) a report of alleged or suspected child or vulnerable adult maltreatment under  
328.14      section 626.556 or 626.557.

328.15      Sec. 12. Minnesota Statutes 2013 Supplement, section 245D.02, subdivision 15b,  
328.16      is amended to read:

328.17       Subd. 15b. **Mechanical restraint.** (a) Except for devices worn by the person that  
328.18       trigger electronic alarms to warn staff that a person is leaving a room or area, which  
328.19       do not, in and of themselves, restrict freedom of movement, or the use of adaptive aids  
328.20       or equipment or orthotic devices ordered by a health care professional used to treat or  
328.21       manage a medical condition, "Mechanical restraint" means the use of devices, materials,  
328.22       or equipment attached or adjacent to the person's body, or the use of practices that are  
328.23       intended to restrict freedom of movement or normal access to one's body or body parts,  
328.24       or limits a person's voluntary movement or holds a person immobile as an intervention  
328.25       precipitated by a person's behavior. The term applies to the use of mechanical restraint  
328.26       used to prevent injury with persons who engage in self-injurious behaviors, such as  
328.27       head-banging, gouging, or other actions resulting in tissue damage that have caused or  
328.28       could cause medical problems resulting from the self-injury.

328.29       (b) Mechanical restraint does not include the following:

328.30       (1) devices worn by the person that trigger electronic alarms to warn staff that a  
328.31       person is leaving a room or area, which do not, in and of themselves, restrict freedom of  
328.32       movement; or

328.33       (2) the use of adaptive aids or equipment or orthotic devices ordered by a health care  
328.34       professional used to treat or manage a medical condition.

329.1        Sec. 13. Minnesota Statutes 2013 Supplement, section 245D.02, subdivision 29,  
329.2        is amended to read:

329.3        Subd. 29. **Seclusion.** "Seclusion" means the placement of a person alone in: (1)  
329.4        removing a person involuntarily to a room from which exit is prohibited by a staff person  
329.5        or a mechanism such as a lock, a device, or an object positioned to hold the door closed  
329.6        or otherwise prevent the person from leaving the room; or (2) otherwise involuntarily  
329.7        removing or separating a person from an area, activity, situation, or social contact with  
329.8        others and blocking or preventing the person's return.

329.9        Sec. 14. Minnesota Statutes 2013 Supplement, section 245D.02, subdivision 34,  
329.10        is amended to read:

329.11        Subd. 34. **Support team.** "Support team" means the service planning team  
329.12        identified in section 256B.49, subdivision 15, or; the interdisciplinary team identified in  
329.13        Minnesota Rules, part 9525.0004, subpart 14; or the case management team as defined in  
329.14        Minnesota Rules, part 9520.0902, subpart 6.

329.15        Sec. 15. Minnesota Statutes 2013 Supplement, section 245D.02, subdivision 34a,  
329.16        is amended to read:

329.17        Subd. 34a. **Time out.** "Time out" means removing a person involuntarily from an  
329.18        ongoing activity to a room, either locked or unlocked, or otherwise separating a person  
329.19        from others in a way that prevents social contact and prevents the person from leaving the  
329.20        situation if the person chooses the involuntary removal of a person for a period of time to  
329.21        a designated area from which the person is not prevented from leaving. For the purpose of  
329.22        this chapter, "time out" does not mean voluntary removal or self-removal for the purpose  
329.23        of calming, prevention of escalation, or de-escalation of behavior for a period of up to 15  
329.24        minutes. "Time out" does not include a person voluntarily moving from an ongoing activity  
329.25        to an unlocked room or otherwise separating from a situation or social contact with others  
329.26        if the person chooses. For the purposes of this definition, "voluntarily" means without  
329.27        being forced, compelled, or coerced; nor does it mean taking a brief "break" or "rest" from  
329.28        an activity for the purpose of providing the person an opportunity to regain self-control.

329.29        Sec. 16. Minnesota Statutes 2013 Supplement, section 245D.02, is amended by adding  
329.30        a subdivision to read:

329.31        Subd. 35b. **Unlicensed staff.** "Unlicensed staff" means individuals not otherwise  
329.32        licensed or certified by a governmental health board or agency.

330.1        Sec. 17. Minnesota Statutes 2013 Supplement, section 245D.03, subdivision 1, is  
330.2        amended to read:

330.3        Subdivision 1. **Applicability.** (a) The commissioner shall regulate the provision of  
330.4        home and community-based services to persons with disabilities and persons age 65 and  
330.5        older pursuant to this chapter. The licensing standards in this chapter govern the provision  
330.6        of basic support services and intensive support services.

330.7        (b) Basic support services provide the level of assistance, supervision, and care that  
330.8        is necessary to ensure the health and safety of the person and do not include services that  
330.9        are specifically directed toward the training, treatment, habilitation, or rehabilitation of  
330.10       the person. Basic support services include:

330.11        (1) in-home and out-of-home respite care services as defined in section 245A.02,  
330.12        subdivision 15, and under the brain injury, community alternative care, community  
330.13        alternatives for disabled individuals, developmental disability, and elderly waiver plans,  
330.14        excluding out-of-home respite care provided to children in a family child foster care home  
330.15        licensed under Minnesota Rules, parts 2960.3000 to 2960.3100, when the child foster care  
330.16        license holder complies with the requirements under section 245D.06, subdivisions 5, 6,  
330.17        7, and 8, or successor provisions; and section 245D.061 or successor provisions, which  
330.18        must be stipulated in the statement of intended use required under Minnesota Rules,  
330.19        part 2960.3000, subpart 4;

330.20        (2) adult companion services as defined under the brain injury, community  
330.21        alternatives for disabled individuals, and elderly waiver plans, excluding adult companion  
330.22        services provided under the Corporation for National and Community Services Senior  
330.23        Companion Program established under the Domestic Volunteer Service Act of 1973,  
330.24        Public Law 98-288;

330.25        (3) personal support as defined under the developmental disability waiver plan;

330.26        (4) 24-hour emergency assistance, personal emergency response as defined under the  
330.27        community alternatives for disabled individuals and developmental disability waiver plans;

330.28        (5) night supervision services as defined under the brain injury waiver plan; and

330.29        (6) homemaker services as defined under the community alternatives for disabled  
330.30        individuals, brain injury, community alternative care, developmental disability, and elderly  
330.31        waiver plans, excluding providers licensed by the Department of Health under chapter  
330.32        144A and those providers providing cleaning services only.

330.33        (c) Intensive support services provide assistance, supervision, and care that is  
330.34        necessary to ensure the health and safety of the person and services specifically directed  
330.35        toward the training, habilitation, or rehabilitation of the person. Intensive support services  
330.36        include:

- 331.1       (1) intervention services, including:
- 331.2           (i) behavioral support services as defined under the brain injury and community  
331.3 alternatives for disabled individuals waiver plans;
- 331.4           (ii) in-home or out-of-home crisis respite services as defined under the developmental  
331.5 disability waiver plan; and
- 331.6           (iii) specialist services as defined under the current developmental disability waiver  
331.7 plan;
- 331.8       (2) in-home support services, including:
- 331.9           (i) in-home family support and supported living services as defined under the  
331.10 developmental disability waiver plan;
- 331.11           (ii) independent living services training as defined under the brain injury and  
331.12 community alternatives for disabled individuals waiver plans; and
- 331.13           (iii) semi-independent living services;
- 331.14       (3) residential supports and services, including:
- 331.15           (i) supported living services as defined under the developmental disability waiver  
331.16 plan provided in a family or corporate child foster care residence, a family adult foster  
331.17 care residence, a community residential setting, or a supervised living facility;
- 331.18           (ii) foster care services as defined in the brain injury, community alternative care,  
331.19 and community alternatives for disabled individuals waiver plans provided in a family or  
331.20 corporate child foster care residence, a family adult foster care residence, or a community  
331.21 residential setting; and
- 331.22           (iii) residential services provided to more than four persons with developmental  
331.23 disabilities in a supervised living facility that is certified by the Department of Health as  
331.24 an ICF/DD, including ICFs/DD;
- 331.25       (4) day services, including:
- 331.26           (i) structured day services as defined under the brain injury waiver plan;
- 331.27           (ii) day training and habilitation services under sections 252.40 to 252.46, and as  
331.28 defined under the developmental disability waiver plan; and
- 331.29           (iii) prevocational services as defined under the brain injury and community  
331.30 alternatives for disabled individuals waiver plans; and
- 331.31       (5) supported employment as defined under the brain injury, developmental  
331.32 disability, and community alternatives for disabled individuals waiver plans.

331.33      Sec. 18. Minnesota Statutes 2013 Supplement, section 245D.03, is amended by adding  
331.34 a subdivision to read:

332.1        Subd. 1a. Effect. The home and community-based services standards establish  
332.2        health, safety, welfare, and rights protections for persons receiving services governed by  
332.3        this chapter. The standards recognize the diversity of persons receiving these services and  
332.4        require that these services are provided in a manner that meets each person's individual  
332.5        needs and ensures continuity in service planning, care, and coordination between the  
332.6        license holder and members of each person's support team or expanded support team.

332.7        Sec. 19. Minnesota Statutes 2013 Supplement, section 245D.03, subdivision 2, is  
332.8        amended to read:

332.9        **Subd. 2. Relationship to other standards governing home and community-based**  
332.10        **services.** (a) A license holder governed by this chapter is also subject to the licensure  
332.11        requirements under chapter 245A.

332.12        (b) ~~A corporate or family child foster care site controlled by a license holder and~~  
332.13        ~~providing services governed by this chapter is exempt from compliance with section~~  
332.14        ~~245D.04.~~ This exemption applies to foster care homes where at least one resident is  
332.15        ~~receiving residential supports and services licensed according to this chapter.~~ This chapter  
332.16        does not apply to corporate or family child foster care homes that do not provide services  
332.17        licensed under this chapter.

332.18        (c) A family adult foster care site controlled by a license holder and providing  
332.19        services governed by this chapter is exempt from compliance with Minnesota Rules,  
332.20        parts 9555.6185; 9555.6225, subpart 8; 9555.6245; 9555.6255; and 9555.6265. These  
332.21        exemptions apply to family adult foster care homes where at least one resident is receiving  
332.22        residential supports and services licensed according to this chapter. This chapter does  
332.23        not apply to family adult foster care homes that do not provide services licensed under  
332.24        this chapter.

332.25        (d) A license holder providing services licensed according to this chapter in a  
332.26        supervised living facility is exempt from compliance with sections section 245D.04;  
332.27        ~~245D.05, subdivision 2;~~ and ~~245D.06, subdivision 2,~~ clauses (1), (4), and (5).

332.28        (e) A license holder providing residential services to persons in an ICF/DD is exempt  
332.29        from compliance with sections 245D.04; 245D.05, subdivision 1b; 245D.06, subdivision  
332.30        2, clauses (4) and (5); 245D.071, subdivisions 4 and 5; 245D.081, subdivision 2; 245D.09,  
332.31        subdivision 7; 245D.095, subdivision 2; and 245D.11, subdivision 3.

332.32        (f) A license holder providing homemaker services licensed according to this chapter  
332.33        and registered according to chapter 144A is exempt from compliance with section 245D.04.

333.1       (g) Nothing in this chapter prohibits a license holder from concurrently serving  
333.2 persons without disabilities or people who are or are not age 65 and older, provided this  
333.3 chapter's standards are met as well as other relevant standards.

333.4       (h) The documentation required under sections 245D.07 and 245D.071 must meet  
333.5 the individual program plan requirements identified in section 256B.092 or successor  
333.6 provisions.

333.7       Sec. 20. Minnesota Statutes 2013 Supplement, section 245D.03, subdivision 3, is  
333.8 amended to read:

333.9       Subd. 3. **Variance.** If the conditions in section 245A.04, subdivision 9, are met,  
333.10 the commissioner may grant a variance to any of the requirements in this chapter, except  
333.11 sections 245D.04; 245D.06, subdivision 4, paragraph (b), and subdivision 6, or successor  
333.12 provisions; and 245D.061, subdivision 3, or provisions governing data practices and  
333.13 information rights of persons.

333.14       Sec. 21. Minnesota Statutes 2013 Supplement, section 245D.04, subdivision 3, is  
333.15 amended to read:

333.16       Subd. 3. **Protection-related rights.** (a) A person's protection-related rights include  
333.17 the right to:

333.18       (1) have personal, financial, service, health, and medical information kept private,  
333.19 and be advised of disclosure of this information by the license holder;

333.20       (2) access records and recorded information about the person in accordance with  
333.21 applicable state and federal law, regulation, or rule;

333.22       (3) be free from maltreatment;

333.23       (4) be free from restraint, time out, or seclusion, restrictive intervention, or other  
333.24 prohibited procedure identified in section 245D.06, subdivision 5, or successor provisions  
333.25 except for: (i) emergency use of manual restraint to protect the person from imminent  
333.26 danger to self or others according to the requirements in section 245D.06; 245D.061 or  
333.27 successor provisions; or (ii) the use of safety interventions as part of a positive support  
333.28 transition plan under section 245D.06, subdivision 8, or successor provisions;

333.29       (5) receive services in a clean and safe environment when the license holder is the  
333.30 owner, lessor, or tenant of the service site;

333.31       (6) be treated with courtesy and respect and receive respectful treatment of the  
333.32 person's property;

333.33       (7) reasonable observance of cultural and ethnic practice and religion;

- 334.1       (8) be free from bias and harassment regarding race, gender, age, disability,  
334.2 spirituality, and sexual orientation;
- 334.3       (9) be informed of and use the license holder's grievance policy and procedures,  
334.4 including knowing how to contact persons responsible for addressing problems and to  
334.5 appeal under section 256.045;
- 334.6       (10) know the name, telephone number, and the Web site, e-mail, and street  
334.7 addresses of protection and advocacy services, including the appropriate state-appointed  
334.8 ombudsman, and a brief description of how to file a complaint with these offices;
- 334.9       (11) assert these rights personally, or have them asserted by the person's family,  
334.10 authorized representative, or legal representative, without retaliation;
- 334.11       (12) give or withhold written informed consent to participate in any research or  
334.12 experimental treatment;
- 334.13       (13) associate with other persons of the person's choice;
- 334.14       (14) personal privacy; and
- 334.15       (15) engage in chosen activities.
- 334.16       (b) For a person residing in a residential site licensed according to chapter 245A,  
334.17 or where the license holder is the owner, lessor, or tenant of the residential service site,  
334.18 protection-related rights also include the right to:
- 334.19       (1) have daily, private access to and use of a non-coin-operated telephone for local  
334.20 calls and long-distance calls made collect or paid for by the person;
- 334.21       (2) receive and send, without interference, uncensored, unopened mail or electronic  
334.22 correspondence or communication;
- 334.23       (3) have use of and free access to common areas in the residence; and
- 334.24       (4) privacy for visits with the person's spouse, next of kin, legal counsel, religious  
334.25 advisor, or others, in accordance with section 363A.09 of the Human Rights Act, including  
334.26 privacy in the person's bedroom.
- 334.27       (c) Restriction of a person's rights under subdivision 2, clause (10), or paragraph (a),  
334.28 clauses (13) to (15), or paragraph (b) is allowed only if determined necessary to ensure  
334.29 the health, safety, and well-being of the person. Any restriction of those rights must be  
334.30 documented in the person's coordinated service and support plan or coordinated service  
334.31 and support plan addendum. The restriction must be implemented in the least restrictive  
334.32 alternative manner necessary to protect the person and provide support to reduce or  
334.33 eliminate the need for the restriction in the most integrated setting and inclusive manner.  
334.34 The documentation must include the following information:
- 334.35       (1) the justification for the restriction based on an assessment of the person's  
334.36 vulnerability related to exercising the right without restriction;

335.1       (2) the objective measures set as conditions for ending the restriction;

335.2       (3) a schedule for reviewing the need for the restriction based on the conditions

335.3       for ending the restriction to occur semiannually from the date of initial approval, at a

335.4       minimum, or more frequently if requested by the person, the person's legal representative,

335.5       if any, and case manager; and

335.6       (4) signed and dated approval for the restriction from the person, or the person's

335.7       legal representative, if any. A restriction may be implemented only when the required

335.8       approval has been obtained. Approval may be withdrawn at any time. If approval is

335.9       withdrawn, the right must be immediately and fully restored.

335.10      Sec. 22. Minnesota Statutes 2013 Supplement, section 245D.05, subdivision 1, is  
335.11      amended to read:

335.12       Subdivision 1. **Health needs.** (a) The license holder is responsible for meeting

335.13       health service needs assigned in the coordinated service and support plan or the

335.14       coordinated service and support plan addendum, consistent with the person's health needs.

335.15       The license holder is responsible for promptly notifying the person's legal representative,

335.16       if any, and the case manager of changes in a person's physical and mental health needs

335.17       affecting health service needs assigned to the license holder in the coordinated service and

335.18       support plan or the coordinated service and support plan addendum, when discovered by

335.19       the license holder, unless the license holder has reason to know the change has already

335.20       been reported. The license holder must document when the notice is provided.

335.21       (b) If responsibility for meeting the person's health service needs has been assigned

335.22       to the license holder in the coordinated service and support plan or the coordinated service

335.23       and support plan addendum, the license holder must maintain documentation on how the

335.24       person's health needs will be met, including a description of the procedures the license

335.25       holder will follow in order to:

335.26       (1) provide medication setup, assistance, or medication administration according

335.27       to this chapter. Unlicensed staff responsible for medication setup or medication

335.28       administration under this section must complete training according to section 245D.09,

335.29       subdivision 4a, paragraph (d);

335.30       (2) monitor health conditions according to written instructions from a licensed

335.31       health professional;

335.32       (3) assist with or coordinate medical, dental, and other health service appointments; or

335.33       (4) use medical equipment, devices, or adaptive aides or technology safely and

335.34       correctly according to written instructions from a licensed health professional.

336.1        Sec. 23. Minnesota Statutes 2013 Supplement, section 245D.05, subdivision 1a,  
336.2        is amended to read:

336.3        Subd. 1a. **Medication setup.** (a) For the purposes of this subdivision, "medication  
336.4        setup" means the arranging of medications according to instructions from the pharmacy,  
336.5        the prescriber, or a licensed nurse, for later administration when the license holder  
336.6        is assigned responsibility for medication assistance or medication administration in  
336.7        the coordinated service and support plan or the coordinated service and support plan  
336.8        addendum. A prescription label or the prescriber's written or electronically recorded order  
336.9        for the prescription is sufficient to constitute written instructions from the prescriber.

336.10        (b) If responsibility for medication setup is assigned to the license holder in  
336.11        the coordinated service and support plan or the coordinated service and support plan  
336.12        addendum, or if the license holder provides it as part of medication assistance or  
336.13        medication administration, the license holder must document in the person's medication  
336.14        administration record: dates of setup, name of medication, quantity of dose, times to be  
336.15        administered, and route of administration at time of setup; and, when the person will be  
336.16        away from home, to whom the medications were given.

336.17        Sec. 24. Minnesota Statutes 2013 Supplement, section 245D.05, subdivision 1b,  
336.18        is amended to read:

336.19        Subd. 1b. **Medication assistance.** (a) For purposes of this subdivision, "medication  
336.20        assistance" means any of the following:

336.21        (1) bringing to the person and opening a container of previously set up medications,  
336.22        emptying the container into the person's hand, or opening and giving the medications in  
336.23        the original container to the person under the direction of the person;

336.24        (2) bringing to the person liquids or food to accompany the medication; or  
336.25        (3) providing reminders to take regularly scheduled medication or perform regularly  
336.26        scheduled treatments and exercises.

336.27        (b) If responsibility for medication assistance is assigned to the license holder  
336.28        in the coordinated service and support plan or the coordinated service and support  
336.29        plan addendum, the license holder must ensure that the requirements of subdivision 2,  
336.30        paragraph (b), have been met when staff provides medication assistance to enable is  
336.31        provided in a manner that enables a person to self-administer medication or treatment  
336.32        when the person is capable of directing the person's own care, or when the person's legal  
336.33        representative is present and able to direct care for the person. For the purposes of this  
336.34        subdivision, "medication assistance" means any of the following:

337.1       (1) bringing to the person and opening a container of previously set up medications,  
337.2 emptying the container into the person's hand, or opening and giving the medications in  
337.3 the original container to the person;  
337.4       (2) bringing to the person liquids or food to accompany the medication; or  
337.5       (3) providing reminders to take regularly scheduled medication or perform regularly  
337.6 scheduled treatments and exercises.

337.7       Sec. 25. Minnesota Statutes 2013 Supplement, section 245D.05, subdivision 2, is  
337.8 amended to read:

337.9       **Subd. 2. Medication administration.** (a) If responsibility for medication  
337.10 administration is assigned to the license holder in the coordinated service and support  
337.11 plan or the coordinated service and support plan addendum, the license holder must  
337.12 implement the following medication administration procedures to ensure a person takes  
337.13 medications and treatments as prescribed. For purposes of this subdivision, "medication  
337.14 administration" means:

337.15       (1) checking the person's medication record;  
337.16       (2) preparing the medication as necessary;  
337.17       (3) administering the medication or treatment to the person;  
337.18       (4) documenting the administration of the medication or treatment or the reason for  
337.19 not administering the medication or treatment; and  
337.20       (5) reporting to the prescriber or a nurse any concerns about the medication or  
337.21 treatment, including side effects, effectiveness, or a pattern of the person refusing to  
337.22 take the medication or treatment as prescribed. Adverse reactions must be immediately  
337.23 reported to the prescriber or a nurse.

337.24       (b)(1) If responsibility for medication administration is assigned to the license holder  
337.25 in the coordinated service and support plan or the coordinated service and support plan  
337.26 addendum, the license holder must implement medication administration procedures  
337.27 to ensure a person takes medications and treatments as prescribed. The license holder  
337.28 must ensure that the requirements in clauses (2) to (4) and (3) have been met before  
337.29 administering medication or treatment.

337.30       (2) The license holder must obtain written authorization from the person or the  
337.31 person's legal representative to administer medication or treatment and must obtain  
337.32 reauthorization annually as needed. This authorization shall remain in effect unless it is  
337.33 withdrawn in writing and may be withdrawn at any time. If the person or the person's  
337.34 legal representative refuses to authorize the license holder to administer medication, the

338.1 medication must not be administered. The refusal to authorize medication administration  
338.2 must be reported to the prescriber as expediently as possible.

338.3 ~~(3) The staff person responsible for administering the medication or treatment must~~  
338.4 ~~complete medication administration training according to section 245D.09, subdivision~~  
338.5 ~~4a, paragraphs (a) and (e), and, as applicable to the person, paragraph (d).~~

338.6 ~~(4)~~ (3) For a license holder providing intensive support services, the medication or  
338.7 treatment must be administered according to the license holder's medication administration  
338.8 policy and procedures as required under section 245D.11, subdivision 2, clause (3).

338.9 (c) The license holder must ensure the following information is documented in the  
338.10 person's medication administration record:

338.11 (1) the information on the current prescription label or the prescriber's current  
338.12 written or electronically recorded order or prescription that includes the person's name,  
338.13 description of the medication or treatment to be provided, and the frequency and other  
338.14 information needed to safely and correctly administer the medication or treatment to  
338.15 ensure effectiveness;

338.16 (2) information on any risks or other side effects that are reasonable to expect, and  
338.17 any contraindications to its use. This information must be readily available to all staff  
338.18 administering the medication;

338.19 (3) the possible consequences if the medication or treatment is not taken or  
338.20 administered as directed;

338.21 (4) instruction on when and to whom to report the following:

338.22 (i) if a dose of medication is not administered or treatment is not performed as  
338.23 prescribed, whether by error by the staff or the person or by refusal by the person; and  
338.24 (ii) the occurrence of possible adverse reactions to the medication or treatment;

338.25 (5) notation of any occurrence of a dose of medication not being administered or  
338.26 treatment not performed as prescribed, whether by error by the staff or the person or by  
338.27 refusal by the person, or of adverse reactions, and when and to whom the report was  
338.28 made; and

338.29 (6) notation of when a medication or treatment is started, administered, changed, or  
338.30 discontinued.

338.31 Sec. 26. Minnesota Statutes 2013 Supplement, section 245D.05, subdivision 4, is  
338.32 amended to read:

338.33 **Subd. 4. Reviewing and reporting medication and treatment issues.** (a) When  
338.34 assigned responsibility for medication administration, the license holder must ensure  
338.35 that the information maintained in the medication administration record is current and

339.1       is regularly reviewed to identify medication administration errors. At a minimum, the  
339.2       review must be conducted every three months, or more frequently as directed in the  
339.3       coordinated service and support plan or coordinated service and support plan addendum  
339.4       or as requested by the person or the person's legal representative. Based on the review,  
339.5       the license holder must develop and implement a plan to correct patterns of medication  
339.6       administration errors when identified.

339.7           (b) If assigned responsibility for medication assistance or medication administration,  
339.8       the license holder must report the following to the person's legal representative and case  
339.9       manager as they occur or as otherwise directed in the coordinated service and support plan  
339.10      or the coordinated service and support plan addendum:

339.11           (1) any reports ~~made to the person's physician or prescriber~~ required under  
339.12       subdivision 2, paragraph (c), clause (4);

339.13           (2) a person's refusal or failure to take or receive medication or treatment as  
339.14       prescribed; or

339.15           (3) concerns about a person's self-administration of medication or treatment.

339.16       Sec. 27. Minnesota Statutes 2013 Supplement, section 245D.05, subdivision 5, is  
339.17       amended to read:

339.18           **Subd. 5. Injectable medications.** Injectable medications may be administered  
339.19       according to a prescriber's order and written instructions when one of the following  
339.20       conditions has been met:

339.21           (1) a registered nurse or licensed practical nurse will administer the ~~subcutaneous or~~  
339.22       ~~intramuscular~~ injection;

339.23           (2) a supervising registered nurse with a physician's order has delegated the  
339.24       administration of ~~subcutaneous~~ injectable medication to an unlicensed staff member  
339.25       and has provided the necessary training; or

339.26           (3) there is an agreement signed by the license holder, the prescriber, and the  
339.27       person or the person's legal representative specifying what ~~subcutaneous~~ injections may  
339.28       be given, when, how, and that the prescriber must retain responsibility for the license  
339.29       holder's giving the injections. A copy of the agreement must be placed in the person's  
339.30       service recipient record.

339.31       Only licensed health professionals are allowed to administer psychotropic  
339.32       medications by injection.

339.33       Sec. 28. Minnesota Statutes 2013 Supplement, section 245D.051, is amended to read:

339.34           **245D.051 PSYCHOTROPIC MEDICATION USE AND MONITORING.**

340.1       Subdivision 1. **Conditions for psychotropic medication administration.** (a)  
340.2      When a person is prescribed a psychotropic medication and the license holder is assigned  
340.3      responsibility for administration of the medication in the person's coordinated service  
340.4      and support plan or the coordinated service and support plan addendum, the license  
340.5      holder must ensure that the requirements in ~~paragraphs (b) to (d)~~ and section 245D.05,  
340.6      subdivision 2, are met.

340.7       ~~(b) Use of the medication must be included in the person's coordinated service and  
340.8      support plan or in the coordinated service and support plan addendum and based on a  
340.9      prescriber's current written or electronically recorded prescription.~~

340.10       (e) (b) The license holder must develop, implement, and maintain the following  
340.11      documentation in the person's coordinated service and support plan addendum according  
340.12      to the requirements in sections 245D.07 and 245D.071:

340.13       (1) a description of the target symptoms that the psychotropic medication is to  
340.14      alleviate; and

340.15       (2) documentation methods the license holder will use to monitor and measure  
340.16      changes in the target symptoms that are to be alleviated by the psychotropic medication if  
340.17      required by the prescriber. The license holder must collect and report on medication and  
340.18      symptom-related data as instructed by the prescriber. The license holder must provide  
340.19      the monitoring data to the expanded support team for review every three months, or as  
340.20      otherwise requested by the person or the person's legal representative.

340.21       For the purposes of this section, "target symptom" refers to any perceptible  
340.22      diagnostic criteria for a person's diagnosed mental disorder, as defined by the Diagnostic  
340.23      and Statistical Manual of Mental Disorders Fourth Edition Text Revision (DSM-IV-TR) or  
340.24      successive editions, that has been identified for alleviation.

340.25       Subd. 2. **Refusal to authorize psychotropic medication.** If the person or the  
340.26      person's legal representative refuses to authorize the administration of a psychotropic  
340.27      medication as ordered by the prescriber, the license holder must ~~follow the requirement in~~  
340.28      ~~section 245D.05, subdivision 2, paragraph (b), clause (2): not administer the medication.~~  
340.29      The refusal to authorize medication administration must be reported to the prescriber as  
340.30      expeditiously as possible. After reporting the refusal to the prescriber, the license holder  
340.31      must follow any directives or orders given by the prescriber. ~~A court order must be~~  
340.32      ~~obtained to override the refusal. A refusal may not be overridden without a court order.~~  
340.33      Refusal to authorize administration of a specific psychotropic medication is not grounds  
340.34      for service termination and does not constitute an emergency. A decision to terminate  
340.35      services must be reached in compliance with section 245D.10, subdivision 3.

341.1        Sec. 29. Minnesota Statutes 2013 Supplement, section 245D.06, subdivision 1, is  
341.2        amended to read:

341.3            **Subdivision 1. Incident response and reporting.** (a) The license holder must  
341.4        respond to incidents under section 245D.02, subdivision 11, that occur while providing  
341.5        services to protect the health and safety of and minimize risk of harm to the person.

341.6            (b) The license holder must maintain information about and report incidents to the  
341.7        person's legal representative or designated emergency contact and case manager within  
341.8        24 hours of an incident occurring while services are being provided, within 24 hours of  
341.9        discovery or receipt of information that an incident occurred, unless the license holder  
341.10       has reason to know that the incident has already been reported, or as otherwise directed  
341.11       in a person's coordinated service and support plan or coordinated service and support  
341.12       plan addendum. An incident of suspected or alleged maltreatment must be reported as  
341.13       required under paragraph (d), and an incident of serious injury or death must be reported  
341.14       as required under paragraph (e).

341.15            (c) When the incident involves more than one person, the license holder must not  
341.16        disclose personally identifiable information about any other person when making the report  
341.17       to each person and case manager unless the license holder has the consent of the person.

341.18            (d) Within 24 hours of reporting maltreatment as required under section 626.556  
341.19        or 626.557, the license holder must inform the case manager of the report unless there is  
341.20       reason to believe that the case manager is involved in the suspected maltreatment. The  
341.21       license holder must disclose the nature of the activity or occurrence reported and the  
341.22       agency that received the report.

341.23            (e) The license holder must report the death or serious injury of the person as  
341.24        required in paragraph (b) and to the Department of Human Services Licensing Division,  
341.25        and the Office of Ombudsman for Mental Health and Developmental Disabilities as  
341.26        required under section 245.94, subdivision 2a, within 24 hours of the death, or receipt of  
341.27        information that the death occurred, unless the license holder has reason to know that the  
341.28        death has already been reported.

341.29            (f) When a death or serious injury occurs in a facility certified as an intermediate  
341.30        care facility for persons with developmental disabilities, the death or serious injury must  
341.31        be reported to the Department of Health, Office of Health Facility Complaints, and the  
341.32        Office of Ombudsman for Mental Health and Developmental Disabilities, as required  
341.33        under sections 245.91 and 245.94, subdivision 2a, unless the license holder has reason to  
341.34        know that the death has already been reported.

341.35            (g) The license holder must conduct an internal review of incident reports of deaths  
341.36        and serious injuries that occurred while services were being provided and that were not

342.1 reported by the program as alleged or suspected maltreatment, for identification of incident  
342.2 patterns, and implementation of corrective action as necessary to reduce occurrences.  
342.3 The review must include an evaluation of whether related policies and procedures were  
342.4 followed, whether the policies and procedures were adequate, whether there is a need for  
342.5 additional staff training, whether the reported event is similar to past events with the  
342.6 persons or the services involved, and whether there is a need for corrective action by the  
342.7 license holder to protect the health and safety of persons receiving services. Based on  
342.8 the results of this review, the license holder must develop, document, and implement a  
342.9 corrective action plan designed to correct current lapses and prevent future lapses in  
342.10 performance by staff or the license holder, if any.

342.11 (h) The license holder must verbally report the emergency use of manual restraint  
342.12 of a person as required in paragraph (b) within 24 hours of the occurrence. The license  
342.13 holder must ensure the written report and internal review of all incident reports of the  
342.14 emergency use of manual restraints are completed according to the requirements in section  
342.15 245D.061 or successor provisions.

342.16 Sec. 30. Minnesota Statutes 2013 Supplement, section 245D.06, subdivision 2, is  
342.17 amended to read:

342.18 Subd. 2. **Environment and safety.** The license holder must:  
342.19 (1) ensure the following when the license holder is the owner, lessor, or tenant  
342.20 of the service site:  
342.21 (i) the service site is a safe and hazard-free environment;  
342.22 (ii) that toxic substances or dangerous items are inaccessible to persons served by  
342.23 the program only to protect the safety of a person receiving services when a known safety  
342.24 threat exists and not as a substitute for staff supervision or interactions with a person who  
342.25 is receiving services. If toxic substances or dangerous items are made inaccessible, the  
342.26 license holder must document an assessment of the physical plant, its environment, and its  
342.27 population identifying the risk factors which require toxic substances or dangerous items  
342.28 to be inaccessible and a statement of specific measures to be taken to minimize the safety  
342.29 risk to persons receiving services and to restore accessibility to all persons receiving  
342.30 services at the service site;

342.31 (iii) doors are locked from the inside to prevent a person from exiting only when  
342.32 necessary to protect the safety of a person receiving services and not as a substitute for  
342.33 staff supervision or interactions with the person. If doors are locked from the inside, the  
342.34 license holder must document an assessment of the physical plant, the environment and  
342.35 the population served, identifying the risk factors which require the use of locked doors,

343.1 and a statement of specific measures to be taken to minimize the safety risk to persons  
343.2 receiving services at the service site; and

343.3 (iv) a staff person is available at the service site who is trained in basic first aid and,  
343.4 when required in a person's coordinated service and support plan or coordinated service  
343.5 and support plan addendum, cardiopulmonary resuscitation (CPR) whenever persons are  
343.6 present and staff are required to be at the site to provide direct support service. The CPR  
343.7 training must include in-person instruction, hands-on practice, and an observed skills  
343.8 assessment under the direct supervision of a CPR instructor;

343.9 (2) maintain equipment, vehicles, supplies, and materials owned or leased by the  
343.10 license holder in good condition when used to provide services;

343.11 (3) follow procedures to ensure safe transportation, handling, and transfers of the  
343.12 person and any equipment used by the person, when the license holder is responsible for  
343.13 transportation of a person or a person's equipment;

343.14 (4) be prepared for emergencies and follow emergency response procedures to  
343.15 ensure the person's safety in an emergency; and

343.16 (5) follow universal precautions and sanitary practices, including hand washing, for  
343.17 infection prevention and control, and to prevent communicable diseases.

343.18 Sec. 31. Minnesota Statutes 2013 Supplement, section 245D.06, subdivision 4, is  
343.19 amended to read:

343.20 Subd. 4. **Funds and property; legal representative restrictions.** (a) Whenever the  
343.21 license holder assists a person with the safekeeping of funds or other property according  
343.22 to section 245A.04, subdivision 13, the license holder must obtain written authorization  
343.23 to do so from the person or the person's legal representative and the case manager.  
343.24 Authorization must be obtained within five working days of service initiation and renewed  
343.25 annually thereafter. At the time initial authorization is obtained, the license holder must  
343.26 survey, document, and implement the preferences of the person or the person's legal  
343.27 representative and the case manager for frequency of receiving a statement that itemizes  
343.28 receipts and disbursements of funds or other property. The license holder must document  
343.29 changes to these preferences when they are requested.

343.30 (b) A license holder or staff person may not accept powers-of-attorney from a person  
343.31 receiving services from the license holder for any purpose. This does not apply to license  
343.32 holders that are Minnesota counties or other units of government or to staff persons  
343.33 employed by license holders who were acting as attorney-in-fact for specific individuals  
343.34 prior to implementation of this chapter. The license holder must maintain documentation  
343.35 of the power-of-attorney in the service recipient record.

344.1        (c) A license holder or staff person is restricted from accepting an appointment  
344.2        as a guardian as follows:

344.3        (1) under section 524.5-309 of the Uniform Probate Code, any individual or agency  
344.4        that provides residence, custodial care, medical care, employment training, or other care  
344.5        or services for which the individual or agency receives a fee may not be appointed as  
344.6        guardian unless related to the respondent by blood, marriage, or adoption; and  
344.7        (2) under section 245A.03, subdivision 2, paragraph (a), clause (1), a related  
344.8        individual as defined under section 245A.02, subdivision 13, is excluded from licensure.  
344.9        Services provided by a license holder to a person under the license holder's guardianship  
344.10        are not licensed services.

344.11        (e) (d) Upon the transfer or death of a person, any funds or other property of the  
344.12        person must be surrendered to the person or the person's legal representative, or given to  
344.13        the executor or administrator of the estate in exchange for an itemized receipt.

344.14        Sec. 32. Minnesota Statutes 2013 Supplement, section 245D.06, subdivision 6, is  
344.15        amended to read:

344.16        Subd. 6. **Restricted procedures.** (a) The following procedures are allowed when  
344.17        the procedures are implemented in compliance with the standards governing their use as  
344.18        identified in clauses (1) to (3). Allowed but restricted procedures include:

344.19        (1) permitted actions and procedures subject to the requirements in subdivision 7;  
344.20        (2) procedures identified in a positive support transition plan subject to the  
344.21        requirements in subdivision 8; or  
344.22        (3) emergency use of manual restraint subject to the requirements in section  
344.23        245D.061.

344.24        For purposes of this chapter, this section supersedes the requirements identified in  
344.25        Minnesota Rules, part 9525.2740.

344.26        (b) A restricted procedure identified in paragraph (a) must not:  
344.27        (1) be implemented with a child in a manner that constitutes sexual abuse, neglect,  
344.28        physical abuse, or mental injury, as defined in section 626.556, subdivision 2;  
344.29        (2) be implemented with an adult in a manner that constitutes abuse or neglect as  
344.30        defined in section 626.5572, subdivision 2 or 17;  
344.31        (3) be implemented in a manner that violates a person's rights identified in section  
344.32        245D.04;  
344.33        (4) restrict a person's normal access to a nutritious diet, drinking water, adequate  
344.34        ventilation, necessary medical care, ordinary hygiene facilities, normal sleeping

345.1   conditions, necessary clothing, or any protection required by state licensing standards or  
345.2   federal regulations governing the program;

345.3    (5) deny the person visitation or ordinary contact with legal counsel, a legal  
345.4    representative, or next of kin;

345.5    (6) be used for the convenience of staff, as punishment, as a substitute for adequate  
345.6    staffing, or as a consequence if the person refuses to participate in the treatment or services  
345.7    provided by the program;

345.8    (7) use prone restraint. For purposes of this section, "prone restraint" means use  
345.9    of manual restraint that places a person in a face-down position. Prone restraint does  
345.10   not include brief physical holding of a person who, during an emergency use of manual  
345.11   restraint, rolls into a prone position, if the person is restored to a standing, sitting, or  
345.12   side-lying position as quickly as possible;

345.13    (8) apply back or chest pressure while a person is in a prone position as identified in  
345.14    clause (7), supine position, or side-lying position; or

345.15    (9) be implemented in a manner that is contraindicated for any of the person's known  
345.16    medical or psychological limitations.

345.17    Sec. 33. Minnesota Statutes 2013 Supplement, section 245D.06, subdivision 7, is  
345.18    amended to read:

345.19      **Subd. 7. Permitted actions and procedures.** (a) Use of the instructional techniques  
345.20    and intervention procedures as identified in paragraphs (b) and (c) is permitted when used  
345.21    on an intermittent or continuous basis. When used on a continuous basis, it must be  
345.22    addressed in a person's coordinated service and support plan addendum as identified in  
345.23    sections 245D.07 and 245D.071. For purposes of this chapter, the requirements of this  
345.24    subdivision supersede the requirements identified in Minnesota Rules, part 9525.2720.

345.25      (b) Physical contact or instructional techniques must use the least restrictive  
345.26    alternative possible to meet the needs of the person and may be used:

345.27        (1) to calm or comfort a person by holding that person with no resistance from  
345.28    that person;

345.29        (2) to protect a person known to be at risk ~~or~~ of injury due to frequent falls as a result  
345.30    of a medical condition;

345.31        (3) to facilitate the person's completion of a task or response when the person does  
345.32    not resist or the person's resistance is minimal in intensity and duration; ~~or~~

345.33        (4) to briefly block or redirect a person's limbs or body without holding the person or  
345.34    limiting the person's movement to interrupt the person's behavior that may result in injury  
345.35    to self or others; with less than 60 seconds of physical contact by staff; or

346.1        (5) to redirect a person's behavior when the behavior does not pose a serious threat  
346.2        to the person or others and the behavior is effectively redirected with less than 60 seconds  
346.3        of physical contact by staff.

346.4        (c) Restraint may be used as an intervention procedure to:

346.5        (1) allow a licensed health care professional to safely conduct a medical examination  
346.6        or to provide medical treatment ordered by a licensed health care professional to a person  
346.7        necessary to promote healing or recovery from an acute, meaning short-term, medical  
346.8        condition;

346.9        (2) assist in the safe evacuation or redirection of a person in the event of an  
346.10      emergency and the person is at imminent risk of harm; or

346.11      ~~Any use of manual restraint as allowed in this paragraph must comply with the restrictions~~  
346.12      ~~identified in section 245D.061, subdivision 3; or~~

346.13      (3) position a person with physical disabilities in a manner specified in the person's  
346.14      coordinated service and support plan addendum.

346.15      Any use of manual restraint as allowed in this paragraph must comply with the restrictions  
346.16      identified in subdivision 6, paragraph (b).

346.17      (d) Use of adaptive aids or equipment, orthotic devices, or other medical equipment  
346.18      ordered by a licensed health professional to treat a diagnosed medical condition do not in  
346.19      and of themselves constitute the use of mechanical restraint.

346.20      (e) Use of an auxiliary device to ensure a person does not unfasten a seat belt when  
346.21      being transported in a vehicle in accordance with seat belt use requirements in section  
346.22      169.686 does not constitute the use of mechanical restraint.

346.23      Sec. 34. Minnesota Statutes 2013 Supplement, section 245D.06, subdivision 8, is  
346.24      amended to read:

346.25      **Subd. 8. Positive support transition plan.** (a) License holders must develop  
346.26      a positive support transition plan on the forms and in the manner prescribed by the  
346.27      commissioner for a person who requires intervention in order to maintain safety when  
346.28      it is known that the person's behavior poses an immediate risk of physical harm to self  
346.29      or others. The positive support transition plan forms and instructions will supersede the  
346.30      requirements in Minnesota Rules, parts 9525.2750; 9525.2760; and 9525.2780. The  
346.31      positive support transition plan must phase out any existing plans for the emergency  
346.32      or programmatic use of ~~aversive or deprivation procedures~~ restrictive interventions  
346.33      prohibited under this chapter within the following timelines:

347.1       (1) for persons receiving services from the license holder before January 1, 2014,  
347.2 the plan must be developed and implemented by February 1, 2014, and phased out no  
347.3 later than December 31, 2014; and

347.4       (2) for persons admitted to the program on or after January 1, 2014, the plan must be  
347.5 developed and implemented within 30 calendar days of service initiation and phased out  
347.6 no later than 11 months from the date of plan implementation.

347.7       (b) The commissioner has limited authority to grant approval for the emergency use  
347.8 of procedures identified in subdivision 6 that had been part of an approved positive support  
347.9 transition plan when a person is at imminent risk of serious injury as defined in section  
347.10 245.91, subdivision 6, due to self-injurious behavior and the following conditions are met:

347.11       (1) the person's expanded support team approves the emergency use of the  
347.12 procedures; and

347.13       (2) the interim review panel established in section 245.8251, subdivision 4,  
347.14 recommends commissioner approval of the emergency use of the procedures.

347.15       (c) Written requests for the emergency use of the procedures must be developed  
347.16 and submitted to the commissioner by the designated coordinator with input from the  
347.17 person's expanded support team in accordance with the requirements set by the interim  
347.18 review panel, in addition to the following:

347.19       (1) a copy of the person's current positive support transition plan and copies of  
347.20 each positive support transition plan review containing data on the progress of the plan  
347.21 from the previous year;

347.22       (2) documentation of a good faith effort to eliminate the use of the procedures that  
347.23 had been part of an approved positive support transition plan;

347.24       (3) justification for the continued use of the procedures that identifies the imminent  
347.25 risk of serious injury due to the person's self-injurious behavior if the procedures were  
347.26 eliminated;

347.27       (4) documentation of the clinicians consulted in creating and maintaining the  
347.28 positive support transition plan; and

347.29       (5) documentation of the expanded support team's approval and the recommendation  
347.30 from the interim panel required under paragraph (b).

347.31       (d) A copy of the written request, supporting documentation, and the commissioner's  
347.32 final determination on the request must be maintained in the person's service recipient  
347.33 record.

347.34       Sec. 35. Minnesota Statutes 2013 Supplement, section 245D.071, subdivision 3,  
347.35 is amended to read:

348.1       Subd. 3. **Assessment and initial service planning.** (a) Within 15 days of service  
348.2 initiation the license holder must complete a preliminary coordinated service and support  
348.3 plan addendum based on the coordinated service and support plan.

348.4       (b) Within 45 days of service initiation the license holder must meet with the person,  
348.5 the person's legal representative, the case manager, and other members of the support team  
348.6 or expanded support team to assess and determine the following based on the person's  
348.7 coordinated service and support plan and the requirements in subdivision 4 and section  
348.8 245D.07, subdivision 1a:

348.9       (1) the scope of the services to be provided to support the person's daily needs  
348.10 and activities;

348.11       (2) the person's desired outcomes and the supports necessary to accomplish the  
348.12 person's desired outcomes;

348.13       (3) the person's preferences for how services and supports are provided;

348.14       (4) whether the current service setting is the most integrated setting available and  
348.15 appropriate for the person; and

348.16       (5) how services must be coordinated across other providers licensed under this  
348.17 chapter serving the same person to ensure continuity of care for the person.

348.18       (c) Within the scope of services, the license holder must, at a minimum, assess  
348.19 the following areas:

348.20       (1) the person's ability to self-manage health and medical needs to maintain or  
348.21 improve physical, mental, and emotional well-being, including, when applicable, allergies,  
348.22 seizures, choking, special dietary needs, chronic medical conditions, self-administration  
348.23 of medication or treatment orders, preventative screening, and medical and dental  
348.24 appointments;

348.25       (2) the person's ability to self-manage personal safety to avoid injury or accident in  
348.26 the service setting, including, when applicable, risk of falling, mobility, regulating water  
348.27 temperature, community survival skills, water safety skills, and sensory disabilities; and

348.28       (3) the person's ability to self-manage symptoms or behavior that may otherwise  
348.29 result in an incident as defined in section 245D.02, subdivision 11, clauses (4) to  
348.30 (7), suspension or termination of services by the license holder, or other symptoms  
348.31 or behaviors that may jeopardize the health and safety of the person or others. The  
348.32 assessments must produce information about the person that is descriptive of the person's  
348.33 overall strengths, functional skills and abilities, and behaviors or symptoms.

348.34       (b) Within the scope of services, the license holder must, at a minimum, complete  
348.35 assessments in the following areas before the 45-day planning meeting:

349.1       (1) the person's ability to self-manage health and medical needs to maintain or  
349.2       improve physical, mental, and emotional well-being, including, when applicable, allergies,  
349.3       seizures, choking, special dietary needs, chronic medical conditions, self-administration  
349.4       of medication or treatment orders, preventative screening, and medical and dental  
349.5       appointments;

349.6       (2) the person's ability to self-manage personal safety to avoid injury or accident in  
349.7       the service setting, including, when applicable, risk of falling, mobility, regulating water  
349.8       temperature, community survival skills, water safety skills, and sensory disabilities; and

349.9       (3) the person's ability to self-manage symptoms or behavior that may otherwise  
349.10      result in an incident as defined in section 245D.02, subdivision 11, clauses (4) to (7),  
349.11      suspension or termination of services by the license holder, or other symptoms or  
349.12      behaviors that may jeopardize the health and safety of the person or others.

349.13      Assessments must produce information about the person that describes the person's overall  
349.14      strengths, functional skills and abilities, and behaviors or symptoms. Assessments must  
349.15      be based on the person's status within the last 12 months at the time of service initiation.  
349.16      Assessments based on older information must be documented and justified. Assessments  
349.17      must be conducted annually at a minimum or within 30 days of a written request from the  
349.18      person or the person's legal representative or case manager. The results must be reviewed  
349.19      by the support team or expanded support team as part of a service plan review.

349.20      (c) Within 45 days of service initiation, the license holder must meet with the  
349.21      person, the person's legal representative, the case manager, and other members of the  
349.22      support team or expanded support team to determine the following based on information  
349.23      obtained from the assessments identified in paragraph (b), the person's identified needs  
349.24      in the coordinated service and support plan, and the requirements in subdivision 4 and  
349.25      section 245D.07, subdivision 1a:

349.26       (1) the scope of the services to be provided to support the person's daily needs  
349.27       and activities;

349.28       (2) the person's desired outcomes and the supports necessary to accomplish the  
349.29       person's desired outcomes;

349.30       (3) the person's preferences for how services and supports are provided;

349.31       (4) whether the current service setting is the most integrated setting available and  
349.32       appropriate for the person; and

349.33       (5) how services must be coordinated across other providers licensed under this  
349.34       chapter serving the person and members of the support team or expanded support team to  
349.35       ensure continuity of care and coordination of services for the person.

350.1        Sec. 36. Minnesota Statutes 2013 Supplement, section 245D.071, subdivision 4,  
350.2        is amended to read:

350.3              **Subd. 4. Service outcomes and supports.** (a) Within ten working days of the  
350.4        45-day planning meeting, the license holder must develop ~~and document~~ a service plan that  
350.5        documents the service outcomes and supports based on the assessments completed under  
350.6        subdivision 3 and the requirements in section 245D.07, subdivision 1a. The outcomes and  
350.7        supports must be included in the coordinated service and support plan addendum.

350.8              (b) The license holder must document the supports and methods to be implemented  
350.9        to support the ~~aceeomplishment of person and~~ accomplish outcomes related to acquiring,  
350.10       retaining, or improving skills and physical, mental, and emotional health and well-being.  
350.11       The documentation must include:

350.12              (1) the methods or actions that will be used to support the person and to accomplish  
350.13       the service outcomes, including information about:

350.14              (i) any changes or modifications to the physical and social environments necessary  
350.15       when the service supports are provided;  
350.16              (ii) any equipment and materials required; and  
350.17              (iii) techniques that are consistent with the person's communication mode and  
350.18       learning style;

350.19              (2) the measurable and observable criteria for identifying when the desired outcome  
350.20       has been achieved and how data will be collected;

350.21              (3) the projected starting date for implementing the supports and methods and  
350.22       the date by which progress towards accomplishing the outcomes will be reviewed and  
350.23       evaluated; and

350.24              (4) the names of the staff or position responsible for implementing the supports  
350.25       and methods.

350.26              (c) Within 20 working days of the 45-day meeting, the license holder must obtain  
350.27       dated signatures from the person or the person's legal representative and case manager  
350.28       to document completion and approval of the assessment and coordinated service and  
350.29       support plan addendum.

350.30        Sec. 37. Minnesota Statutes 2013 Supplement, section 245D.071, subdivision 5,  
350.31       is amended to read:

350.32              **Subd. 5. Progress reviews Service plan review and evaluation.** (a) The license  
350.33       holder must give the person or the person's legal representative and case manager an  
350.34       opportunity to participate in the ongoing review and development of the service plan  
350.35       and the methods used to support the person and accomplish outcomes identified in

351.1 subdivisions 3 and 4. The license holder, in coordination with the person's support team  
351.2 or expanded support team, must meet with the person, the person's legal representative,  
351.3 and the case manager, and participate in progress service plan review meetings following  
351.4 stated timelines established in the person's coordinated service and support plan or  
351.5 coordinated service and support plan addendum or within 30 days of a written request  
351.6 by the person, the person's legal representative, or the case manager, at a minimum of  
351.7 once per year. The purpose of the service plan review is to determine whether changes  
351.8 are needed to the service plan based on the assessment information, the license holder's  
351.9 evaluation of progress towards accomplishing outcomes, or other information provided by  
351.10 the support team or expanded support team.

351.11 (b) The license holder must summarize the person's status and progress toward  
351.12 achieving the identified outcomes and make recommendations and identify the rationale  
351.13 for changing, continuing, or discontinuing implementation of supports and methods  
351.14 identified in subdivision 4 in a written report sent to the person or the person's legal  
351.15 representative and case manager five working days prior to the review meeting, unless  
351.16 the person, the person's legal representative, or the case manager requests to receive the  
351.17 report at the time of the meeting.

351.18 (c) Within ten working days of the progress review meeting, the license holder  
351.19 must obtain dated signatures from the person or the person's legal representative and  
351.20 the case manager to document approval of any changes to the coordinated service and  
351.21 support plan addendum.

351.22 Sec. 38. Minnesota Statutes 2013 Supplement, section 245D.081, subdivision 2,  
351.23 is amended to read:

351.24 Subd. 2. **Coordination and evaluation of individual service delivery.** (a) Delivery  
351.25 and evaluation of services provided by the license holder must be coordinated by a  
351.26 designated staff person. The designated coordinator must provide supervision, support,  
351.27 and evaluation of activities that include:

351.28 (1) oversight of the license holder's responsibilities assigned in the person's  
351.29 coordinated service and support plan and the coordinated service and support plan  
351.30 addendum;

351.31 (2) taking the action necessary to facilitate the accomplishment of the outcomes  
351.32 according to the requirements in section 245D.07;

351.33 (3) instruction and assistance to direct support staff implementing the coordinated  
351.34 service and support plan and the service outcomes, including direct observation of service  
351.35 delivery sufficient to assess staff competency; and

352.1       (4) evaluation of the effectiveness of service delivery, methodologies, and progress on  
352.2 the person's outcomes based on the measurable and observable criteria for identifying when  
352.3 the desired outcome has been achieved according to the requirements in section 245D.07.

352.4       (b) The license holder must ensure that the designated coordinator is competent to  
352.5 perform the required duties identified in paragraph (a) through education ~~and~~, training  
352.6 ~~in human services and disability-related fields~~, and work experience ~~in providing direct~~  
352.7 ~~care services and supports to persons with disabilities relevant to the needs of the general~~  
352.8 ~~population of persons served by the license holder and the individual persons for whom~~  
352.9 ~~the designated coordinator is responsible~~. The designated coordinator must have the  
352.10 skills and ability necessary to develop effective plans and to design and use data systems  
352.11 to measure effectiveness of services and supports. The license holder must verify and  
352.12 document competence according to the requirements in section 245D.09, subdivision 3.  
352.13 The designated coordinator must minimally have:

352.14       (1) a baccalaureate degree in a field related to human services, and one year of  
352.15 full-time work experience providing direct care services to persons with disabilities or  
352.16 persons age 65 and older;

352.17       (2) an associate degree in a field related to human services, and two years of  
352.18 full-time work experience providing direct care services to persons with disabilities or  
352.19 persons age 65 and older;

352.20       (3) a diploma in a field related to human services from an accredited postsecondary  
352.21 institution and three years of full-time work experience providing direct care services to  
352.22 persons with disabilities or persons age 65 and older; or

352.23       (4) a minimum of 50 hours of education and training related to human services  
352.24 and disabilities; and

352.25       (5) four years of full-time work experience providing direct care services to persons  
352.26 with disabilities or persons age 65 and older under the supervision of a staff person who  
352.27 meets the qualifications identified in clauses (1) to (3).

352.28       Sec. 39. Minnesota Statutes 2013 Supplement, section 245D.09, subdivision 3, is  
352.29 amended to read:

352.30       **Subd. 3. Staff qualifications.** (a) The license holder must ensure that staff providing  
352.31 direct support, or staff who have responsibilities related to supervising or managing the  
352.32 provision of direct support service, are competent as demonstrated through skills and  
352.33 knowledge training, experience, and education to meet the person's needs and additional  
352.34 requirements as written in the coordinated service and support plan or coordinated  
352.35 service and support plan addendum, or when otherwise required by the case manager or

353.1 the federal waiver plan. The license holder must verify and maintain evidence of staff  
353.2 competency, including documentation of:

353.3 (1) education and experience qualifications relevant to the job responsibilities  
353.4 assigned to the staff and to the needs of the general population of persons served by the  
353.5 program, including a valid degree and transcript, or a current license, registration, or  
353.6 certification, when a degree or licensure, registration, or certification is required by this  
353.7 chapter or in the coordinated service and support plan or coordinated service and support  
353.8 plan addendum;

353.9 (2) demonstrated competency in the orientation and training areas required under  
353.10 this chapter, and when applicable, completion of continuing education required to  
353.11 maintain professional licensure, registration, or certification requirements. Competency in  
353.12 these areas is determined by the license holder through knowledge testing and/or observed  
353.13 skill assessment conducted by the trainer or instructor; and

353.14 (3) except for a license holder who is the sole direct support staff, periodic  
353.15 performance evaluations completed by the license holder of the direct support staff  
353.16 person's ability to perform the job functions based on direct observation.

353.17 (b) Staff under 18 years of age may not perform overnight duties or administer  
353.18 medication.

353.19 Sec. 40. Minnesota Statutes 2013 Supplement, section 245D.09, subdivision 4a,  
353.20 is amended to read:

353.21 Subd. 4a. **Orientation to individual service recipient needs.** (a) Before having  
353.22 unsupervised direct contact with a person served by the program, or for whom the staff  
353.23 person has not previously provided direct support, or any time the plans or procedures  
353.24 identified in paragraphs (b) to ~~(f)~~ (g) are revised, the staff person must review and receive  
353.25 instruction on the requirements in paragraphs (b) to ~~(f)~~ (g) as they relate to the staff  
353.26 person's job functions for that person.

353.27 (b) Training and competency evaluations must include the following:

353.28 (1) appropriate and safe techniques in personal hygiene and grooming, including  
353.29 hair care; bathing; care of teeth, gums, and oral prosthetic devices; and other activities of  
353.30 daily living (ADLs) as defined under section 256B.0659, subdivision 1;

353.31 (2) an understanding of what constitutes a healthy diet according to data from the  
353.32 Centers for Disease Control and Prevention and the skills necessary to prepare that diet;

353.33 (3) skills necessary to provide appropriate support in instrumental activities of daily  
353.34 living (IADLs) as defined under section 256B.0659, subdivision 1; and

353.35 (4) demonstrated competence in providing first aid.

354.1       (c) The staff person must review and receive instruction on the person's coordinated  
354.2 service and support plan or coordinated service and support plan addendum as it relates  
354.3 to the responsibilities assigned to the license holder, and when applicable, the person's  
354.4 individual abuse prevention plan, to achieve and demonstrate an understanding of the  
354.5 person as a unique individual, and how to implement those plans.

354.6       (d) The staff person must review and receive instruction on medication setup,  
354.7 assistance, or administration procedures established for the person when ~~medication~~  
354.8 ~~administration is~~ assigned to the license holder according to section 245D.05, subdivision  
354.9 1, paragraph (b). Unlicensed staff may ~~administer medications~~ perform medication setup or  
354.10 or medication administration only after successful completion of a medication setup or  
354.11 medication administration training, from a training curriculum developed by a registered  
354.12 nurse, ~~clinical nurse specialist in psychiatric and mental health nursing, certified nurse~~  
354.13 ~~practitioner, physician's assistant, or physician or appropriate licensed health professional.~~  
354.14 The training curriculum must incorporate an observed skill assessment conducted by the  
354.15 trainer to ensure unlicensed staff demonstrate the ability to safely and correctly follow  
354.16 medication procedures.

354.17       Medication administration must be taught by a registered nurse, clinical nurse  
354.18 specialist, certified nurse practitioner, physician's assistant, or physician if, at the time of  
354.19 service initiation or any time thereafter, the person has or develops a health care condition  
354.20 that affects the service options available to the person because the condition requires:

354.21       (1) specialized or intensive medical or nursing supervision; and  
354.22       (2) nonmedical service providers to adapt their services to accommodate the health  
354.23 and safety needs of the person.

354.24       (e) The staff person must review and receive instruction on the safe and correct  
354.25 operation of medical equipment used by the person to sustain life, including but not  
354.26 limited to ventilators, feeding tubes, or endotracheal tubes. The training must be provided  
354.27 by a licensed health care professional or a manufacturer's representative and incorporate  
354.28 an observed skill assessment to ensure staff demonstrate the ability to safely and correctly  
354.29 operate the equipment according to the treatment orders and the manufacturer's instructions.

354.30       (f) The staff person must review and receive instruction on what constitutes use of  
354.31 restraints, time out, and seclusion, including chemical restraint, and staff responsibilities  
354.32 related to the prohibitions of their use according to the requirements in section 245D.06,  
354.33 subdivision 5, or successor provisions why such procedures are not effective for reducing  
354.34 or eliminating symptoms or undesired behavior and why they are not safe, and the safe  
354.35 and correct use of manual restraint on an emergency basis according to the requirements  
354.36 in section 245D.061 or successor provisions.

355.1       (g) The staff person must review and receive instruction on mental health crisis  
355.2       response, de-escalation techniques, and suicide intervention when providing direct support  
355.3       to a person with a serious mental illness.

355.4       (g) (h) In the event of an emergency service initiation, the license holder must ensure  
355.5       the training required in this subdivision occurs within 72 hours of the direct support staff  
355.6       person first having unsupervised contact with the person receiving services. The license  
355.7       holder must document the reason for the unplanned or emergency service initiation and  
355.8       maintain the documentation in the person's service recipient record.

355.9       (h) (i) License holders who provide direct support services themselves must  
355.10      complete the orientation required in subdivision 4, clauses (3) to (7).

355.11      Sec. 41. Minnesota Statutes 2013 Supplement, section 245D.091, subdivision 2,  
355.12      is amended to read:

355.13      **Subd. 2. Behavior professional qualifications.** A behavior professional providing  
355.14      behavioral support services as identified in section 245D.03, subdivision 1, paragraph (c),  
355.15      clause (1), item (i), as defined in the brain injury and community alternatives for disabled  
355.16      individuals waiver plans or successor plans; must have competencies in the following  
355.17      areas related to as required under the brain injury and community alternatives for disabled  
355.18      individuals waiver plans or successor plans:

355.19      (1) ethical considerations;  
355.20      (2) functional assessment;  
355.21      (3) functional analysis;  
355.22      (4) measurement of behavior and interpretation of data;  
355.23      (5) selecting intervention outcomes and strategies;  
355.24      (6) behavior reduction and elimination strategies that promote least restrictive  
355.25      approved alternatives;

355.26      (7) data collection;  
355.27      (8) staff and caregiver training;  
355.28      (9) support plan monitoring;  
355.29      (10) co-occurring mental disorders or neurocognitive disorder;  
355.30      (11) demonstrated expertise with populations being served; and  
355.31      (12) must be a:

355.32      (i) psychologist licensed under sections 148.88 to 148.98, who has stated to the  
355.33      Board of Psychology competencies in the above identified areas;  
355.34      (ii) clinical social worker licensed as an independent clinical social worker under  
355.35      chapter 148D, or a person with a master's degree in social work from an accredited college

356.1 or university, with at least 4,000 hours of post-master's supervised experience in the  
356.2 delivery of clinical services in the areas identified in clauses (1) to (11);

356.3       (iii) physician licensed under chapter 147 and certified by the American Board  
356.4 of Psychiatry and Neurology or eligible for board certification in psychiatry with  
356.5 competencies in the areas identified in clauses (1) to (11);

356.6       (iv) licensed professional clinical counselor licensed under sections 148B.29 to  
356.7 148B.39 with at least 4,000 hours of post-master's supervised experience in the delivery  
356.8 of clinical services who has demonstrated competencies in the areas identified in clauses  
356.9 (1) to (11);

356.10       (v) person with a master's degree from an accredited college or university in one  
356.11 of the behavioral sciences or related fields, with at least 4,000 hours of post-master's  
356.12 supervised experience in the delivery of clinical services with demonstrated competencies  
356.13 in the areas identified in clauses (1) to (11); or

356.14       (vi) registered nurse who is licensed under sections 148.171 to 148.285, and who is  
356.15 certified as a clinical specialist or as a nurse practitioner in adult or family psychiatric and  
356.16 mental health nursing by a national nurse certification organization, or who has a master's  
356.17 degree in nursing or one of the behavioral sciences or related fields from an accredited  
356.18 college or university or its equivalent, with at least 4,000 hours of post-master's supervised  
356.19 experience in the delivery of clinical services.

356.20 Sec. 42. Minnesota Statutes 2013 Supplement, section 245D.091, subdivision 3,  
356.21 is amended to read:

356.22       **Subd. 3. Behavior analyst qualifications.** (a) A behavior analyst providing  
356.23 behavioral support services as identified in section 245D.03, subdivision 1, paragraph  
356.24 (c), clause (1), item (i), as defined in the brain injury and community alternatives for  
356.25 disabled individuals waiver plans or successor plans, must have competencies in the  
356.26 following areas as required under the brain injury and community alternatives for disabled  
356.27 individuals waiver plans or successor plans:

356.28       (1) have obtained a baccalaureate degree, master's degree, or PhD in a social services  
356.29 discipline; or

356.30       (2) meet the qualifications of a mental health practitioner as defined in section  
356.31 245.462, subdivision 17.

356.32       (b) In addition, a behavior analyst must:

356.33       (1) have four years of supervised experience working with individuals who exhibit  
356.34 challenging behaviors as well as co-occurring mental disorders or neurocognitive disorder;

- 357.1       (2) have received ten hours of instruction in functional assessment and functional  
357.2 analysis;
- 357.3       (3) have received 20 hours of instruction in the understanding of the function of  
357.4 behavior;
- 357.5       (4) have received ten hours of instruction on design of positive practices behavior  
357.6 support strategies;
- 357.7       (5) have received 20 hours of instruction on the use of behavior reduction approved  
357.8 strategies used only in combination with behavior positive practices strategies;
- 357.9       (6) be determined by a behavior professional to have the training and prerequisite  
357.10 skills required to provide positive practice strategies as well as behavior reduction  
357.11 approved and permitted intervention to the person who receives behavioral support; and
- 357.12       (7) be under the direct supervision of a behavior professional.

357.13      Sec. 43. Minnesota Statutes 2013 Supplement, section 245D.091, subdivision 4,  
357.14 is amended to read:

- 357.15       **Subd. 4. Behavior specialist qualifications.** (a) A behavior specialist providing  
357.16 behavioral support services as identified in section 245D.03, subdivision 1, paragraph (c),  
357.17 clause (1), item (i), as defined in the brain injury and community alternatives for disabled  
357.18 individuals waiver plans or successor plans, must meet the following qualifications have  
357.19 competencies in the following areas as required under the brain injury and community  
357.20 alternatives for disabled individuals waiver plans or successor plans:
- 357.21       (1) have an associate's degree in a social services discipline; or
- 357.22       (2) have two years of supervised experience working with individuals who exhibit  
357.23 challenging behaviors as well as co-occurring mental disorders or neurocognitive disorder.
- 357.24       (b) In addition, a behavior specialist must:
- 357.25       (1) have received a minimum of four hours of training in functional assessment;
- 357.26       (2) have received 20 hours of instruction in the understanding of the function of  
357.27 behavior;
- 357.28       (3) have received ten hours of instruction on design of positive practices behavioral  
357.29 support strategies;
- 357.30       (4) be determined by a behavior professional to have the training and prerequisite  
357.31 skills required to provide positive practices strategies as well as behavior reduction  
357.32 approved intervention to the person who receives behavioral support; and
- 357.33       (5) be under the direct supervision of a behavior professional.

358.1 Sec. 44. Minnesota Statutes 2013 Supplement, section 245D.10, subdivision 3, is  
358.2 amended to read:

358.3 **Subd. 3. Service suspension and service termination.** (a) The license holder must  
358.4 establish policies and procedures for temporary service suspension and service termination  
358.5 that promote continuity of care and service coordination with the person and the case  
358.6 manager and with other licensed caregivers, if any, who also provide support to the person.

358.7 (b) The policy must include the following requirements:

358.8 (1) the license holder must notify the person or the person's legal representative and  
358.9 case manager in writing of the intended termination or temporary service suspension, and  
358.10 the person's right to seek a temporary order staying the termination of service according to  
358.11 the procedures in section 256.045, subdivision 4a, or 6, paragraph (c);

358.12 (2) notice of the proposed termination of services, including those situations that  
358.13 began with a temporary service suspension, must be given at least 60 days before the  
358.14 proposed termination is to become effective when a license holder is providing intensive  
358.15 supports and services identified in section 245D.03, subdivision 1, paragraph (c), and 30  
358.16 days prior to termination for all other services licensed under this chapter. This notice  
358.17 may be given in conjunction with a notice of temporary service suspension;

358.18 (3) notice of temporary service suspension must be given on the first day of the  
358.19 service suspension;

358.20 (3) (4) the license holder must provide information requested by the person or case  
358.21 manager when services are temporarily suspended or upon notice of termination;

358.22 (4) (5) prior to giving notice of service termination or temporary service suspension,  
358.23 the license holder must document actions taken to minimize or eliminate the need for  
358.24 service suspension or termination;

358.25 (5) (6) during the temporary service suspension or service termination notice period,  
358.26 the license holder ~~will~~ must work with the ~~appropriate county agency~~ support team or  
358.27 expanded support team to develop reasonable alternatives to protect the person and others;

358.28 (6) (7) the license holder must maintain information about the service suspension or  
358.29 termination, including the written termination notice, in the service recipient record; and

358.30 (7) (8) the license holder must restrict temporary service suspension to situations in  
358.31 which the person's conduct poses an imminent risk of physical harm to self or others and  
358.32 less restrictive or positive support strategies would not achieve and maintain safety.

358.33 Sec. 45. Minnesota Statutes 2013 Supplement, section 245D.10, subdivision 4, is  
358.34 amended to read:

359.1       **Subd. 4. Availability of current written policies and procedures.** (a) The license  
359.2       holder must review and update, as needed, the written policies and procedures required  
359.3       under this chapter.

359.4       (b) (1) The license holder must inform the person and case manager of the policies  
359.5       and procedures affecting a person's rights under section 245D.04, and provide copies of  
359.6       those policies and procedures, within five working days of service initiation.

359.7       (2) If a license holder only provides basic services and supports, this includes the:  
359.8           (i) grievance policy and procedure required under subdivision 2; and  
359.9           (ii) service suspension and termination policy and procedure required under  
359.10       subdivision 3.

359.11       (3) For all other license holders this includes the:  
359.12           (i) policies and procedures in clause (2);  
359.13           (ii) emergency use of manual restraints policy and procedure required under section  
359.14       245D.061, subdivision 10, or successor provisions; and  
359.15           (iii) data privacy requirements under section 245D.11, subdivision 3.

359.16       (c) The license holder must provide a written notice to all persons or their legal  
359.17       representatives and case managers at least 30 days before implementing any procedural  
359.18       revisions to policies affecting a person's service-related or protection-related rights under  
359.19       section 245D.04 and maltreatment reporting policies and procedures. The notice must  
359.20       explain the revision that was made and include a copy of the revised policy and procedure.  
359.21       The license holder must document the reasonable cause for not providing the notice at  
359.22       least 30 days before implementing the revisions.

359.23       (d) Before implementing revisions to required policies and procedures, the license  
359.24       holder must inform all employees of the revisions and provide training on implementation  
359.25       of the revised policies and procedures.

359.26       (e) The license holder must annually notify all persons, or their legal representatives,  
359.27       and case managers of any procedural revisions to policies required under this chapter,  
359.28       other than those in paragraph (c). Upon request, the license holder must provide the  
359.29       person, or the person's legal representative, and case manager with copies of the revised  
359.30       policies and procedures.

359.31       Sec. 46. Minnesota Statutes 2013 Supplement, section 245D.11, subdivision 2, is  
359.32       amended to read:

359.33       **Subd. 2. Health and safety.** The license holder must establish policies and  
359.34       procedures that promote health and safety by ensuring:

- 360.1       (1) use of universal precautions and sanitary practices in compliance with section  
360.2 245D.06, subdivision 2, clause (5);  
360.3       (2) if the license holder operates a residential program, health service coordination  
360.4 and care according to the requirements in section 245D.05, subdivision 1;  
360.5       (3) safe medication assistance and administration according to the requirements  
360.6 in sections 245D.05, subdivisions 1a, 2, and 5, and 245D.051, that are established in  
360.7 consultation with a registered nurse, nurse practitioner, physician's assistant, or medical  
360.8 doctor and require completion of medication administration training according to the  
360.9 requirements in section 245D.09, subdivision 4a, paragraph (d). Medication assistance  
360.10 and administration includes, but is not limited to:  
360.11       (i) providing medication-related services for a person;  
360.12       (ii) medication setup;  
360.13       (iii) medication administration;  
360.14       (iv) medication storage and security;  
360.15       (v) medication documentation and charting;  
360.16       (vi) verification and monitoring of effectiveness of systems to ensure safe medication  
360.17 handling and administration;  
360.18       (vii) coordination of medication refills;  
360.19       (viii) handling changes to prescriptions and implementation of those changes;  
360.20       (ix) communicating with the pharmacy; and  
360.21       (x) coordination and communication with prescriber;  
360.22       (4) safe transportation, when the license holder is responsible for transportation of  
360.23 persons, with provisions for handling emergency situations according to the requirements  
360.24 in section 245D.06, subdivision 2, clauses (2) to (4);  
360.25       (5) a plan for ensuring the safety of persons served by the program in emergencies as  
360.26 defined in section 245D.02, subdivision 8, and procedures for staff to report emergencies  
360.27 to the license holder. A license holder with a community residential setting or a day service  
360.28 facility license must ensure the policy and procedures comply with the requirements in  
360.29 section 245D.22, subdivision 4;  
360.30       (6) a plan for responding to all incidents as defined in section 245D.02, subdivision  
360.31 11; and reporting all incidents required to be reported according to section 245D.06,  
360.32 subdivision 1. The plan must:  
360.33       (i) provide the contact information of a source of emergency medical care and  
360.34 transportation; and  
360.35       (ii) require staff to first call 911 when the staff believes a medical emergency may  
360.36 be life threatening, or to call the mental health crisis intervention team or similar mental

361.1     health response team or service when such a team is available and appropriate when the  
361.2     person is experiencing a mental health crisis; and

361.3         (7) a procedure for the review of incidents and emergencies to identify trends or  
361.4     patterns, and corrective action if needed. The license holder must establish and maintain  
361.5     a record-keeping system for the incident and emergency reports. Each incident and  
361.6     emergency report file must contain a written summary of the incident. The license holder  
361.7     must conduct a review of incident reports for identification of incident patterns, and  
361.8     implementation of corrective action as necessary to reduce occurrences. Each incident  
361.9     report must include:

361.10             (i) the name of the person or persons involved in the incident. It is not necessary  
361.11     to identify all persons affected by or involved in an emergency unless the emergency  
361.12     resulted in an incident;

361.13             (ii) the date, time, and location of the incident or emergency;

361.14             (iii) a description of the incident or emergency;

361.15             (iv) a description of the response to the incident or emergency and whether a person's  
361.16     coordinated service and support plan addendum or program policies and procedures were  
361.17     implemented as applicable;

361.18             (v) the name of the staff person or persons who responded to the incident or  
361.19     emergency; and

361.20             (vi) the determination of whether corrective action is necessary based on the results  
361.21     of the review.

361.22     Sec. 47. Minnesota Statutes 2012, section 252.451, subdivision 2, is amended to read:

361.23         Subd. 2. **Vendor participation and reimbursement.** Notwithstanding requirements  
361.24     in ~~chapter chapters~~ 245A and 245D, and sections 252.28, 252.40 to 252.46, and 256B.501,  
361.25     vendors of day training and habilitation services may enter into written agreements with  
361.26     qualified businesses to provide additional training and supervision needed by individuals  
361.27     to maintain their employment.

361.28     Sec. 48. Minnesota Statutes 2012, section 256.9752, subdivision 2, is amended to read:

361.29         Subd. 2. **Authority.** The Minnesota Board on Aging shall allocate to area agencies  
361.30     on aging the state and federal funds which are received for the senior nutrition programs  
361.31     of congregate dining and home-delivered meals in a manner consistent with federal  
361.32     requirements.

362.1 Sec. 49. Minnesota Statutes 2013 Supplement, section 256B.0625, subdivision 17,  
362.2 is amended to read:

362.3 **Subd. 17. Transportation costs.** (a) "Nonemergency medical transportation  
362.4 service" means motor vehicle transportation provided by a public or private person  
362.5 that serves Minnesota health care program beneficiaries who do not require emergency  
362.6 ambulance service, as defined in section 144E.001, subdivision 3, to obtain covered  
362.7 medical services. Nonemergency medical transportation service includes, but is not  
362.8 limited to, special transportation service, defined in section 174.29, subdivision 1.

362.9 (a) (b) Medical assistance covers medical transportation costs incurred solely for  
362.10 obtaining emergency medical care or transportation costs incurred by eligible persons in  
362.11 obtaining emergency or nonemergency medical care when paid directly to an ambulance  
362.12 company, common carrier, or other recognized providers of transportation services.

362.13 Medical transportation must be provided by:

362.14 (1) an ambulance nonemergency medical transportation providers who meet the  
362.15 requirements of this subdivision;

362.16 (2) ambulances, as defined in section 144E.001, subdivision 2;

362.17 (2) special transportation; or

362.18 (3) common carrier including, but not limited to, bus, taxicab, other commercial  
362.19 carrier, or private automobile taxicabs and public transit, as defined in section 174.22,  
362.20 subdivision 7; or

362.21 (4) not-for-hire vehicles, including volunteer drivers.

362.22 (b) (c) Medical assistance covers special transportation, as defined in Minnesota  
362.23 Rules, part 9505.0315, subpart 1, item F, if the recipient has a physical or mental  
362.24 impairment that would prohibit the recipient from safely accessing and using a bus,  
362.25 taxis, other commercial transportation, or private automobile. nonemergency medical  
362.26 transportation provided by nonemergency medical transportation providers enrolled in  
362.27 the Minnesota health care programs. All nonemergency medical transportation providers  
362.28 must comply with the operating standards for special transportation service as defined in  
362.29 sections 174.29 to 174.30 and Minnesota Rules, chapter 8840, and in consultation with  
362.30 the Minnesota Department of Transportation. All nonemergency medical transportation  
362.31 providers shall bill for nonemergency medical transportation services in accordance with  
362.32 Minnesota health care programs criteria. Publicly operated transit systems, volunteers,  
362.33 and not-for-hire vehicles are exempt from the requirements outlined in this paragraph.

362.34 (d) The administrative agency of nonemergency medical transportation must:

362.35 (1) adhere to the policies defined by the commissioner in consultation with the  
362.36 Nonemergency Medical Transportation Advisory Committee;

363.1       (2) pay nonemergency medical transportation providers for services provided to  
363.2       Minnesota health care programs beneficiaries to obtain covered medical services;  
363.3       (3) provide data monthly to the commissioner on appeals, complaints, no-shows,  
363.4       canceled trips, and number of trips by mode; and  
363.5       (4) by July 1, 2016, in accordance with subdivision 18e, utilize a Web-based single  
363.6       administrative structure assessment tool that meets the technical requirements established  
363.7       by the commissioner, reconciles trip information with claims being submitted by  
363.8       providers, and ensures prompt payment for nonemergency medical transportation services.

363.9       (e) Until the commissioner implements the single administrative structure and  
363.10      delivery system under subdivision 18e, clients shall obtain their level-of-service certificate  
363.11      from the commissioner or an entity approved by the commissioner that does not dispatch  
363.12      rides for clients using modes under paragraph (h), clauses (4), (5), (6), and (7).

363.13       (f) The commissioner may use an order by the recipient's attending physician  
363.14      or a medical or mental health professional to certify that the recipient requires  
363.15      special transportation services nonemergency medical transportation services. Special  
363.16      Nonemergency medical transportation providers shall perform driver-assisted services for  
363.17      eligible individuals, when appropriate. Driver-assisted service includes passenger pickup  
363.18      at and return to the individual's residence or place of business, assistance with admittance of  
363.19      the individual to the medical facility, and assistance in passenger securement or in securing  
363.20      of wheelchairs or stretchers in the vehicle. Special Nonemergency medical transportation  
363.21      providers must obtain written documentation from the health care service provider who  
363.22      is serving the recipient being transported, identifying the time that the recipient arrived.  
363.23      Special have trip logs, which include pickup and drop-off times, signed by the medical  
363.24      provider or client attesting mileage traveled to obtain covered medical services, whichever  
363.25      is deemed most appropriate. Nonemergency medical transportation providers may not bill  
363.26      for separate base rates for the continuation of a trip beyond the original destination. Special  
363.27      Nonemergency medical transportation providers must take recipients clients to the health  
363.28      care provider, using the most direct route, and must not exceed 30 miles for a trip to a  
363.29      primary care provider or 60 miles for a trip to a specialty care provider, unless the recipient  
363.30      client receives authorization from the local agency. The minimum medical assistance  
363.31      reimbursement rates for special transportation nonemergency medical services are:

363.32       (1)(i) \$17 for the base rate and \$1.35 per mile for special transportation  
363.33      nonemergency medical services to eligible persons who need a wheelchair-accessible van;  
363.34       (ii) \$11.50 for the base rate and \$1.30 per mile for special nonemergency medical  
363.35      transportation services to eligible persons who do not need a wheelchair-accessible van; and

364.1       (iii) \$60 for the base rate and \$2.40 per mile, and an attendant rate of \$9 per trip,  
364.2   for special nonemergency medical transportation services to eligible persons who need a  
364.3   stretcher-accessible vehicle;

364.4       (2) clients requesting client mileage reimbursement must sign the trip log attesting  
364.5   mileage traveled to obtain covered medical services.

364.6       (g) By July 1, 2015, the commissioner shall determine reimbursement for the modes  
364.7   under this paragraph and paragraphs (h) and (i), using existing rates in paragraph (f). The  
364.8   rates must be budget neutral, ensuring that the total aggregate payments are equal to the  
364.9   total aggregate payments for the same number and types of services in the base year  
364.10   2013. The covered modes of nonemergency medical transportation include transportation  
364.11   provided directly by clients or family members of clients with their own transportation,  
364.12   volunteers using their own vehicles, taxicabs, and public transit, or provided to a client  
364.13   who needs a stretcher-accessible vehicle, a lift/ramp equipped vehicle, a vehicle that is not  
364.14   stretcher-accessible or lift/ramp equipped designed to transport seven or fewer persons,  
364.15   and a protected vehicle that is not an ambulance or police car and has safety locks, a  
364.16   video recorder, and a transparent thermoplastic partition between the passenger and the  
364.17   vehicle driver.

364.18       (h) The administrative agency shall use the level of service process established  
364.19   by the commissioner in consultation with the Nonemergency Medical Transportation  
364.20   Advisory Committee to determine the client's most appropriate mode of transportation.  
364.21   If public transit or a certified transportation provider is not available to provide the  
364.22   appropriate service mode for the client, the client may receive a onetime service upgrade.  
364.23   Clients can be found eligible for the most appropriate of the following modes:

364.24       (1) client reimbursement, which includes client mileage reimbursement provided  
364.25   to clients who have their own transportation or family who provides transportation to  
364.26   the client;

364.27       (2) volunteer transport, which includes transportation by volunteers using their  
364.28   own vehicle;

364.29       (3) unassisted transport, which includes transportation provided to a client by a  
364.30   taxicab or public transit. If a taxicab or publicly operated transit system is not available,  
364.31   the client can receive transportation from another nonemergency medical transportation  
364.32   provider;

364.33       (4) assisted transport, which includes transport provided to clients who require  
364.34   assistance by a nonemergency medical transportation provider;

365.1       (5) lift-equipped/ramp transport, which includes transport provided to a client who  
365.2       is dependent on a device and requires a nonemergency medical transportation provider  
365.3       with a vehicle containing a lift or ramp;

365.4       (6) protected transport, which includes transport to a client who has received a  
365.5       prescreening that has deemed other forms of transportation inappropriate and who requires  
365.6       a provider certified as a protected transport provider; and

365.7       (7) stretcher transport, which includes transport for a client in a prone or supine  
365.8       position and requires a nonemergency medical transportation provider with a vehicle that  
365.9       can transport a client in a prone or supine position.

365.10      (i) By July 1, 2015, local agencies shall administer and reimburse for modes within  
365.11      existing appropriations defined in paragraph (h), clauses (1) to (3). The commissioner  
365.12      shall administer and reimburse for modes within existing appropriations defined in  
365.13      paragraph (h), clauses (4) to (7). In accordance with subdivision 18e, by July 1, 2016, the  
365.14      local agency shall be the single administrative agency and shall administer and reimburse  
365.15      for modes defined in paragraph (h).

365.16      (j) The commissioner shall:  
365.17      (1) in consultation with the Nonemergency Medical Transportation Advisory  
365.18      Committee, verify that the mode and use of nonemergency medical transportation is  
365.19      appropriate;

365.20      (2) verify that the client is going to an approved medical appointment; and  
365.21      (3) investigate all complaints and appeals.

365.22      (k) The administrative agency shall pay for the services provided in this subdivision  
365.23      and seek reimbursement from the commissioner if appropriate. As vendors of medical care,  
365.24      local agencies are subject to the provisions in section 256B.041, the sanctions and monetary  
365.25      recovery actions in section 256B.064, and Minnesota Rules parts 9505.2160 to 9505.2245.

365.26      (l) The base rates for speial nonemergency medical transportation services in areas  
365.27      defined under RUCA to be super rural shall be equal to the reimbursement rate established  
365.28      in paragraph (f), clause (1), plus 11.3 percent; and

365.29      (3) for speial nonemergency medical transportation services in areas defined under  
365.30      RUCA to be rural or super rural areas:

365.31      (i) for a trip equal to 17 miles or less, mileage reimbursement shall be equal to 125  
365.32      percent of the respective mileage rate in paragraph (f), clause (1); and  
365.33      (ii) for a trip between 18 and 50 miles, mileage reimbursement shall be equal to  
365.34      112.5 percent of the respective mileage rate in paragraph (f), clause (1).

366.1       (e) (m) For purposes of reimbursement rates for special nonemergency medical  
366.2 transportation services under paragraph (b), the zip code of the recipient's place of residence  
366.3 shall determine whether the urban, rural, or super rural reimbursement rate applies.

366.4       (d) (n) For purposes of this subdivision, "rural urban commuting area" or "RUCA"  
366.5 means a census-tract based classification system under which a geographical area is  
366.6 determined to be urban, rural, or super rural.

366.7       (e) (o) Effective for services provided on or after September 1, 2011, nonemergency  
366.8 transportation rates, including special nonemergency medical transportation, taxi, and  
366.9 other commercial carriers, are reduced 4.5 percent. Payments made to managed care plans  
366.10 and county-based purchasing plans must be reduced for services provided on or after  
366.11 January 1, 2012, to reflect this reduction.

366.12       (p) Until July 1, 2016, clients using assisted transportation must continue with  
366.13 their current administrative agency. For clients newly assessed as needing assisted  
366.14 transportation, the local agency must continue to administer assisted transport when  
366.15 assistance requires door-to-door, and the commissioner shall administer assisted transport  
366.16 when assistance requires door-through-door.

366.17       Sec. 50. Minnesota Statutes 2012, section 256B.0625, subdivision 18b, is amended to  
366.18 read:

366.19       Subd. 18b. **Broker dispatching prohibition.** The commissioner shall not use a  
366.20 broker or coordinator for any purpose related to nonemergency medical transportation  
366.21 services under subdivision 18.

366.22       Sec. 51. Minnesota Statutes 2012, section 256B.0625, subdivision 18c, is amended to  
366.23 read:

366.24       Subd. 18c. **Nonemergency Medical Transportation Advisory Committee.**  
366.25       (a) The Nonemergency Medical Transportation Advisory Committee shall advise the  
366.26 commissioner on the administration of nonemergency medical transportation covered  
366.27 under medical assistance. The advisory committee shall meet at least quarterly the first  
366.28 year following January 1, 2015, and at least biannually thereafter and may meet more  
366.29 frequently as required by the commissioner. The advisory committee shall annually  
366.30 elect a chair from among its members, who shall work with the commissioner or the  
366.31 commissioner's designee to establish the agenda for each meeting. The commissioner, or  
366.32 the commissioner's designee, shall attend all advisory committee meetings.

366.33       (b) The Nonemergency Medical Transportation Advisory Committee shall advise  
366.34 and make recommendations to the commissioner on:

367.1       (1) the development of, and periodic updates to, a the nonemergency medical  
367.2 transportation policy manual for nonemergency medical transportation services;  
367.3       (2) policies and a funding source for reimbursing no-load miles;  
367.4       (3) policies to prevent waste, fraud, and abuse, and to improve the efficiency of the  
367.5 nonemergency medical transportation system;  
367.6       (4) other issues identified in the 2011 evaluation report by the Office of the  
367.7 Legislative Auditor on medical nonemergency transportation; and  
367.8       (5) (2) other aspects of the nonemergency medical transportation system, as  
367.9 requested by the commissioner; and  
367.10       (3) other aspects of the nonemergency medical transportation system, as requested by:  
367.11       (i) a committee member, who may request an item to be placed on the agenda for  
367.12 a future meeting. The request may be considered by the committee and voted upon.  
367.13 If the motion carries, the meeting agenda item may be developed for presentation to  
367.14 the committee; and  
367.15       (ii) a member of the public, who may approach the committee by letter or e-mail  
367.16 requesting that an item be placed on a future meeting agenda. The request may be  
367.17 considered by the committee and voted upon. If the motion carries, the agenda item may  
367.18 be developed for presentation to the committee.  
367.19       (c) The Nonemergency Medical Transportation Advisory Committee shall  
367.20 coordinate its activities with the Minnesota Council on Transportation Access established  
367.21 under section 174.285. The chair of the advisory committee, or the chair's designee, shall  
367.22 attend all meetings of the Minnesota Council on Transportation Access.  
367.23       (d) The Nonemergency Medical Transportation Advisory Committee shall expire  
367.24 December 1, 2014 2019.

367.25       Sec. 52. Minnesota Statutes 2012, section 256B.0625, subdivision 18d, is amended to  
367.26 read:

367.27       Subd. 18d. **Advisory committee members.** (a) The Nonemergency Medical  
367.28 Transportation Advisory Committee consists of:  
367.29       (1) two voting members who represent counties, at least one of whom must represent  
367.30 a county or counties other than Anoka, Carver, Chisago, Dakota, Hennepin, Isanti,  
367.31 Ramsey, Scott, Sherburne, Washington, and Wright four voting members who represent  
367.32 counties, utilizing the rural urban commuting area classification system. As defined in  
367.33 subdivision 17, these members shall be designated as follows:  
367.34       (i) two counties within the 11-county metropolitan area;  
367.35       (ii) one county representing the rural area of the state; and

368.1        (iii) one county representing the super rural area of the state.

368.2        The Association of Minnesota Counties shall appoint one county within the 11-county  
368.3        metropolitan area and one county representing the super rural area of the state. The  
368.4        Minnesota Inter-County Association shall appoint one county within the 11-county  
368.5        metropolitan area and one county representing the rural area of the state;

368.6        (2) four three voting members who represent medical assistance recipients, including  
368.7        persons with physical and developmental disabilities, persons with mental illness, seniors,  
368.8        children, and low-income individuals;

368.9        (3) four voting members who represent providers that deliver nonemergency medical  
368.10      transportation services to medical assistance enrollees;

368.11        (4) two voting members of the house of representatives, one from the majority  
368.12      party and one from the minority party, appointed by the speaker of the house, and two  
368.13      voting members from the senate, one from the majority party and one from the minority  
368.14      party, appointed by the Subcommittee on Committees of the Committee on Rules and  
368.15      Administration;

368.16        (5) one voting member who represents demonstration providers as defined in section  
368.17      256B.69, subdivision 2;

368.18        (6) one voting member who represents an organization that contracts with state or  
368.19      local governments to coordinate transportation services for medical assistance enrollees;  
368.20      and

368.21        (7) one voting member who represents the Minnesota State Council on Disability;  
368.22        (8) the commissioner of transportation or the commissioner's designee, who shall  
368.23        serve as a voting member;

368.24        (9) one voting member appointed by the Minnesota Ambulance Association; and  
368.25        (10) one voting member appointed by the Minnesota Hospital Association.

368.26        (b) Members of the advisory committee shall not be employed by the Department of  
368.27      Human Services. Members of the advisory committee shall receive no compensation.

368.28        Sec. 53. Minnesota Statutes 2013 Supplement, section 256B.0625, subdivision 18e,  
368.29        is amended to read:

368.30        Subd. 18e. **Single administrative structure and delivery system.** (a) The  
368.31        commissioner shall implement a single administrative structure and delivery system  
368.32        for nonemergency medical transportation, beginning the latter of the date the single  
368.33        administrative assessment tool required in this paragraph is available for use, as  
368.34        determined by the commissioner or by July 1, 2014 2016. The single administrative  
368.35        structure and delivery system must:

369.1       (1) eliminate the distinction between ~~access~~ transportation services and special  
369.2       transportation services;  
369.3       (2) enable all medical assistance recipients to follow the same process to obtain  
369.4       nonemergency medical transportation, regardless of their level of need;  
369.5       (3) provide a single oversight framework for all providers of nonemergency medical  
369.6       transportation; and  
369.7       (4) provide flexibility in service delivery, recognizing that clients fall along a  
369.8       continuum of needs and resources.

369.9       (b) The commissioner shall present to the legislature, by January 15, 2014,  
369.10      legislation necessary to implement the single administrative structure and delivery system  
369.11      for nonemergency medical transportation.

369.12       (c) In developing the single administrative structure and delivery system and the draft  
369.13      legislation, the commissioner shall consult with the Nonemergency Medical Transportation  
369.14      Advisory Committee. In coordination with the Department of Transportation, the  
369.15      commissioner shall develop and authorize a Web-based single administrative structure  
369.16      and assessment tool, which must operate 24 hours a day, seven days a week, to facilitate  
369.17      the enrollee assessment process for nonemergency medical transportation services.  
369.18      The Web-based tool shall facilitate the transportation eligibility determination process  
369.19      initiated by clients and client advocates; shall include an accessible automated intake  
369.20      and assessment process and real-time identification of level of service eligibility; and  
369.21      shall authorize an appropriate and auditable mode of transportation authorization. The  
369.22      tool shall provide a single framework for reconciling trip information with claiming and  
369.23      collecting complaints regarding inappropriate level of need determinations, inappropriate  
369.24      transportation modes utilized, and interference with accessing nonemergency medical  
369.25      transportation. The Web-based single administrative structure shall operate on a trial  
369.26      basis for one year from implementation and, if approved by the commissioner, shall be  
369.27      permanent thereafter. The commissioner shall seek input from the Nonemergency Medical  
369.28      Transportation Advisory Committee to ensure the software is effective and user-friendly  
369.29      and make recommendations regarding funding of the single administrative system.

369.30      Sec. 54. Minnesota Statutes 2012, section 256B.0625, subdivision 18g, is amended to  
369.31      read:

369.32       Subd. 18g. **Use of standardized measures.** The commissioner, in consultation  
369.33      with the Nonemergency Medical Transportation Advisory Committee, shall establish  
369.34      performance measures to assess the cost-effectiveness and quality of nonemergency  
369.35      medical transportation. At a minimum, performance measures should include the number

370.1 ~~of unique participants served by type of transportation provider, number of trips provided~~  
370.2 ~~by type of transportation provider, and cost per trip by type of transportation provider.~~ The  
370.3 ~~commissioner must also consider the measures identified in the January 2012 Department~~  
370.4 ~~of Human Services report to the legislature on nonemergency medical transportation.~~

370.5 Beginning in calendar year ~~2013~~ 2015, the commissioner shall collect, audit, and analyze  
370.6 performance data on nonemergency medical transportation annually and report this  
370.7 information on the agency's Web site. The commissioner shall periodically supplement  
370.8 this information with the results of consumer surveys of the quality of services, and shall  
370.9 make these survey findings available to the public on the agency Web site.

370.10 Sec. 55. Minnesota Statutes 2012, section 256B.0625, is amended by adding a  
370.11 subdivision to read:

370.12       Subd. 18h. Managed care. The following subdivisions do not apply to managed  
370.13 care plans and county-based purchasing plans:  
370.14       (1) subdivision 17, paragraphs (d) to (k);  
370.15       (2) subdivision 18e; and  
370.16       (3) subdivision 18g.

370.17 Sec. 56. Minnesota Statutes 2012, section 256B.35, subdivision 1, is amended to read:

370.18       **Subdivision 1. Personal needs allowance.** (a) Notwithstanding any law to the  
370.19 contrary, welfare allowances for clothing and personal needs for individuals receiving  
370.20 medical assistance while residing in any skilled nursing home, intermediate care facility,  
370.21 or medical institution including recipients of Supplemental Security Income, in this state  
370.22 shall not be less than \$45 per month from all sources. When benefit amounts for Social  
370.23 Security or Supplemental Security Income recipients are increased pursuant to United  
370.24 States Code, title 42, sections 415(i) and 1382f, the commissioner shall, effective in the  
370.25 month in which the increase takes effect, increase by the same percentage to the nearest  
370.26 whole dollar the clothing and personal needs allowance for individuals receiving medical  
370.27 assistance while residing in any skilled nursing home, medical institution, or intermediate  
370.28 care facility. The commissioner shall provide timely notice to local agencies, providers,  
370.29 and recipients of increases under this provision.

370.30       (b) The personal needs allowance may be paid as part of the Minnesota supplemental  
370.31 aid program, and payments to recipients of Minnesota supplemental aid may be made once  
370.32 each three months covering liabilities that accrued during the preceding three months.

370.33       (c) The personal needs allowance shall be increased to include income garnished  
370.34 for child support under a court order, up to a maximum of \$250 per month but only to

371.1 the extent that the amount garnished is not deducted as a monthly allowance for children  
371.2 under section 256B.0575, paragraph (a), clause (5).

371.3 (d) Solely for the purpose of section 256B.0575, subdivision 1, paragraph (a), clause  
371.4 (1), the personal needs allowance shall be increased to include income garnished for  
371.5 spousal maintenance under a judgment and decree for dissolution of marriage, and any  
371.6 administrative fees garnished for collection efforts.

371.7 Sec. 57. Minnesota Statutes 2013 Supplement, section 256B.439, subdivision 1,  
371.8 is amended to read:

371.9 **Subdivision 1. Development and implementation of quality profiles.** (a) The  
371.10 commissioner of human services, in cooperation with the commissioner of health, shall  
371.11 develop and implement quality profiles for nursing facilities and, beginning not later than  
371.12 July 1, 2014, for home and community-based services providers, except when the quality  
371.13 profile system would duplicate requirements under section 256B.5011, 256B.5012, or  
371.14 256B.5013. For purposes of this section, home and community-based services providers  
371.15 are defined as providers of home and community-based services under sections 256B.0625,  
371.16 subdivisions 6a, 7, and 19a; 256B.0913; 256B.0915; 256B.092; and; 256B.49; and  
371.17 256B.85, and intermediate care facilities for persons with developmental disabilities  
371.18 providers under section 256B.5013. To the extent possible, quality profiles must be  
371.19 developed for providers of services to older adults and people with disabilities, regardless  
371.20 of payor source, for the purposes of providing information to consumers. The quality  
371.21 profiles must be developed using existing data sets maintained by the commissioners of  
371.22 health and human services to the extent possible. The profiles must incorporate or be  
371.23 coordinated with information on quality maintained by area agencies on aging, long-term  
371.24 care trade associations, the ombudsman offices, counties, tribes, health plans, and other  
371.25 entities and the long-term care database maintained under section 256.975, subdivision 7.  
371.26 The profiles must be designed to provide information on quality to:

371.27 (1) consumers and their families to facilitate informed choices of service providers;  
371.28 (2) providers to enable them to measure the results of their quality improvement  
371.29 efforts and compare quality achievements with other service providers; and  
371.30 (3) public and private purchasers of long-term care services to enable them to  
371.31 purchase high-quality care.

371.32 (b) The profiles must be developed in consultation with the long-term care task  
371.33 force, area agencies on aging, and representatives of consumers, providers, and labor  
371.34 unions. Within the limits of available appropriations, the commissioners may employ  
371.35 consultants to assist with this project.

372.1       **EFFECTIVE DATE.** This section is effective retroactively from February 1, 2014.

372.2       Sec. 58. Minnesota Statutes 2013 Supplement, section 256B.439, subdivision 7,  
372.3       is amended to read:

372.4       **Subd. 7. Calculation of home and community-based services quality add-on.**

372.5       Effective On July 1, 2015, the commissioner shall determine the quality add-on rate  
372.6       change and adjust payment rates for participating all home and community-based services  
372.7       providers for services rendered on or after that date. The adjustment to a provider payment  
372.8       rate determined under this subdivision shall become part of the ongoing rate paid to that  
372.9       provider. The payment rate for the quality add-on shall be a variable amount based on  
372.10       each provider's quality score as determined in subdivisions 1 and 2a. All home and  
372.11       community-based services providers shall receive a minimum rate increase under this  
372.12       subdivision. In addition to a minimum rate increase, a home and community-based  
372.13       services provider shall receive a quality add-on payment. The commissioner shall limit  
372.14       the types of home and community-based services providers that may receive the quality  
372.15       add-on and based on availability of quality measures and outcome data. The commissioner  
372.16       shall limit the amount of the minimum rate increase and quality add-on payments to  
372.17       operate the quality add-on within funds appropriated for this purpose and based on the  
372.18       availability of the quality measures the equivalent of a one percent rate increase for all  
372.19       home and community-based services providers.

372.20       Sec. 59. Minnesota Statutes 2013 Supplement, section 256B.441, subdivision 53,  
372.21       is amended to read:

372.22       **Subd. 53. Calculation of payment rate for external fixed costs.** The commissioner  
372.23       shall calculate a payment rate for external fixed costs.

372.24       (a) For a facility licensed as a nursing home, the portion related to section 256.9657  
372.25       shall be equal to \$8.86. For a facility licensed as both a nursing home and a boarding care  
372.26       home, the portion related to section 256.9657 shall be equal to \$8.86 multiplied by the  
372.27       result of its number of nursing home beds divided by its total number of licensed beds.

372.28       (b) The portion related to the licensure fee under section 144.122, paragraph (d),  
372.29       shall be the amount of the fee divided by actual resident days.

372.30       (c) The portion related to scholarships shall be determined under section 256B.431,  
372.31       subdivision 36.

372.32       (d) Until September 30, 2013, the portion related to long-term care consultation shall  
372.33       be determined according to section 256B.0911, subdivision 6.

373.1       (e) The portion related to development and education of resident and family advisory  
373.2       councils under section 144A.33 shall be \$5 divided by 365.

373.3       (f) The portion related to planned closure rate adjustments shall be as determined  
373.4       under section 256B.437, subdivision 6, and Minnesota Statutes 2010, section 256B.436.  
373.5       Planned closure rate adjustments that take effect before October 1, 2014, shall no longer  
373.6       be included in the payment rate for external fixed costs beginning October 1, 2016.  
373.7       Planned closure rate adjustments that take effect on or after October 1, 2014, shall no  
373.8       longer be included in the payment rate for external fixed costs beginning on October 1 of  
373.9       the first year not less than two years after their effective date.

373.10       (g) The portions related to property insurance, real estate taxes, special assessments,  
373.11       and payments made in lieu of real estate taxes directly identified or allocated to the nursing  
373.12       facility shall be the actual amounts divided by actual resident days.

373.13       (h) The portion related to the Public Employees Retirement Association shall be  
373.14       actual costs divided by resident days.

373.15       (i) The single bed room incentives shall be as determined under section 256B.431,  
373.16       subdivision 42. Single bed room incentives that take effect before October 1, 2014, shall  
373.17       no longer be included in the payment rate for external fixed costs beginning October 1,  
373.18       2016. Single bed room incentives that take effect on or after October 1, 2014, shall no  
373.19       longer be included in the payment rate for external fixed costs beginning on October 1 of  
373.20       the first year not less than two years after their effective date.

373.21       (j) The portion related to the rate adjustment as provided in section 77, subdivision 3.

373.22       (k) The payment rate for external fixed costs shall be the sum of the amounts in  
373.23       paragraphs (a) to (j).

373.24       Sec. 60. Minnesota Statutes 2013 Supplement, section 256B.441, subdivision 63,  
373.25       is amended to read:

373.26       **Subd. 63. Critical access nursing facilities.** (a) The commissioner, in consultation  
373.27       with the commissioner of health, may designate certain nursing facilities as critical access  
373.28       nursing facilities. The designation shall be granted on a competitive basis, within the  
373.29       limits of funds appropriated for this purpose.

373.30       (b) The commissioner shall request proposals from nursing facilities every  
373.31       two years. Proposals must be submitted in the form and according to the timelines  
373.32       established by the commissioner. In selecting applicants to designate, the commissioner,  
373.33       in consultation with the commissioner of health, and with input from stakeholders, shall  
373.34       develop criteria designed to preserve access to nursing facility services in isolated areas,  
373.35       rebalance long-term care, and improve quality. Beginning in fiscal year 2015, to the

374.1 extent practicable, the commissioner shall ensure an even distribution of designations  
374.2 across the state.

374.3 (c) The commissioner shall allow the benefits in clauses (1) to (5) for nursing  
374.4 facilities designated as critical access nursing facilities:

374.5 (1) partial rebasing, with the commissioner allowing a designated facility operating  
374.6 payment rates being the sum of up to 60 percent of the operating payment rate determined  
374.7 in accordance with subdivision 54 and at least 40 percent, with the sum of the two portions  
374.8 being equal to 100 percent, of the operating payment rate that would have been allowed  
374.9 had the facility not been designated. The commissioner may adjust these percentages by  
374.10 up to 20 percent and may approve a request for less than the amount allowed;

374.11 (2) enhanced payments for leave days. Notwithstanding section 256B.431,  
374.12 subdivision 2r, upon designation as a critical access nursing facility, the commissioner  
374.13 shall limit payment for leave days to 60 percent of that nursing facility's total payment rate  
374.14 for the involved resident, and shall allow this payment only when the occupancy of the  
374.15 nursing facility, inclusive of bed hold days, is equal to or greater than 90 percent;

374.16 (3) two designated critical access nursing facilities, with up to 100 beds in active  
374.17 service, may jointly apply to the commissioner of health for a waiver of Minnesota  
374.18 Rules, part 4658.0500, subpart 2, in order to jointly employ a director of nursing. The  
374.19 commissioner of health will consider each waiver request independently based on the  
374.20 criteria under Minnesota Rules, part 4658.0040;

374.21 (4) the minimum threshold under section 256B.431, subdivision 15, paragraph (e),  
374.22 shall be 40 percent of the amount that would otherwise apply; and

374.23 (5) notwithstanding subdivision 58, beginning October 1, 2014, the quality-based  
374.24 rate limits under subdivision 50 shall apply to designated critical access nursing facilities.

374.25 (d) Designation of a critical access nursing facility shall be for a period of two  
374.26 years, after which the benefits allowed under paragraph (c) shall be removed. Designated  
374.27 facilities may apply for continued designation.

374.28 Sec. 61. Minnesota Statutes 2013 Supplement, section 256B.4912, subdivision 1,  
374.29 is amended to read:

374.30 Subdivision 1. **Provider qualifications.** (a) For the home and community-based  
374.31 waivers providing services to seniors and individuals with disabilities under sections  
374.32 256B.0913, 256B.0915, 256B.092, and 256B.49, the commissioner shall establish:

374.33 (1) agreements with enrolled waiver service providers to ensure providers meet  
374.34 Minnesota health care program requirements;

375.1       (2) regular reviews of provider qualifications, and including requests of proof of  
375.2 documentation; and  
375.3       (3) processes to gather the necessary information to determine provider qualifications.  
375.4       (b) Beginning July 1, 2012, staff that provide direct contact, as defined in section  
375.5 245C.02, subdivision 11, for services specified in the federally approved waiver plans  
375.6 must meet the requirements of chapter 245C prior to providing waiver services and as  
375.7 part of ongoing enrollment. Upon federal approval, this requirement must also apply to  
375.8 consumer-directed community supports.  
375.9       (c) Beginning January 1, 2014, service owners and managerial officials overseeing  
375.10 the management or policies of services that provide direct contact as specified in the  
375.11 federally approved waiver plans must meet the requirements of chapter 245C prior to  
375.12 reenrollment or revalidation or, for new providers, prior to initial enrollment if they have  
375.13 not already done so as a part of service licensure requirements.

375.14      Sec. 62. Minnesota Statutes 2013 Supplement, section 256B.4913, subdivision 4a,  
375.15 is amended to read:

375.16      Subd. 4a. **Rate stabilization adjustment.** (a) For purposes of this subdivision,  
375.17 "implementation period" shall mean means the period beginning January 1, 2014, and  
375.18 ending on the last day of the month in which the rate management system is populated  
375.19 with the data necessary to calculate rates for substantially all individuals receiving home  
375.20 and community-based waiver services under sections 256B.092 and 256B.49. "Banding  
375.21 period" means the time period beginning on January 1, 2014, and ending upon the  
375.22 expiration of the 12-month period defined in paragraph (c), clause (5).

375.23      (b) For purposes of this subdivision, the banding value historical rate for all service  
375.24 recipients shall mean means the individual reimbursement rate for a recipient in effect on  
375.25 December 1, 2013, except that:

375.26      (1)(i) ~~for day training and habilitation pilot program service recipients, the banding~~  
375.27 ~~value shall be the authorized rate for the provider in the county of service effective~~  
375.28 ~~Deeember 1, 2013, if the for a day service recipient: who~~ was not authorized to receive  
375.29 these waiver services prior to January 1, 2014; added a new service or services on or after  
375.30 January 1, 2014; or changed providers on or after January 1, 2014, ~~the historical rate~~  
375.31 ~~must be the authorized rate for the provider in the county of service, effective December~~  
375.32 ~~1, 2013; and or~~

375.33      (ii) ~~for all other unit or day service recipients, the banding value shall be the~~  
375.34 ~~weighted average authorized rate for each provider number in the county of service~~  
375.35 ~~effective Deeember 1, 2013, if the (2) for a unit-based service with programming or~~

376.1       a unit-based service without programming recipient: who was not authorized to receive  
376.2       these waiver services prior to January 1, 2014; added a new service or services on or after  
376.3       January 1, 2014; or changed providers on or after January 1, 2014, the historical rate  
376.4       must be the weighted average authorized rate for each provider number in the county of  
376.5       service, effective December 1, 2013; and or

376.6           (2) (3) for residential service recipients who change providers on or after January  
376.7       1, 2014, the ~~banding value shall~~ historical rate must be set by each lead agency within  
376.8       their county aggregate budget using their respective methodology for residential services  
376.9       effective December 1, 2013, for determining the provider rate for a similarly situated  
376.10      recipient being served by that provider.

376.11       (c) The commissioner shall adjust individual reimbursement rates determined under  
376.12      this section so that the unit rate is no higher or lower than:

376.13           (1) 0.5 percent from the ~~banding value~~ historical rate for the implementation period;

376.14           (2) 0.5 percent from the rate in effect in clause (1), for the 12-month period  
376.15      immediately following the time period of clause (1);

376.16           (3) 1.0 percent from the rate in effect in clause (2), for the 12-month period  
376.17      immediately following the time period of clause (2);

376.18           (4) 1.0 percent from the rate in effect in clause (3), for the 12-month period  
376.19      immediately following the time period of clause (3); and

376.20           (5) 1.0 percent from the rate in effect in clause (4), for the 12-month period  
376.21      immediately following the time period of clause (4).

376.22       (d) The commissioner shall review all changes to rates that were in effect on  
376.23       December 1, 2013, to verify that the rates in effect produce the equivalent level of spending  
376.24       and service unit utilization on an annual basis as those in effect on October 31, 2013.

376.25       (e) By December 31, 2014, the commissioner shall complete the review in paragraph  
376.26       (d), adjust rates to provide equivalent annual spending and make appropriate adjustments.

376.27       (f) During the banding period, the Medicaid Management Information System  
376.28       (MMIS) service agreement rate must be adjusted to account for change in an individual's  
376.29       need. The commissioner shall adjust the Medicaid Management Information System  
376.30       (MMIS) service agreement rate by:

376.31           (1) calculating a service rate under section 256B.4914, subdivision 6, 7, 8, or 9, for  
376.32       the individual with variables reflecting the level of service in effect on December 1, 2013;

376.33           (2) calculating a service rate under section 256B.4914, subdivision 6, 7, 8, or  
376.34       9, for the individual with variables reflecting the updated level of service at the time  
376.35       of application; and

377.1        (3) adding to or subtracting from the Medicaid Management Information System  
377.2        (MMIS) service agreement rate, the difference between the values in clauses (1) and (2).

377.3        (g) This subdivision shall must not apply to rates for recipients served by providers  
377.4        new to a given county after January 1, 2014. Providers of personal supports services who  
377.5        also acted as fiscal support entities must be treated as new providers as of January 1, 2014.

377.6        Sec. 63. Minnesota Statutes 2013 Supplement, section 256B.4914, subdivision 2,  
377.7        is amended to read:

377.8        Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the  
377.9        meanings given them, unless the context clearly indicates otherwise.

377.10        (b) "Commissioner" means the commissioner of human services.

377.11        (c) "Component value" means underlying factors that are part of the cost of providing  
377.12        services that are built into the waiver rates methodology to calculate service rates.

377.13        (d) "Customized living tool" means a methodology for setting service rates that  
377.14        delineates and documents the amount of each component service included in a recipient's  
377.15        customized living service plan.

377.16        (e) "Disability waiver rates system" means a statewide system that establishes rates  
377.17        that are based on uniform processes and captures the individualized nature of waiver  
377.18        services and recipient needs.

377.19        (f) "Individual staffing" means the time spent as a one-to-one interaction specific to  
377.20        an individual recipient by staff brought in solely to provide direct support and assistance  
377.21        with activities of daily living, instrumental activities of daily living, and training to  
377.22        participants, and is based on the requirements in each individual's coordinated service and  
377.23        support plan under section 245D.02, subdivision 4b; any coordinated service and support  
377.24        plan addendum under section 245D.02, subdivision 4c; an assessment tool; and provider  
377.25        observation of an individual's needs.

377.26        (g) "Lead agency" means a county, partnership of counties, or tribal agency charged  
377.27        with administering waivered services under sections 256B.092 and 256B.49.

377.28        (g) (h) "Median" means the amount that divides distribution into two equal groups,  
377.29        one-half above the median and one-half below the median.

377.30        (h) (i) "Payment or rate" means reimbursement to an eligible provider for services  
377.31        provided to a qualified individual based on an approved service authorization.

377.32        (i) (j) "Rates management system" means a Web-based software application that  
377.33        uses a framework and component values, as determined by the commissioner, to establish  
377.34        service rates.

378.1       (f) (k) "Recipient" means a person receiving home and community-based services  
378.2 funded under any of the disability waivers.

378.3       (l) "Shared staffing" means time spent by employees, not defined under paragraph (f)  
378.4 or (i), providing or available to provide more than one individual with direct support and  
378.5 assistance with activities of daily living as defined under section 256B.0659, subdivision 1,  
378.6 paragraph (b); instrumental activities of daily living as defined under section 256B.0659,  
378.7 subdivision 1, paragraph (i); ancillary activities needed to support individual services; and  
378.8 training to participants, and is based on the requirements in each individual's coordinated  
378.9 service and support plan under section 245D.02, subdivision 4b; any coordinated service  
378.10 and support plan addendum under section 245D.02, subdivision 4c; an assessment tool;  
378.11 and provider observation of an individual's service need. Total shared staffing hours are  
378.12 divided by the average number of individuals who receive the shared service provisions.

378.13       (m) "Staffing ratio" means the number of recipients a service provider employee  
378.14 supports during a unit of service based on a uniform assessment tool, provider observation,  
378.15 case history, and the recipient's services of choice, and not based on the staffing ratios  
378.16 under section 245D.31.

378.17       (n) "Unit of service" means the following:

378.18       (1) for residential support services under subdivision 6, a unit of service is a day.  
378.19 Any portion of any calendar day, within allowable Medicaid rules, where an individual  
378.20 spends time in a residential setting is billable as a day;

378.21       (2) for day services under subdivision 7:

378.22       (i) for day training and habilitation services, a unit of service is either:  
378.23           (A) a day unit of service is defined as six or more hours of time spent providing  
378.24 direct services and transportation; or

378.25           (B) a partial day unit of service is defined as fewer than six hours of time spent  
378.26 providing direct services and transportation; and

378.27       (C) for new day service recipients after January 1, 2014, 15 minute units of  
378.28 service must be used for fewer than six hours of time spent providing direct services  
378.29 and transportation;

378.30       (ii) for adult day and structured day services, a unit of service is a day or 15 minutes.

378.31 A day unit of service is six or more hours of time spent providing direct services;

378.32       (iii) for prevocational services, a unit of service is a day or an hour. A day unit of  
378.33 service is six or more hours of time spent providing direct service;

378.34       (3) for unit-based services with programming under subdivision 8:

379.1        (i) for supported living services, a unit of service is a day or 15 minutes. When a  
379.2        day rate is authorized, any portion of a calendar day where an individual receives services  
379.3        is billable as a day; and

379.4        (ii) for all other services, a unit of service is 15 minutes; and

379.5        (4) for unit-based services without programming under subdivision 9:

379.6        (i) for respite services, a unit of service is a day or 15 minutes. When a day rate is  
379.7        authorized, any portion of a calendar day when an individual receives services is billable  
379.8        as a day; and

379.9        (ii) for all other services, a unit of service is 15 minutes.

379.10      Sec. 64. Minnesota Statutes 2013 Supplement, section 256B.4914, subdivision 4,  
379.11      is amended to read:

379.12        Subd. 4. **Data collection for rate determination.** (a) Rates for applicable home  
379.13        and community-based waivered services, including rate exceptions under subdivision 12,  
379.14        are set by the rates management system.

379.15        (b) Data for services under section 256B.4913, subdivision 4a, shall be collected in a  
379.16        manner prescribed by the commissioner.

379.17        (c) Data and information in the rates management system may be used to calculate  
379.18        an individual's rate.

379.19        (d) Service providers, with information from the community support plan and  
379.20        oversight by lead agencies, shall provide values and information needed to calculate an  
379.21        individual's rate into the rates management system. These The determination of service  
379.22        levels must be part of a discussion with members of the support team as defined in section  
379.23        245D.02, subdivision 34. This discussion must occur prior to the final establishment of  
379.24        each individual's rate. The values and information include:

- 379.25        (1) shared staffing hours;
- 379.26        (2) individual staffing hours;
- 379.27        (3) direct RN registered nurse hours;
- 379.28        (4) direct LPN licensed practical nurse hours;
- 379.29        (5) staffing ratios;
- 379.30        (6) information to document variable levels of service qualification for variable  
379.31        levels of reimbursement in each framework;
- 379.32        (7) shared or individualized arrangements for unit-based services, including the  
379.33        staffing ratio;
- 379.34        (8) number of trips and miles for transportation services; and
- 379.35        (9) service hours provided through monitoring technology.

380.1       (e) Updates to individual data shall must include:

380.2       (1) data for each individual that is updated annually when renewing service plans; and  
380.3       (2) requests by individuals or lead agencies to update a rate whenever there is a  
380.4       change in an individual's service needs, with accompanying documentation.

380.5       (f) Lead agencies shall review and approve all services reflecting each individual's  
380.6       needs, and the values to calculate the final payment rate for services with variables under  
380.7       subdivisions 6, 7, 8, and 9 for each individual. Lead agencies must notify the individual  
380.8       and the service provider of the final agreed-upon values and rate, and provide information  
380.9       that is identical to what was entered into the rates management system. If a value used  
380.10       was mistakenly or erroneously entered and used to calculate a rate, a provider may  
380.11       petition lead agencies to correct it. Lead agencies must respond to these requests. When  
380.12       responding to the request, the lead agency must consider:

380.13       (1) meeting the health and welfare needs of the individual or individuals receiving  
380.14       services by service site, identified in their coordinated service and support plan under  
380.15       section 245D.02, subdivision 4b, and any addendum under section 245D.02, subdivision  
380.16       4c;

380.17       (2) meeting the requirements for staffing under subdivision 2, paragraphs (f), (i),  
380.18       and (m); and meeting or exceeding the licensing standards for staffing required under  
380.19       section 245D.09, subdivision 1; and

380.20       (3) meeting the staffing ratio requirements under subdivision 2, paragraph (n), and  
380.21       meeting or exceeding the licensing standards for staffing required under section 245D.31.

380.22       Sec. 65. Minnesota Statutes 2013 Supplement, section 256B.4914, subdivision 5,

380.23       is amended to read:

380.24       **Subd. 5. Base wage index and standard component values.** (a) The base wage  
380.25       index is established to determine staffing costs associated with providing services to  
380.26       individuals receiving home and community-based services. For purposes of developing  
380.27       and calculating the proposed base wage, Minnesota-specific wages taken from job  
380.28       descriptions and standard occupational classification (SOC) codes from the Bureau of  
380.29       Labor Statistics as defined in the most recent edition of the Occupational Handbook shall  
380.30       must be used. The base wage index shall must be calculated as follows:

380.31       (1) for residential direct care staff, the sum of:

380.32       (i) 15 percent of the subtotal of 50 percent of the median wage for personal and  
380.33       home health aide (SOC code 39-9021); 30 percent of the median wage for nursing aide  
380.34       (SOC code 31-1012); and 20 percent of the median wage for social and human services  
380.35       aide (SOC code 21-1093); and

- 381.1                 (ii) 85 percent of the subtotal of 20 percent of the median wage for home health aide  
381.2                 (SOC code 31-1011); 20 percent of the median wage for personal and home health aide  
381.3                 (SOC code 39-9021); 20 percent of the median wage for nursing aide (SOC code 31-1012);  
381.4                 20 percent of the median wage for psychiatric technician (SOC code 29-2053); and 20  
381.5                 percent of the median wage for social and human services aide (SOC code 21-1093);  
381.6                 (2) for day services, 20 percent of the median wage for nursing aide (SOC code  
381.7                 31-1012); 20 percent of the median wage for psychiatric technician (SOC code 29-2053);  
381.8                 and 60 percent of the median wage for social and human services aide (SOC code 21-1093);  
381.9                 (3) for residential asleep-overnight staff, the wage will be \$7.66 per hour, except in  
381.10                 a family foster care setting, the wage is \$2.80 per hour;  
381.11                 (4) for behavior program analyst staff, 100 percent of the median wage for mental  
381.12                 health counselors (SOC code 21-1014);  
381.13                 (5) for behavior program professional staff, 100 percent of the median wage for  
381.14                 clinical counseling and school psychologist (SOC code 19-3031);  
381.15                 (6) for behavior program specialist staff, 100 percent of the median wage for  
381.16                 psychiatric technicians (SOC code 29-2053);  
381.17                 (7) for supportive living services staff, 20 percent of the median wage for nursing  
381.18                 aide (SOC code 31-1012); 20 percent of the median wage for psychiatric technician (SOC  
381.19                 code 29-2053); and 60 percent of the median wage for social and human services aide  
381.20                 (SOC code 21-1093);  
381.21                 (8) for housing access coordination staff, 50 percent of the median wage for  
381.22                 community and social services specialist (SOC code 21-1099); and 50 percent of the  
381.23                 median wage for social and human services aide (SOC code 21-1093);  
381.24                 (9) for in-home family support staff, 20 percent of the median wage for nursing  
381.25                 aide (SOC code 31-1012); 30 percent of the median wage for community social service  
381.26                 specialist (SOC code 21-1099); 40 percent of the median wage for social and human  
381.27                 services aide (SOC code 21-1093); and ten percent of the median wage for psychiatric  
381.28                 technician (SOC code 29-2053);  
381.29                 (10) for independent living skills staff, 40 percent of the median wage for community  
381.30                 social service specialist (SOC code 21-1099); 50 percent of the median wage for social  
381.31                 and human services aide (SOC code 21-1093); and ten percent of the median wage for  
381.32                 psychiatric technician (SOC code 29-2053);  
381.33                 (11) for supported employment staff, 20 percent of the median wage for nursing aide  
381.34                 (SOC code 31-1012); 20 percent of the median wage for psychiatric technician (SOC  
381.35                 code 29-2053); and 60 percent of the median wage for social and human services aide  
381.36                 (SOC code 21-1093);

- 382.1       (12) for adult companion staff, 50 percent of the median wage for personal and home  
382.2 care aide (SOC code 39-9021); and 50 percent of the median wage for nursing aides,  
382.3 orderlies, and attendants (SOC code 31-1012);
- 382.4       (13) for night supervision staff, 20 percent of the median wage for home health aide  
382.5 (SOC code 31-1011); 20 percent of the median wage for personal and home health aide  
382.6 (SOC code 39-9021); 20 percent of the median wage for nursing aide (SOC code 31-1012);  
382.7 20 percent of the median wage for psychiatric technician (SOC code 29-2053); and 20  
382.8 percent of the median wage for social and human services aide (SOC code 21-1093);
- 382.9       (14) for respite staff, 50 percent of the median wage for personal and home care aide  
382.10 (SOC code 39-9021); and 50 percent of the median wage for nursing aides, orderlies, and  
382.11 attendants (SOC code 31-1012);
- 382.12       (15) for personal support staff, 50 percent of the median wage for personal and home  
382.13 care aide (SOC code 39-9021); and 50 percent of the median wage for nursing aides,  
382.14 orderlies, and attendants (SOC code 31-1012);
- 382.15       (16) for supervisory staff, the basic wage is \$17.43 per hour with exception of  
382.16 the supervisor of behavior analyst and behavior specialists, which shall must be \$30.75  
382.17 per hour;
- 382.18       (17) for RN registered nurse, the basic wage is \$30.82 per hour; and
- 382.19       (18) for LPN licensed practical nurse, the basic wage is \$18.64 per hour.
- 382.20       (b) Component values for residential support services are:
- 382.21       (1) supervisory span of control ratio: 11 percent;
- 382.22       (2) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 382.23       (3) employee-related cost ratio: 23.6 percent;
- 382.24       (4) general administrative support ratio: 13.25 percent;
- 382.25       (5) program-related expense ratio: 1.3 percent; and
- 382.26       (6) absence and utilization factor ratio: 3.9 percent.
- 382.27       (c) Component values for family foster care are:
- 382.28       (1) supervisory span of control ratio: 11 percent;
- 382.29       (2) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 382.30       (3) employee-related cost ratio: 23.6 percent;
- 382.31       (4) general administrative support ratio: 3.3 percent;
- 382.32       (5) program-related expense ratio: 1.3 percent; and
- 382.33       (6) absence factor: 1.7 percent.
- 382.34       (d) Component values for day services for all services are:
- 382.35       (1) supervisory span of control ratio: 11 percent;
- 382.36       (2) employee vacation, sick, and training allowance ratio: 8.71 percent;

- 383.1       (3) employee-related cost ratio: 23.6 percent;
- 383.2       (4) program plan support ratio: 5.6 percent;
- 383.3       (5) client programming and support ratio: ten percent;
- 383.4       (6) general administrative support ratio: 13.25 percent;
- 383.5       (7) program-related expense ratio: 1.8 percent; and
- 383.6       (8) absence and utilization factor ratio: 3.9 percent.
- 383.7       (e) Component values for unit-based services with programming are:
- 383.8       (1) supervisory span of control ratio: 11 percent;
- 383.9       (2) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 383.10       (3) employee-related cost ratio: 23.6 percent;
- 383.11       (4) program plan supports ratio: 3.1 percent;
- 383.12       (5) client programming and supports ratio: 8.6 percent;
- 383.13       (6) general administrative support ratio: 13.25 percent;
- 383.14       (7) program-related expense ratio: 6.1 percent; and
- 383.15       (8) absence and utilization factor ratio: 3.9 percent.
- 383.16       (f) Component values for unit-based services without programming except respite  
383.17       are:
- 383.18       (1) supervisory span of control ratio: 11 percent;
- 383.19       (2) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 383.20       (3) employee-related cost ratio: 23.6 percent;
- 383.21       (4) program plan support ratio: 3.1 percent;
- 383.22       (5) client programming and support ratio: 8.6 percent;
- 383.23       (6) general administrative support ratio: 13.25 percent;
- 383.24       (7) program-related expense ratio: 6.1 percent; and
- 383.25       (8) absence and utilization factor ratio: 3.9 percent.
- 383.26       (g) Component values for unit-based services without programming for respite are:
- 383.27       (1) supervisory span of control ratio: 11 percent;
- 383.28       (2) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 383.29       (3) employee-related cost ratio: 23.6 percent;
- 383.30       (4) general administrative support ratio: 13.25 percent;
- 383.31       (5) program-related expense ratio: 6.1 percent; and
- 383.32       (6) absence and utilization factor ratio: 3.9 percent.
- 383.33       (h) On July 1, 2017, the commissioner shall update the base wage index in paragraph  
383.34       ~~(b)~~ (a) based on the wage data by standard occupational code (SOC) from the Bureau of  
383.35       Labor Statistics available on December 31, 2016. The commissioner shall publish these  
383.36       updated values and load them into the rate management system. This adjustment occurs

384.1 every five years. For adjustments in 2021 and beyond, the commissioner shall use the data  
384.2 available on December 31 of the calendar year five years prior.

384.3 (i) On July 1, 2017, the commissioner shall update the framework components in  
384.4 paragraph (e) paragraphs (b) to (g); subdivision 6, clauses (8) and (9); and subdivision  
384.5 7, clauses (16) and (17), for changes in the Consumer Price Index. The commissioner  
384.6 will adjust these values higher or lower by the percentage change in the Consumer Price  
384.7 Index-All Items, United States city average (CPI-U) from January 1, 2014, to January 1,  
384.8 2017. The commissioner shall publish these updated values and load them into the rate  
384.9 management system. This adjustment occurs every five years. For adjustments in 2021  
384.10 and beyond, the commissioner shall use the data available on January 1 of the calendar  
384.11 year four years prior and January 1 of the current calendar year.

384.12 Sec. 66. Minnesota Statutes 2013 Supplement, section 256B.4914, subdivision 6,  
384.13 is amended to read:

384.14 Subd. 6. **Payments for residential support services.** (a) Payments for residential  
384.15 support services, as defined in sections 256B.092, subdivision 11, and 256B.49,  
384.16 subdivision 22, must be calculated as follows:

384.17 (1) determine the number of shared staffing and individual direct staff hours to meet  
384.18 a recipient's needs provided on-site or through monitoring technology;

384.19 (2) personnel hourly wage rate must be based on the 2009 Bureau of Labor Statistics  
384.20 Minnesota-specific rates or rates derived by the commissioner as provided in subdivision  
384.21 5. This is defined as the direct-care rate;

384.22 (3) for a recipient requiring customization for deaf and hard-of-hearing language  
384.23 accessibility under subdivision 12, add the customization rate provided in subdivision 12  
384.24 to the result of clause (2). This is defined as the customized direct-care rate;

384.25 (4) multiply the number of shared and individual direct staff hours provided on-site  
384.26 or through monitoring technology and ~~direct~~ nursing hours by the appropriate staff wages  
384.27 in subdivision 5, paragraph (a), or the customized direct-care rate;

384.28 (5) multiply the number of shared and individual direct staff hours provided  
384.29 on-site or through monitoring technology and ~~direct~~ nursing hours by the product of  
384.30 the supervision span of control ratio in subdivision 5, paragraph (b), clause (1), and the  
384.31 appropriate supervision wage in subdivision 5, paragraph (a), clause (16);

384.32 (6) combine the results of clauses (4) and (5), excluding any shared and individual  
384.33 direct staff hours provided through monitoring technology, and multiply the result by one  
384.34 plus the employee vacation, sick, and training allowance ratio in subdivision 5, paragraph  
384.35 (b), clause (2). This is defined as the direct staffing cost;

385.1       (7) for employee-related expenses, multiply the direct staffing cost, excluding any  
385.2 shared and individual direct staff hours provided through monitoring technology, by one  
385.3 plus the employee-related cost ratio in subdivision 5, paragraph (b), clause (3);

385.4       (8) for client programming and supports, the commissioner shall add \$2,179; and

385.5       (9) for transportation, if provided, the commissioner shall add \$1,680, or \$3,000  
385.6 if customized for adapted transport, ~~per year based on the resident with the highest~~  
385.7 ~~assessed need.~~

385.8       (b) The total rate ~~shall~~ must be calculated using the following steps:

385.9       (1) subtotal paragraph (a), clauses (7) to (9), and the direct staffing cost of any  
385.10 shared and individual direct staff hours provided through monitoring technology that  
385.11 was excluded in clause (7);

385.12       (2) sum the standard general and administrative rate, the program-related expense  
385.13 ratio, and the absence and utilization ratio;

385.14       (3) divide the result of clause (1) by one minus the result of clause (2). This is  
385.15 the total payment amount; and

385.16       (4) adjust the result of clause (3) by a factor to be determined by the commissioner  
385.17 to adjust for regional differences in the cost of providing services.

385.18       (c) The payment methodology for customized living, 24-hour customized living,  
385.19 and residential care services ~~shall~~ must be the customized living tool. Revisions to the  
385.20 customized living tool ~~shall~~ must be made to reflect the services and activities unique to  
385.21 disability-related recipient needs.

385.22       (d) The commissioner shall establish a Monitoring Technology Review Panel to  
385.23 annually review and approve the plans, safeguards, and rates that include residential  
385.24 direct care provided remotely through monitoring technology. Lead agencies shall submit  
385.25 individual service plans that include supervision using monitoring technology to the  
385.26 Monitoring Technology Review Panel for approval. Individual service plans that include  
385.27 supervision using monitoring technology as of December 31, 2013, shall be submitted to  
385.28 the Monitoring Technology Review Panel, but the plans are not subject to approval.

385.29       (e) For individuals enrolled prior to January 1, 2014, the days of service authorized  
385.30 must meet or exceed the days of service used to convert service agreements in effect on  
385.31 December 1, 2013, and must not result in a reduction in spending or service utilization due  
385.32 to conversion during the implementation period under section 256B.4913, subdivision 4a.  
385.33 If during the implementation period, an individual's historical rate, including adjustments  
385.34 required under section 256B.4913, subdivision 4a, paragraph (c), is equal to or greater  
385.35 than the rate determined in this subdivision, the number of days authorized for the  
385.36 individual is 365.

386.1        (f) The number of days authorized for all individuals enrolling after January 1, 2014,  
386.2        in residential services must include every day that services start and end.

386.3        Sec. 67. Minnesota Statutes 2013 Supplement, section 256B.4914, subdivision 7,  
386.4        is amended to read:

386.5        **Subd. 7. Payments for day programs.** Payments for services with day programs  
386.6        including adult day care, day treatment and habilitation, prevocational services, and  
386.7        structured day services must be calculated as follows:

386.8        (1) determine the number of units of service and staffing ratio to meet a recipient's  
386.9        needs;

386.10        (i) the staffing ratios for the units of service provided to a recipient in a typical week  
386.11        must be averaged to determine an individual's staffing ratio; and

386.12        (ii) the commissioner, in consultation with service providers, shall develop a uniform  
386.13        staffing ratio worksheet to be used to determine staffing ratios under this subdivision;

386.14        (2) personnel hourly wage rates must be based on the 2009 Bureau of Labor Statistics  
386.15        Minnesota-specific rates or rates derived by the commissioner as provided in subdivision 5;

386.16        (3) for a recipient requiring customization for deaf and hard-of-hearing language  
386.17        accessibility under subdivision 12, add the customization rate provided in subdivision 12  
386.18        to the result of clause (2). This is defined as the customized direct-care rate;

386.19        (4) multiply the number of day program direct staff hours and ~~direct~~ nursing hours  
386.20        by the appropriate staff wage in subdivision 5, paragraph (a), or the customized direct-care  
386.21        rate;

386.22        (5) multiply the number of day direct staff hours by the product of the supervision  
386.23        span of control ratio in subdivision 5, paragraph (d), clause (1), and the appropriate  
386.24        supervision wage in subdivision 5, paragraph (a), clause (16);

386.25        (6) combine the results of clauses (4) and (5), and multiply the result by one plus  
386.26        the employee vacation, sick, and training allowance ratio in subdivision 5, paragraph (d),  
386.27        clause (2). This is defined as the direct staffing rate;

386.28        (7) for program plan support, multiply the result of clause (6) by one plus the  
386.29        program plan support ratio in subdivision 5, paragraph (d), clause (4);

386.30        (8) for employee-related expenses, multiply the result of clause (7) by one plus the  
386.31        employee-related cost ratio in subdivision 5, paragraph (d), clause (3);

386.32        (9) for client programming and supports, multiply the result of clause (8) by one plus  
386.33        the client programming and support ratio in subdivision 5, paragraph (d), clause (5);

386.34        (10) for program facility costs, add \$19.30 per week with consideration of staffing  
386.35        ratios to meet individual needs;

- 387.1       (11) for adult day bath services, add \$7.01 per 15 minute unit;
- 387.2       (12) this is the subtotal rate;
- 387.3       (13) sum the standard general and administrative rate, the program-related expense
- 387.4       ratio, and the absence and utilization factor ratio;
- 387.5       (14) divide the result of clause (12) by one minus the result of clause (13). This is
- 387.6       the total payment amount;
- 387.7       (15) adjust the result of clause (14) by a factor to be determined by the commissioner
- 387.8       to adjust for regional differences in the cost of providing services;
- 387.9       (16) for transportation provided as part of day training and habilitation for an
- 387.10      individual who does not require a lift, add:
- 387.11       (i) \$10.50 for a trip between zero and ten miles for a nonshared ride in a vehicle
- 387.12       without a lift, \$8.83 for a shared ride in a vehicle without a lift, and \$9.25 for a shared
- 387.13       ride in a vehicle with a lift;
- 387.14       (ii) \$15.75 for a trip between 11 and 20 miles for a nonshared ride in a vehicle
- 387.15       without a lift, \$10.58 for a shared ride in a vehicle without a lift, and \$11.88 for a shared
- 387.16       ride in a vehicle with a lift;
- 387.17       (iii) \$25.75 for a trip between 21 and 50 miles for a nonshared ride in a vehicle
- 387.18       without a lift, \$13.92 for a shared ride in a vehicle without a lift, and \$16.88 for a shared
- 387.19       ride in a vehicle with a lift; or
- 387.20       (iv) \$33.50 for a trip of 51 miles or more for a nonshared ride in a vehicle without a
- 387.21       lift, \$16.50 for a shared ride in a vehicle without a lift, and \$20.75 for a shared ride in a
- 387.22       vehicle with a lift;
- 387.23       (17) for transportation provided as part of day training and habilitation for an
- 387.24      individual who does require a lift, add:
- 387.25       (i) \$19.05 for a trip between zero and ten miles for a nonshared ride in a vehicle with
- 387.26       a lift, and \$15.05 for a shared ride in a vehicle with a lift;
- 387.27       (ii) \$32.16 for a trip between 11 and 20 miles for a nonshared ride in a vehicle with a
- 387.28       lift, and \$28.16 for a shared ride in a vehicle with a lift;
- 387.29       (iii) \$58.76 for a trip between 21 and 50 miles for a nonshared ride in a vehicle with
- 387.30       a lift, and \$58.76 for a shared ride in a vehicle with a lift; or
- 387.31       (iv) \$80.93 for a trip of 51 miles or more for a nonshared ride in a vehicle with a
- 387.32       lift, and \$80.93 for a shared ride in a vehicle with a lift.

387.33      Sec. 68. Minnesota Statutes 2013 Supplement, section 256B.4914, subdivision 9,

387.34      is amended to read:

388.1       **Subd. 9. Payments for unit-based services without programming.** Payments  
388.2 for unit-based without program services, including night supervision, personal support,  
388.3 respite, and companion care provided to an individual outside of any day or residential  
388.4 service plan must be calculated as follows unless the services are authorized separately  
388.5 under subdivision 6 or 7:

388.6           (1) for all services except respite, determine the number of units of service to meet  
388.7 a recipient's needs;

388.8           (2) personnel hourly wage rates must be based on the 2009 Bureau of Labor Statistics  
388.9 Minnesota-specific rate or rates derived by the commissioner as provided in subdivision 5;

388.10          (3) for a recipient requiring customization for deaf and hard-of-hearing language  
388.11 accessibility under subdivision 12, add the customization rate provided in subdivision 12  
388.12 to the result of clause (2). This is defined as the customized direct care rate;

388.13          (4) multiply the number of direct staff hours by the appropriate staff wage in  
388.14 subdivision 5 or the customized direct care rate;

388.15          (5) multiply the number of direct staff hours by the product of the supervision span  
388.16 of control ratio in subdivision 5, paragraph (f), clause (1), and the appropriate supervision  
388.17 wage in subdivision 5, paragraph (a), clause (16);

388.18          (6) combine the results of clauses (4) and (5), and multiply the result by one plus  
388.19 the employee vacation, sick, and training allowance ratio in subdivision 5, paragraph (f),  
388.20 clause (2). This is defined as the direct staffing rate;

388.21          (7) for program plan support, multiply the result of clause (6) by one plus the  
388.22 program plan support ratio in subdivision 5, paragraph (f), clause (4);

388.23          (8) for employee-related expenses, multiply the result of clause (7) by one plus the  
388.24 employee-related cost ratio in subdivision 5, paragraph (f), clause (3);

388.25          (9) for client programming and supports, multiply the result of clause (8) by one plus  
388.26 the client programming and support ratio in subdivision 5, paragraph (f), clause (5);

388.27          (10) this is the subtotal rate;

388.28          (11) sum the standard general and administrative rate, the program-related expense  
388.29 ratio, and the absence and utilization factor ratio;

388.30          (12) divide the result of clause (10) by one minus the result of clause (11). This is  
388.31 the total payment amount;

388.32          (13) for respite services, determine the number of daily day units of service to meet  
388.33 an individual's needs;

388.34          (14) personnel hourly wage rates must be based on the 2009 Bureau of Labor Statistics  
388.35 Minnesota-specific rate or rates derived by the commissioner as provided in subdivision 5;

389.1       (15) for a recipient requiring deaf and hard-of-hearing customization under  
389.2 subdivision 12, add the customization rate provided in subdivision 12 to the result of  
389.3 clause (14). This is defined as the customized direct care rate;

389.4       (16) multiply the number of direct staff hours by the appropriate staff wage in  
389.5 subdivision 5, paragraph (a);

389.6       (17) multiply the number of direct staff hours by the product of the supervisory span  
389.7 of control ratio in subdivision 5, paragraph (g), clause (1), and the appropriate supervision  
389.8 wage in subdivision 5, paragraph (a), clause (16);

389.9       (18) combine the results of clauses (16) and (17), and multiply the result by one plus  
389.10 the employee vacation, sick, and training allowance ratio in subdivision 5, paragraph (g),  
389.11 clause (2). This is defined as the direct staffing rate;

389.12       (19) for employee-related expenses, multiply the result of clause (18) by one plus  
389.13 the employee-related cost ratio in subdivision 5, paragraph (g), clause (3);

389.14       (20) this is the subtotal rate;

389.15       (21) sum the standard general and administrative rate, the program-related expense  
389.16 ratio, and the absence and utilization factor ratio;

389.17       (22) divide the result of clause (20) by one minus the result of clause (21). This is  
389.18 the total payment amount; and

389.19       (23) adjust the result of clauses (12) and (22) by a factor to be determined by the  
389.20 commissioner to adjust for regional differences in the cost of providing services.

389.21       Sec. 69. Minnesota Statutes 2013 Supplement, section 256B.4914, subdivision 10,  
389.22 is amended to read:

389.23       **Subd. 10. Updating payment values and additional information.** (a) From  
389.24 January 1, 2014, through December 31, 2017, the commissioner shall develop and  
389.25 implement uniform procedures to refine terms and adjust values used to calculate payment  
389.26 rates in this section.

389.27       (b) No later than July 1, 2014, the commissioner shall, within available resources,  
389.28 begin to conduct research and gather data and information from existing state systems or  
389.29 other outside sources on the following items:

389.30       (1) differences in the underlying cost to provide services and care across the state; and

389.31       (2) mileage and utilization, vehicle type, lift requirements, incidents of individual  
389.32 and shared rides, and units of transportation for all day and unit-based services, which  
389.33 must be collected from providers using the rate management worksheet and entered into  
389.34 the rates management system; and

390.1       (3) the distinct underlying costs for services provided by a license holder certified  
390.2       under section 245D.33.

390.3       (c) Using a statistically valid set of rates management system data, the commissioner,  
390.4       in consultation with stakeholders, shall analyze for each service the average difference  
390.5       in the rate on December 31, 2013, and the framework rate at the individual, provider,  
390.6       lead agency, and state levels. The commissioner shall issue semiannual reports to the  
390.7       stakeholders on the difference in rates by service and by county during the banding period  
390.8       under section 256B.4913, subdivision 4a. The commissioner shall issue the first report  
390.9       by October 1, 2014.

390.10       (d) No later than July 1, 2014, the commissioner, in consultation with stakeholders,  
390.11       shall begin the review and evaluate evaluation of the following values already in  
390.12       subdivisions 6 to 9, or issues that impact all services, including, but not limited to:

390.13       (1) values for transportation rates for day services;  
390.14       (2) values for transportation rates in residential services;  
390.15       (3) values for services where monitoring technology replaces staff time;  
390.16       (4) values for indirect services;  
390.17       (5) values for nursing;  
390.18       (6) component values for independent living skills;  
390.19       (7) component values for family foster care that reflect licensing requirements;  
390.20       (8) adjustments to other components to replace the budget neutrality factor;  
390.21       (9) remote monitoring technology for nonresidential services;  
390.22       (10) values for basic and intensive services in residential services;  
390.23       (11) values for the facility use rate in day services;  
390.24       (12) values for workers' compensation as part of employee-related expenses;  
390.25       (13) values for unemployment insurance as part of employee-related expenses;  
390.26       (14) a component value to reflect costs for individuals with rates previously adjusted  
390.27       for the inclusion of group residential housing rate 3 costs, only for any individual enrolled  
390.28       as of December 31, 2013; and  
390.29       (15) any changes in state or federal law with an impact on the underlying cost of  
390.30       providing home and community-based services.

390.31       (e) The commissioner shall report to the chairs and the ranking minority members of  
390.32       the legislative committees and divisions with jurisdiction over health and human services  
390.33       policy and finance with the information and data gathered under paragraphs (b) to (d)  
390.34       on the following dates:

390.35       (1) January 15, 2015, with preliminary results and data;

391.1       (2) January 15, 2016, with a status implementation update, and additional data  
391.2 and summary information;

391.3       (3) January 15, 2017, with the full report; and  
391.4       (4) January 15, 2019, with another full report, and a full report once every four  
391.5 years thereafter.

391.6       (f) Based on the commissioner's evaluation of the information and data collected  
391.7 in paragraphs (b) to (d), the commissioner may shall make recommendations to  
391.8 the legislature ~~to address any potential issues by January 15, 2015, to address any~~  
391.9 issues identified during the first year of implementation. After January 15, 2015, the  
391.10 commissioner may make recommendations to the legislature to address potential issues.

391.11       (g) The commissioner shall implement a regional adjustment factor to all rate  
391.12 calculations in subdivisions 6 to 9, effective no later than January 1, 2015. Prior to  
391.13 implementation, the commissioner shall consult with stakeholders on the methodology to  
391.14 calculate the adjustment.

391.15       (h) The commissioner shall provide a public notice via LISTSERV in October of  
391.16 each year beginning October 1, 2014, containing information detailing legislatively  
391.17 approved changes in:

391.18       (1) calculation values including derived wage rates and related employee and  
391.19 administrative factors;  
391.20       (2) service utilization;  
391.21       (3) county and tribal allocation changes; and  
391.22       (4) information on adjustments made to calculation values and the timing of those  
391.23 adjustments.

391.24       The information in this notice shall must be effective January 1 of the following year.

391.25       Sec. 70. Minnesota Statutes 2013 Supplement, section 256B.4914, subdivision 15,  
391.26 is amended to read:

391.27       **Subd. 15. County or tribal allocations.** (a) Upon implementation of the disability  
391.28 waiver rates management system on January 1, 2014, the commissioner shall establish  
391.29 a method of tracking and reporting the fiscal impact of the disability waiver rates  
391.30 management system on individual lead agencies.

391.31       (b) Beginning January 1, 2014, the commissioner shall make annual adjustments to  
391.32 lead agencies' home and community-based waivered service budget allocations to adjust  
391.33 for rate differences and the resulting impact on county allocations upon implementation of  
391.34 the disability waiver rates system.

392.1        (c) During the first two years of implementation under section 256B.4913, lead  
392.2        agencies exceeding their allocations under sections 256B.092 and 256B.49 shall only be  
392.3        held liable for spending in excess of their allocations after a reallocation of resources by  
392.4        the commissioner under paragraph (b). The commissioner shall reallocate resources under  
392.5        sections 256B.092, subdivision 12, and 256B.49, subdivision 11a. The commissioner  
392.6        shall notify lead agencies of this process by July 1, 2014.

392.7        Sec. 71. Minnesota Statutes 2013 Supplement, section 256B.492, is amended to read:

392.8        **256B.492 HOME AND COMMUNITY-BASED SETTINGS FOR PEOPLE  
392.9        WITH DISABILITIES.**

392.10        (a) Individuals receiving services under a home and community-based waiver under  
392.11        section 256B.092 or 256B.49 may receive services in the following settings:  
392.12              (1) an individual's own home or family home;  
392.13              (2) a licensed adult foster care or child foster care setting of up to five people; and  
392.14              (3) community living settings as defined in section 256B.49, subdivision 23, where  
392.15        individuals with disabilities may reside in all of the units in a building of four or fewer units,  
392.16        and who receive services under a home and community-based waiver occupy no more  
392.17        than the greater of four or 25 percent of the units in a multifamily building of more than  
392.18        four units, unless required by the Housing Opportunities for Persons with AIDS Program.

392.19        (b) The settings in paragraph (a) must not:  
392.20              (1) be located in a building that is a publicly or privately operated facility that  
392.21        provides institutional treatment or custodial care;  
392.22              (2) be located in a building on the grounds of or adjacent to a public or private  
392.23        institution;  
392.24              (3) be a housing complex designed expressly around an individual's diagnosis or  
392.25        disability, unless required by the Housing Opportunities for Persons with AIDS Program;  
392.26              (4) be segregated based on a disability, either physically or because of setting  
392.27        characteristics, from the larger community; and  
392.28              (5) have the qualities of an institution which include, but are not limited to:  
392.29        regimented meal and sleep times, limitations on visitors, and lack of privacy. Restrictions  
392.30        agreed to and documented in the person's individual service plan shall not result in a  
392.31        residence having the qualities of an institution as long as the restrictions for the person are  
392.32        not imposed upon others in the same residence and are the least restrictive alternative,  
392.33        imposed for the shortest possible time to meet the person's needs.

393.1       (c) The provisions of paragraphs (a) and (b) do not apply to any setting in which  
393.2 individuals receive services under a home and community-based waiver as of July 1,  
393.3 2012, and the setting does not meet the criteria of this section.

393.4       (d) Notwithstanding paragraph (c), a program in Hennepin County established as  
393.5 part of a Hennepin County demonstration project is qualified for the exception allowed  
393.6 under paragraph (c).

393.7       (e) Notwithstanding paragraphs (a) and (b), a program in Hennepin County, located  
393.8 in the city of Golden Valley, within the city of Golden Valley's Highway 55 West  
393.9 redevelopment area, that is not a provider-owned or controlled home and community-based  
393.10 setting, and is scheduled to open by July 1, 2016, is exempt from the restrictions in  
393.11 paragraphs (a) and (b). If the program fails to comply with the Centers for Medicare and  
393.12 Medicaid Services rules for home and community-based settings, the exemption is void.

393.13       (f) The commissioner shall submit an amendment to the waiver plan no later than  
393.14 December 31, 2012.

393.15       Sec. 72. Minnesota Statutes 2012, section 256B.5012, is amended by adding a  
393.16 subdivision to read:

393.17       Subd. 16. ICF/DD rate increases effective July 1, 2014. (a) For the rate period  
393.18 beginning July 1, 2014, the commissioner shall increase operating payments for each  
393.19 facility reimbursed under this section equal to five percent of the operating payment  
393.20 rates in effect on June 30, 2014.

393.21       (b) For each facility, the commissioner shall apply the rate increase based on  
393.22 occupied beds, using the percentage specified in this subdivision multiplied by the total  
393.23 payment rate, including the variable rate but excluding the property-related payment rate  
393.24 in effect on June 30, 2014. The total rate increase shall include the adjustment provided in  
393.25 section 256B.501, subdivision 12.

393.26       (c) Facilities that receive a rate increase under this subdivision shall use 80 percent  
393.27 of the additional revenue to increase compensation-related costs for employees directly  
393.28 employed by the facility on or after July 1, 2014, except:

393.29       (1) persons employed in the central office of a corporation or entity that has an  
393.30 ownership interest in the facility or exercises control over the facility; and  
393.31       (2) persons paid by the facility under a management contract.

393.32       (d) Compensation-related costs include:

393.33       (1) wages and salaries;  
393.34       (2) the employer's share of FICA taxes, Medicare taxes, state and federal  
393.35 unemployment taxes, workers' compensation, and mileage reimbursement;

394.1       (3) the employer's share of health and dental insurance, life insurance, disability  
394.2       insurance, long-term care insurance, uniform allowance, pensions, and contributions to  
394.3       employee retirement accounts; and

394.4       (4) other benefits provided and workforce needs, including the recruiting and  
394.5       training of employees as specified in the distribution plan required under paragraph (f).

394.6       (e) For public employees under a collective bargaining agreement, the increase for  
394.7       wages and benefits is available and pay rates must be increased only to the extent that the  
394.8       increases comply with laws governing public employees' collective bargaining. Money  
394.9       received by a facility under paragraph (c) for pay increases for public employees must be  
394.10       used only for pay increases implemented between July 1, 2014, and August 1, 2014.

394.11       (f) For a facility that has employees that are represented by an exclusive bargaining  
394.12       representative, the provider shall obtain a letter of acceptance of the distribution plan  
394.13       required under paragraph (g), in regard to the members of the bargaining unit, signed by  
394.14       the exclusive bargaining agent. Upon receipt of the letter of acceptance, the facility shall  
394.15       be deemed to have met all the requirements of this subdivision in regard to the members  
394.16       of the bargaining unit. Upon request, the facility shall produce the letter of acceptance for  
394.17       the commissioner.

394.18       (g) A facility that receives a rate adjustment under paragraph (a) that is subject to  
394.19       paragraph (c) shall prepare, and upon request submit to the commissioner, a distribution  
394.20       plan that specifies the amount of money the facility expects to receive that is subject to the  
394.21       requirements of paragraph (c), including how that money will be distributed to increase  
394.22       compensation for employees.

394.23       (h) Using forms prescribed by the commissioner, facilities must submit to the  
394.24       commissioner verification that they have complied with paragraph (c).

394.25       (i) By January 1, 2015, the facility shall post the distribution plan required under  
394.26       paragraph (g) for a period of at least six weeks in an area of the facility's operation to  
394.27       which all eligible employees have access and shall provide instructions for employees  
394.28       who do not believe they have received the wage and other compensation-related increases  
394.29       specified in the distribution plan. The instructions must include a mailing address, e-mail  
394.30       address, and telephone number that an employee may use to contact the commissioner or  
394.31       the commissioner's representative.

394.32       Sec. 73. Laws 2012, chapter 247, article 4, section 47, is amended to read:

394.33       **Sec. 47. COMMISSIONER TO SEEK AMENDMENT FOR EXCEPTION**  
394.34       **TO CONSUMER-DIRECTED COMMUNITY SUPPORTS BUDGET**  
394.35       **METHODOLOGY.**

395.1        By July 1, 2012 2014, if necessary, the commissioner shall request an amendment to  
395.2 the home and community-based services waivers authorized under Minnesota Statutes,  
395.3 sections 256B.092 and 256B.49, to establish an exception to the consumer-directed  
395.4 community supports budget methodology to provide up to 20 percent more funds for those  
395.5 participants who have their 21st birthday and graduate from high school during between  
395.6 2013 to 2015 and are authorized for more services under consumer-directed community  
395.7 supports prior to graduation than what the amount they are eligible to receive under the  
395.8 current consumer-directed community supports budget methodology. The exception is  
395.9 limited to those who can demonstrate that they will have to leave consumer-directed  
395.10 community supports and use other waiver services because their need for day or  
395.11 employment supports cannot be met within the consumer-directed community supports  
395.12 budget limits. The commissioner shall consult with the stakeholder group authorized  
395.13 under Minnesota Statutes, section 256B.0657, subdivision 11, to implement this provision.  
395.14 The exception process shall be effective upon federal approval for persons eligible during  
395.15 2013 and 2014 through June 30, 2017.

395.16      Sec. 74. **HOME AND COMMUNITY-BASED SETTINGS TRANSITION PLAN.**

395.17        The commissioner of human services shall develop a transition plan to comply  
395.18 with the Centers for Medicare and Medicaid Services final rule defining home and  
395.19 community-based settings published on January 16, 2014, Code of Federal Regulations,  
395.20 title 42, section 441.301(c)(4)-(5). In developing the plan, the commissioner shall consult  
395.21 with individuals with disabilities, seniors, and other stakeholders, including, but not  
395.22 limited to advocates, providers, lead agencies, other state agencies, and the Olmstead  
395.23 subcabinet. The commissioner shall submit the plan to the Centers for Medicare and  
395.24 Medicaid Services by December 31, 2014.

395.25        By January 15, 2015, the commissioner shall provide a report with the plan  
395.26 submitted to the Centers for Medicare and Medicaid Services, as well as any changes as  
395.27 a result of negotiations that have occurred with the Centers for Medicare and Medicaid  
395.28 Services, to the chairs and ranking minority members of the house of representatives and  
395.29 senate policy and finance committees with jurisdiction over health and human services.  
395.30 This report must contain any recommended legislation and funding requests necessary  
395.31 to implement the transition plan.

395.32      Sec. 75. **MEDICAL ASSISTANCE SPENDDOWN REQUIREMENTS.**

395.33        The commissioner of human services, in consultation with interested stakeholders,  
395.34 shall review medical assistance spenddown requirements and processes, including those

396.1 used in other states, for individuals with disabilities and seniors age 65 years of age or  
396.2 older. Based on this review, the commissioner shall recommend alternative medical  
396.3 assistance spenddown payment requirements and processes that:

- 396.4 (1) are practical for current and potential medical assistance recipients, providers,  
396.5 and the Department of Human Services;  
396.6 (2) improves the medical assistance payment process for providers; and  
396.7 (3) allows current and potential medical assistance recipients to obtain consistent  
396.8 and affordable medical coverage.

396.9 The commissioner shall report these recommendations, along with the projected cost,  
396.10 to the chairs and ranking minority members of the legislative committees and divisions  
396.11 with jurisdiction over health and human services policy and finance by February 15, 2015.

396.12 Sec. 76. **PROVIDER RATE AND GRANT INCREASES EFFECTIVE JULY**  
396.13 **1, 2014.**

396.14 (a) The commissioner of human services shall increase reimbursement rates, grants,  
396.15 allocations, individual limits, and rate limits, as applicable, by five percent for the rate  
396.16 period beginning July 1, 2014, for services rendered on or after July 1, 2014. County or  
396.17 tribal contracts for services, grants, and programs under paragraph (b) must be amended to  
396.18 pass through these rate increases by September 1, 2014.

396.19 (b) The rate changes described in this section must be provided to:

396.20 (1) home and community-based waivered services for persons with developmental  
396.21 disabilities, including consumer-directed community supports, under Minnesota Statutes,  
396.22 section 256B.501;

396.23 (2) waivered services under community alternatives for disabled individuals,  
396.24 including consumer-directed community supports, under Minnesota Statutes, section  
396.25 256B.49;

396.26 (3) community alternative care waivered services, including consumer-directed  
396.27 community supports, under Minnesota Statutes, section 256B.49;

396.28 (4) brain injury waivered services, including consumer-directed community  
396.29 supports, under Minnesota Statutes, section 256B.49;

396.30 (5) home and community-based waivered services for the elderly under Minnesota  
396.31 Statutes, section 256B.0915;

396.32 (6) nursing services and home health services under Minnesota Statutes, section  
396.33 256B.0625, subdivision 6a;

396.34 (7) personal care services and qualified professional supervision of personal care  
396.35 services under Minnesota Statutes, section 256B.0625, subdivisions 6a and 19a;

397.1       (8) private duty nursing services under Minnesota Statutes, section 256B.0625,  
397.2       subdivision 7;

397.3       (9) day training and habilitation services for adults with developmental disabilities  
397.4       under Minnesota Statutes, sections 252.41 to 252.46, including the additional cost to  
397.5       counties of the rate adjustments on day training and habilitation services, provided as a  
397.6       social service;

397.7       (10) alternative care services under Minnesota Statutes, section 256B.0913;

397.8       (11) living skills training programs for persons with intractable epilepsy who need  
397.9       assistance in the transition to independent living under Laws 1988, chapter 689;

397.10       (12) semi-independent living services (SILS) under Minnesota Statutes, section  
397.11       252.275, including SILS funding under county social services grants formerly funded  
397.12       under Minnesota Statutes, chapter 256M;

397.13       (13) consumer support grants under Minnesota Statutes, section 256.476;

397.14       (14) family support grants under Minnesota Statutes, section 252.32;

397.15       (15) housing access grants under Minnesota Statutes, section 256B.0658;

397.16       (16) self-advocacy grants under Laws 2009, chapter 101; and

397.17       (17) technology grants under Laws 2009, chapter 79.

397.18       (c) For individual service rates determined under Minnesota Statutes, section  
397.19       256B.4914, the commissioner shall adjust the calculations in subdivisions 6, 7, 8, and  
397.20       9, after any adjustments under Minnesota Statutes, section 256B.4914, subdivision 16,  
397.21       to reflect a five percent increase.

397.22       (d) The commissioner shall increase the banding values for all service recipients as  
397.23       defined in Minnesota Statutes, section 256B.4913, subdivision 4a, paragraph (b), by five  
397.24       percent, effective July 1, 2014.

397.25       (e) A managed care plan or county-based purchasing plan receiving state payments  
397.26       for the services grants and programs in paragraph (b) must include these increases in their  
397.27       payments to providers. To implement the rate increase in paragraph (a), capitation rates  
397.28       paid by the commissioner to managed care plans and county-based purchasing plans under  
397.29       Minnesota Statutes, section 256B.69, shall reflect a five percent increase for the services  
397.30       and programs specified in paragraph (b) for the period beginning July 1, 2014.

397.31       (f) Counties shall increase the budget for each recipient of consumer-directed  
397.32       community supports by the amount in paragraph (a) on July 1, 2014.

397.33       (g) Providers that receive a rate increase under paragraph (a) shall use 80 percent  
397.34       of the additional revenue to increase compensation-related costs for employees directly  
397.35       employed by the program on or after July 1, 2014, except:

398.1       (1) persons employed in the central office of a corporation or entity that has an  
398.2       ownership interest in the provider or exercises control over the provider; and

398.3       (2) persons paid by the provider under a management contract.

398.4       (h) Compensation-related costs include:

398.5       (1) wages and salaries;

398.6       (2) the employer's share of FICA taxes, Medicare taxes, state and federal  
398.7       unemployment taxes, workers' compensation, and mileage reimbursement;

398.8       (3) the employer's share of health and dental insurance, life insurance, disability  
398.9       insurance, long-term care insurance, uniform allowance, pensions, and contributions to  
398.10       employee retirement accounts; and

398.11       (4) other benefits provided and workforce needs, including the recruiting and  
398.12       training of employees as specified in the distribution plan required under paragraph (l).

398.13       (i) For public employees under a collective bargaining agreement, the increase for  
398.14       wages and benefits is available and pay rates must be increased only to the extent that the  
398.15       increases comply with laws governing public employees' collective bargaining. Money  
398.16       received by a provider for pay increases for public employees under paragraph (g) must be  
398.17       used only for pay increases implemented between July 1, 2014, and August 1, 2014.

398.18       (j) For a provider that has employees that are represented by an exclusive bargaining  
398.19       representative, the provider shall obtain a letter of acceptance of the distribution plan  
398.20       required under paragraph (m), in regard to the members of the bargaining unit, signed by  
398.21       the exclusive bargaining agent. Upon receipt of the letter of acceptance, the provider shall  
398.22       be deemed to have met all the requirements of this section in regard to the members of  
398.23       the bargaining unit. Upon request, the provider shall produce the letter of acceptance for  
398.24       the commissioner.

398.25       (k) The commissioner shall amend state grant contracts that include direct  
398.26       personnel-related grant expenditures to include the allocation for the portion of the  
398.27       contract related to employee compensation. Grant contracts for compensation-related  
398.28       services must be amended to pass through these adjustments by September 1, 2014, and  
398.29       must be retroactive to July 1, 2014.

398.30       (l) The Board on Aging and its area agencies on aging shall amend their grants that  
398.31       include direct personnel-related grant expenditures to include the rate adjustment for the  
398.32       portion of the grant related to employee compensation. Grants for compensation-related  
398.33       services must be amended to pass through these adjustments by September 1, 2014, and  
398.34       must be retroactive to July 1, 2014.

398.35       (m) A provider that receives a rate adjustment under paragraph (a) that is subject to  
398.36       paragraph (g) shall prepare, and upon request submit to the commissioner, a distribution

399.1 plan that specifies the amount of money the provider expects to receive that is subject  
399.2 to the requirements of paragraph (g), including how that money will be distributed to  
399.3 increase compensation for employees.

399.4 (n) Using forms prescribed by the commissioner, providers must submit to the  
399.5 commissioner verification that they have complied with paragraph (g).

399.6 (o) By January 1, 2015, the provider shall post the distribution plan required under  
399.7 paragraph (l) for a period of at least six weeks in an area of the provider's operation to  
399.8 which all eligible employees have access and shall provide instructions for employees  
399.9 who do not believe they have received the wage and other compensation-related increases  
399.10 specified in the distribution plan. The instructions must include a mailing address, e-mail  
399.11 address, and telephone number that the employee may use to contact the commissioner or  
399.12 the commissioner's representative.

399.13 (p) For providers with rates established under Minnesota Statutes, section  
399.14 256B.4914, and with a banding value established under Minnesota Statutes, section  
399.15 256B.4913, subdivision 4a, paragraph (b), that is greater than the rate established under  
399.16 Minnesota Statutes, section 256B.4914, the requirements in paragraph (g) must only apply  
399.17 to the portion of the rate increase that exceeds the difference between the rate established  
399.18 under Minnesota Statutes, section 256B.4914, and the banding value established under  
399.19 Minnesota Statutes, section 256B.4913, subdivision 4a, paragraph (b).

399.20 Sec. 77. **NURSING FACILITY RATE ADJUSTMENT.**

399.21 Subdivision 1. **Application for rate adjustment.** (a) To receive a rate adjustment,  
399.22 nursing facilities must submit an application to the commissioner in a form and manner  
399.23 determined by the commissioner. The application shall include data for a period beginning  
399.24 with the first pay period after January 1, 2014, and including at least three months of  
399.25 employee compensated hours by wage rate, and a spending plan that describes how the  
399.26 funds from the rate adjustment will be allocated for compensation to employees paid  
399.27 less than \$14 per hour. The application must be submitted by December 31, 2014. The  
399.28 commissioner may request any additional information needed to determine the rate  
399.29 adjustment within three weeks of receiving a complete application. The nursing facility  
399.30 must provide any additional information requested by the commissioner by March 31,  
399.31 2015. The commissioner may waive the deadlines in this subdivision under extraordinary  
399.32 circumstances.

399.33 (b) For nursing facilities in which employees are represented by an exclusive  
399.34 bargaining representative, the commissioner shall approve the application submitted under  
399.35 this subdivision only upon receipt of a letter of acceptance of the spending plan in regard

400.1 to members of the bargaining unit, signed by the exclusive bargaining agent and dated  
400.2 after May 31, 2014. Upon receipt of the letter of acceptance, the commissioner shall  
400.3 deem all requirements of this subdivision as having been met in regard to the members of  
400.4 the bargaining unit.

400.5 Subd. 2. **Rate adjustment calculation.** Based on the application in subdivision  
400.6 1, the commissioner shall calculate the annualized compensation costs by adding the  
400.7 totals of clauses (1), (2), and (3). The result must be divided by the resident days from  
400.8 the most recently available cost report to determine a per diem amount, which must be  
400.9 included in the external fixed cost portion of the total payment rate under Minnesota  
400.10 Statutes, section 256B.441, subdivision 53:

400.11 (1) the sum of the difference between \$9.50 and any hourly wage rate of less than  
400.12 \$9.50, multiplied by the number of compensated hours at that wage rate;

400.13 (2) the sum of items (i) to (viii):

400.14 (i) for all compensated hours from \$8 to \$8.49 per hour, the number of compensated  
400.15 hours is multiplied by \$0.13;

400.16 (ii) for all compensated hours from \$8.50 to \$8.99 per hour, the number of  
400.17 compensated hours is multiplied by \$0.25;

400.18 (iii) for all compensated hours from \$9 to \$9.49 per hour, the number of compensated  
400.19 hours is multiplied by \$0.38;

400.20 (iv) for all compensated hours from \$9.50 to \$10.49 per hour, the number of  
400.21 compensated hours is multiplied by \$0.50;

400.22 (v) for all compensated hours from \$10.50 to \$10.99 per hour, the number of  
400.23 compensated hours is multiplied by \$0.40;

400.24 (vi) for all compensated hours from \$11 to \$11.49 per hour, the number of  
400.25 compensated hours is multiplied by \$0.30;

400.26 (vii) for all compensated hours from \$11.50 to \$11.99 per hour, the number of  
400.27 compensated hours is multiplied by \$0.20; and

400.28 (viii) for all compensated hours from \$12 to \$13.00 per hour, the number of  
400.29 compensated hours is multiplied by \$0.10; and

400.30 (3) the sum of the employer's share of FICA taxes, Medicare taxes, state and federal  
400.31 unemployment taxes, workers' compensation, pensions, and contributions to employee  
400.32 retirement accounts attributable to the amounts in clauses (1) and (2).

400.33 Subd. 3. **Rate adjustment.** For the rate year beginning October 1, 2014, nursing  
400.34 facilities that receive approval of the application in subdivision 1 must receive a rate  
400.35 adjustment according to subdivision 2. The rate adjustment must be used to pay

401.1 compensation costs for nursing facility employees paid less than \$14 per hour. The rate  
401.2 adjustment must continue to be included in the total payment rate in subsequent years.

401.3 Sec. 78. **DISABILITY WAIVER REIMBURSEMENT RATE ADJUSTMENTS.**

401.4 Subdivision 1. **Historical rate.** The commissioner of human services shall adjust  
401.5 the historical rates calculated in Minnesota Statutes, section 256B.4913, subdivision 4a,  
401.6 paragraph (b), in effect during the banding period under Minnesota Statutes, section  
401.7 256B.4913, subdivision 4a, paragraph (a), for the reimbursement rate increases effective  
401.8 April 1, 2014, and any rate modification enacted during the 2014 legislative session.

401.9 Subd. 2. **Residential support services.** The commissioner of human services  
401.10 shall adjust the rates calculated in Minnesota Statutes, section 256B.4914, subdivision 6,  
401.11 paragraphs (b), clause (4), and (c), for the reimbursement rate increases effective April 1,  
401.12 2014, and any rate modification enacted during the 2014 legislative session.

401.13 Subd. 3. **Day programs.** The commissioner of human services shall adjust the rates  
401.14 calculated in Minnesota Statutes, section 256B.4914, subdivision 7, paragraph (a), clauses  
401.15 (15) to (17), for the reimbursement rate increases effective April 1, 2014, and any rate  
401.16 modification enacted during the 2014 legislative session.

401.17 Subd. 4. **Unit-based services with programming.** The commissioner of human  
401.18 services shall adjust the rate calculated in Minnesota Statutes, section 256B.4914,  
401.19 subdivision 8, paragraph (a), clause (14), for the reimbursement rate increases effective  
401.20 April 1, 2014, and any rate modification enacted during the 2014 legislative session.

401.21 Subd. 5. **Unit-based services without programming.** The commissioner of  
401.22 human services shall adjust the rate calculated in Minnesota Statutes, section 256B.4914,  
401.23 subdivision 9, paragraph (a), clause (23), for the reimbursement rate increases effective  
401.24 April 1, 2014, and any rate modification enacted during the 2014 legislative session.

401.25 Sec. 79. **WAIVER APPLICATIONS FOR NONEMERGENCY MEDICAL**  
401.26 **TRANSPORTATION SERVICE PROVIDERS.**

401.27 Subdivision 1. **Definitions.** For purposes of this section, the following definitions  
401.28 apply:

401.29 (1) "new provider" is a nonemergency medical transportation service provider that  
401.30 was not required to comply with special transportation service operating standards before  
401.31 the effective date of this act; and

401.32 (2) "commissioner" is the commissioner of human services.

401.33 Subd. 2. **Application for and terms of variance.** A new provider may apply to the  
401.34 commissioner, on a form supplied by the commissioner for this purpose, for a variance

402.1 from special transportation service operating standards. The commissioner may grant or  
402.2 deny the variance application. Variances expire on the earlier of, February 1, 2016, or the  
402.3 date that the commissioner of transportation begins certifying new providers under the  
402.4 terms of this act and successor legislation.

402.5       **Subd. 3. Information concerning variances.** The commissioner shall periodically  
402.6 transmit to the Department of Transportation the number of variance applications received  
402.7 and the number granted.

402.8       **Subd. 4. Report by commissioner of transportation.** On or before February  
402.9 1, 2015, the commissioner of transportation shall report to the chairs and ranking  
402.10 minority members of the senate and house of representatives committees and divisions  
402.11 with jurisdiction over transportation and human services concerning implementing the  
402.12 nonemergency medical transportation services provisions. The report must contain  
402.13 recommendations of the commissioner of transportation concerning statutes, session  
402.14 laws, and rules that must be amended, repealed, enacted, or adopted to implement the  
402.15 nonemergency medical transportation services provisions. The recommendations must  
402.16 include, without limitation, the amount of the fee that would be required to cover the costs  
402.17 of Department of Transportation supervision of inspection and certification, as well as  
402.18 any needed statutory rulemaking or other authority to be granted to the commissioner of  
402.19 transportation.

402.20       **Sec. 80. REVISOR'S INSTRUCTION.**

402.21       (a) In each section of Minnesota Statutes or part of Minnesota Rules referred to  
402.22 in column A, the revisor of statutes shall delete the word or phrase in column B and  
402.23 insert the phrase in column C. The revisor shall also make related grammatical changes  
402.24 and changes in headnotes.

402.25	<u>Column A</u>	<u>Column B</u>	<u>Column C</u>
402.26	<u>section 158.13</u>	<u>defective persons</u>	<u>persons with developmental disabilities</u>
402.27	<u>section 158.14</u>	<u>defective persons</u>	<u>persons with developmental disabilities</u>
402.28	<u>section 158.17</u>	<u>defective persons</u>	<u>persons with developmental disabilities</u>
402.29	<u>section 158.18</u>	<u>persons not defective</u>	<u>persons without developmental disabilities</u>
402.30		<u>defective person</u>	<u>person with developmental disabilities</u>
402.31		<u>defective persons</u>	<u>persons with developmental disabilities</u>
402.32			<u>person with developmental disabilities</u>
402.33	<u>section 158.19</u>	<u>defective</u>	<u>person with developmental disabilities</u>

403.1			<u>children with developmental disabilities and</u>
403.2	<u>section 256.94</u>	<u>defective</u>	
403.3			<u>children with developmental disabilities and</u>
403.4	<u>section 257.175</u>	<u>defective</u>	
403.5	part 2911.1350	retardation	<u>developmental disability</u>

403.6        (b) The revisor of statutes shall change the term "health and safety" to "health and  
403.7        welfare" in the following statutes: Minnesota Statutes, sections 245D.03, 245D.061,  
403.8        245D.071, 245D.10, 245D.11, 245D.31, 256B.0915, and 256B.092.

403.9           **Sec. 81. REPEALER.**

403.10 Minnesota Statutes 2013 Supplement, section 256B.0625, subdivision 18f, is  
403.11 repealed.

## ARTICLE 19

HEALTH CARE

403.14 Section 1. Minnesota Statutes 2012, section 256.01, is amended by adding a  
403.15 subdivision to read:

403.16        Subd. 38. Contract to match recipient third-party liability information. The  
403.17        commissioner may enter into a contract with a national organization to match recipient  
403.18        third-party liability information and provide coverage and insurance primacy information  
403.19        to the department at no charge to providers and the clearinghouses.

403.20 Sec. 2. Minnesota Statutes 2012, section 256.9685, subdivision 1, is amended to read:

403.21 Subdivision 1. **Authority.** (a) The commissioner shall establish procedures for  
403.22 determining medical assistance ~~and general assistance~~ ~~medical care~~ payment rates under  
403.23 a prospective payment system for inpatient hospital services in hospitals that qualify as  
403.24 vendors of medical assistance. The commissioner shall establish, by rule, procedures for  
403.25 implementing this section and sections 256.9686, 256.969, and 256.9695. Services must  
403.26 meet the requirements of section 256B.04, subdivision 15, or ~~256D.03, subdivision 7,~~  
403.27 paragraph (b), to be eligible for payment.

403.28 (b) The commissioner may reduce the types of inpatient hospital admissions that  
403.29 are required to be certified as medically necessary after notice in the State Register and a  
403.30 30-day comment period.

403.31 Sec. 3. Minnesota Statutes 2012, section 256.9685, subdivision 1a, is amended to read:

404.1        Subd. 1a. **Administrative reconsideration.** Notwithstanding sections section  
404.2        256B.04, subdivision 15, and 256D.03, subdivision 7, the commissioner shall establish  
404.3        an administrative reconsideration process for appeals of inpatient hospital services  
404.4        determined to be medically unnecessary. A physician or hospital may request a  
404.5        reconsideration of the decision that inpatient hospital services are not medically necessary  
404.6        by submitting a written request for review to the commissioner within 30 days after  
404.7        receiving notice of the decision. The reconsideration process shall take place prior to the  
404.8        procedures of subdivision 1b and shall be conducted by physicians that are independent  
404.9        of the case under reconsideration. A majority decision by the physicians is necessary to  
404.10      make a determination that the services were not medically necessary.

404.11      Sec. 4. Minnesota Statutes 2012, section 256.9686, subdivision 2, is amended to read:

404.12        Subd. 2. **Base year.** "Base year" means a hospital's fiscal year or years that  
404.13        is recognized by the Medicare program or a hospital's fiscal year specified by the  
404.14        commissioner if a hospital is not required to file information by the Medicare program  
404.15        from which cost and statistical data are used to establish medical assistance and general  
404.16        assistance medical care payment rates.

404.17      Sec. 5. Minnesota Statutes 2012, section 256.969, subdivision 1, is amended to read:

404.18        Subdivision 1. **Hospital cost index.** (a) The hospital cost index shall be the change  
404.19        in the Consumer Price Index-All Items (United States city average) (CPI-U) forecasted  
404.20        by Data Resources, Inc. The commissioner shall use the indices as forecasted in the  
404.21        third quarter of the calendar year prior to the rate year. The hospital cost index may be  
404.22        used to adjust the base year operating payment rate through the rate year on an annually  
404.23        compounded basis.

404.24        (b) For fiscal years beginning on or after July 1, 1993, the commissioner of human  
404.25        services shall not provide automatic annual inflation adjustments for hospital payment  
404.26        rates under medical assistance, nor under general assistance medical care, except that  
404.27        the inflation adjustments under paragraph (a) for medical assistance, excluding general  
404.28        assistance medical care, shall apply through calendar year 2001. The index for calendar  
404.29        year 2000 shall be reduced 2.5 percentage points to recover overprojections of the index  
404.30        from 1994 to 1996. The commissioner of management and budget shall include as a  
404.31        budget change request in each biennial detailed expenditure budget submitted to the  
404.32        legislature under section 16A.11 annual adjustments in hospital payment rates under  
404.33        medical assistance and general assistance medical care, based upon the hospital cost index.

405.1 Sec. 6. Minnesota Statutes 2012, section 256.969, subdivision 2, is amended to read:

405.2       Subd. 2. **Diagnostic categories.** The commissioner shall use to the extent possible  
405.3 existing diagnostic classification systems, including such as the system used by the  
405.4 Medicare program all patient-refined diagnosis-related groups (APR-DRGs) or other  
405.5 similar classification programs to determine the relative values of inpatient services  
405.6 and case mix indices. The commissioner may combine diagnostic classifications into  
405.7 diagnostic categories and may establish separate categories and numbers of categories  
405.8 based on ~~program eligibility or hospital peer group~~. Relative values shall be ~~reealeulated~~  
405.9 recalibrated when the base year is changed. Relative value determinations shall include  
405.10 paid claims for admissions during each hospital's base year. The commissioner may  
405.11 ~~extend the time period forward to obtain sufficiently valid information to establish relative~~  
405.12 values supplement the diagnostic classification systems data with national averages.  
405.13 Relative value determinations shall not include ~~property cost data~~, Medicare crossover  
405.14 data; and data on admissions that are paid a per day transfer rate under subdivision 14. The  
405.15 computation of the base year cost per admission must include identified outlier cases and  
405.16 their weighted costs up to the point that they become outlier cases, but must exclude costs  
405.17 recognized in outlier payments beyond that point. The commissioner may recategorize the  
405.18 diagnostic classifications and ~~reealeulate~~ recalibrate relative values and case mix indices  
405.19 to reflect actual hospital practices, the specific character of specialty hospitals, or to reduce  
405.20 variances within the diagnostic categories after notice in the State Register and a 30-day  
405.21 comment period. ~~The commissioner shall recategorize the diagnostic classifications and~~  
405.22 ~~reealeulate relative values and ease mix indicees based on the two-year schedule in effect~~  
405.23 ~~prior to January 1, 2013, reflected in subdivision 2b. The first reecategorization shall occur~~  
405.24 ~~January 1, 2013, and shall occur every two years after. When rates are not rebased under~~  
405.25 ~~subdivision 2b, the commissioner may establish relative values and ease mix indicees based~~  
405.26 ~~on charge data and may update the base year to the most recent data available.~~

405.27 Sec. 7. Minnesota Statutes 2012, section 256.969, subdivision 2b, is amended to read:

405.28       Subd. 2b. **Operating Hospital payment rates.** In determining operating payment  
405.29 rates for admissions occurring on or after the rate year beginning January 1, 1991,  
405.30 and every two years after, or more frequently as determined by the commissioner,  
405.31 the commissioner shall obtain operating data from an updated base year and establish  
405.32 operating payment rates per admission for each hospital based on the cost-finding methods  
405.33 and allowable costs of the Medicare program in effect during the base year. Rates under  
405.34 the general assistance medical care, medical assistance, and MinnesotaCare programs  
405.35 shall not be rebased to more current data on January 1, 1997, January 1, 2005, for the first

406.1 24 months of the rebased period beginning January 1, 2009 (a) For discharges occurring  
406.2 on and after October 1, 2014, hospital inpatient services for hospitals located in Minnesota  
406.3 shall be paid according to the following:

406.4       (1) critical access hospitals as defined by Medicare shall be paid using a cost-based  
406.5 methodology;

406.6       (2) long-term care hospitals as defined by Medicare shall be paid on a per diem  
406.7 methodology under subdivision 25;

406.8       (3) rehabilitation hospitals or units of hospitals that are recognized as rehabilitation  
406.9 distinct parts as defined by Medicare shall be paid according to the methodology under  
406.10 subdivision 12; and

406.11      (4) all other hospitals shall be paid on a diagnostic-related group (DRG) methodology.

406.12       (b) For the rebased period beginning January 1, 2011, to September 30, 2014, rates  
406.13 shall not be rebased, except that a Minnesota long-term hospital shall be rebased effective  
406.14 January 1, 2011, based on its most recent Medicare cost report ending on or before  
406.15 September 1, 2008, with the provisions under subdivisions 9 and 23, based on the rates  
406.16 in effect on December 31, 2010. For subsequent rate setting periods after October 1,  
406.17 2014, in which the base years are updated, a Minnesota long-term hospital's base year  
406.18 shall remain within the same period as other hospitals. Effective January 1, 2013, and  
406.19 after, rates shall not be rebased.

406.20       (c) Effective for discharges occurring on and after October 1, 2014, payment rates  
406.21 for hospital inpatient services provided by hospitals located in Minnesota or the local trade  
406.22 area, except for the hospitals paid under the methodologies described in paragraph (a),  
406.23 clauses (2) and (3), shall be rebased, incorporating cost and payment methodologies in  
406.24 a manner similar to Medicare. The base year for the rates effective October 1, 2014,  
406.25 shall be state fiscal year 2012. The rebasing must be budget neutral, ensuring that  
406.26 the total aggregate payments under the rebased system are equal to the total aggregate  
406.27 payments made for the same number and types of services in the base year. Separate  
406.28 budget neutrality calculations must be determined for payments made to critical access  
406.29 hospitals and payments made to hospitals paid under the DRG system. Any rate increases  
406.30 or decreases under subdivision 3a that applied to the hospitals being rebased during the  
406.31 base period must be incorporated into the budget neutrality calculation. Any rate increases  
406.32 or decreases that did not apply to the base period shall not be considered in the budget  
406.33 neutrality calculation. The estimated expenditures in fiscal years 2015, 2016, and 2017,  
406.34 after the rebasing is complete, must equal the estimated expenditures for inpatient hospital  
406.35 services in the February 2014 forecast.

407.1       (d) For discharges occurring October 1, 2014, through and including June 30, 2016,  
407.2       the rebased rates must include necessary adjustments to the projected rates that result in  
407.3       no greater than a five percent increase or decrease from the base year payments for any  
407.4       hospital. In addition to these adjustments, the commissioner may make adjustments to  
407.5       rates and must consider the impact of changes on at least the following when evaluating  
407.6       whether additional adjustments should be made:

- 407.7       (1) pediatric services;
- 407.8       (2) behavioral health services;
- 407.9       (3) trauma services as defined by the National Uniform Billing Committee;
- 407.10      (4) transplant services;
- 407.11      (5) obstetric services, newborn services, and behavioral health services provided  
407.12      by hospitals outside the seven-county metropolitan area;
- 407.13      (6) outlier admissions;
- 407.14      (7) low-volume providers; and
- 407.15      (8) services provided by small rural hospitals that are not critical access hospitals.

407.16       (e) Hospital payment rates established under paragraph (c) must incorporate the  
407.17       following:

- 407.18      (1) for hospitals paid under the DRG methodology, the base year operating payment  
407.19      rate per admission is standardized by the ease mix index and adjusted by the hospital cost  
407.20      index, relative values, and disproportionate population adjustment, applicable Medicare  
407.21      wage index and adjusted by the hospital's disproportionate population adjustment;
- 407.22      (2) for critical access hospitals, interim per diem payment rate must be based on  
407.23      the ratio of cost and charges reported on the base year Medicare cost report or reports  
407.24      and applied to medical assistance utilization data. Final settlement payments for a state  
407.25      fiscal year must be determined based on a review of the Medicaid cost report for the  
407.26      applicable state fiscal year;
- 407.27      (3) the cost and charge data used to establish operating hospital payment rates shall  
407.28      must only reflect inpatient services covered by medical assistance and shall not include  
407.29      property cost information and costs recognized in outlier payments; and
- 407.30      (4) in determining hospital payment rates for discharges occurring on or after the  
407.31      rate year beginning January 1, 2011, to December 31, 2012, the hospital payment rate per  
407.32      discharge must be based on the cost-finding methods and allowable costs of the Medicare  
407.33      program in effect during the base year or years.

407.34       Sec. 8. Minnesota Statutes 2012, section 256.969, is amended by adding a subdivision  
407.35       to read:

408.1        Subd. 2d. **Budget neutrality factor.** For the rebased period effective October 1,  
408.2        2014, when rebasing rates under subdivision 2b, paragraph (c), the commissioner shall  
408.3        apply a budget neutrality factor (BNF), if applicable, to all hospitals' rebased rates to  
408.4        ensure that total DRG and critical access hospital payments to hospitals do not exceed  
408.5        total DRG and critical access hospital payments that would have been made to hospitals  
408.6        for the same number and types of services if the relative rates and weights had not been  
408.7        recalibrated and cost-based payments for critical access hospitals had not been established.  
408.8        For the purposes of this subdivision, BNF equals the percentage change from total  
408.9        aggregate payments calculated under a new payment system to total aggregate payments  
408.10        calculated under the old system for the same number and types of services.

408.11       Sec. 9. Minnesota Statutes 2012, section 256.969, is amended by adding a subdivision  
408.12       to read:

408.13       Subd. 2e. **Interim payments.** Notwithstanding subdivision 2b, for discharges  
408.14       occurring on or after October 1, 2014, and no later than June 30, 2015, the commissioner  
408.15       may implement an interim payment process to pay hospitals, including payments based on  
408.16       each hospital's average payments per claim for state fiscal years 2011 and 2012. These  
408.17       interim payments may be used to pay hospitals if the new payment system and rebasing  
408.18       under subdivision 2b is not complete by October 1, 2014. Claims paid at interim payment  
408.19       rates shall be reprocessed and paid at the rates established under the new system upon  
408.20       implementation of the new system.

408.21       Sec. 10. Minnesota Statutes 2012, section 256.969, is amended by adding a subdivision  
408.22       to read:

408.23       Subd. 2f. **Report required.** (a) The commissioner shall report to the legislature by  
408.24       March 1, 2015, and by March 1, 2016, on the financial impacts by hospital and policy  
408.25       ramifications, if any, resulting from payment methodology changes implemented after  
408.26       September 30, 2014, and before December 15, 2015.

408.27       (b) The commissioner shall report, at a minimum, the following information:  
408.28       (1) case-mix adjusted calculations of net payment impacts for each hospital resulting  
408.29       from the difference between the payments each hospital would have received under the  
408.30       payment methodology for discharges before September 30, 2014, and the payments each  
408.31       hospital has or is expected to receive for the same number and types of services under the  
408.32       payment methodology implemented effective October 1, 2014;  
408.33       (2) any adjustments that the commissioner made and the impacts of those adjustments  
408.34       for each hospital; and

409.1        (3) recommendations for further refinement or improvement of the hospital inpatient  
409.2        payment system or methodologies.

409.3        Sec. 11. Minnesota Statutes 2012, section 256.969, subdivision 3a, is amended to read:

409.4        Subd. 3a. **Payments.** (a) Acute care hospital billings under the medical  
409.5 assistance program must not be submitted until the recipient is discharged. However,  
409.6 the commissioner shall establish monthly interim payments for inpatient hospitals that  
409.7 have individual patient lengths of stay over 30 days regardless of diagnostic category.  
409.8 Except as provided in section 256.9693, medical assistance reimbursement for treatment  
409.9 of mental illness shall be reimbursed based on diagnostic classifications. Individual  
409.10 hospital payments established under this section and sections 256.9685, 256.9686, and  
409.11 256.9695, in addition to third-party and recipient liability, for discharges occurring during  
409.12 the rate year shall not exceed, in aggregate, the charges for the medical assistance covered  
409.13 inpatient services paid for the same period of time to the hospital. ~~This payment limitation~~  
409.14 shall be calculated separately for medical assistance and general assistance medical  
409.15 care services. ~~The limitation on general assistance medical care shall be effective for~~  
409.16 admissions occurring on or after July 1, 1991. Services that have rates established under  
409.17 subdivision 11 or 12, must be limited separately from other services. After consulting with  
409.18 the affected hospitals, the commissioner may consider related hospitals one entity and may  
409.19 merge the payment rates while maintaining separate provider numbers. The operating and  
409.20 property base rates per admission or per day shall be derived from the best Medicare and  
409.21 claims data available when rates are established. The commissioner shall determine the  
409.22 best Medicare and claims data, taking into consideration variables of recency of the data,  
409.23 audit disposition, settlement status, and the ability to set rates in a timely manner. The  
409.24 commissioner shall notify hospitals of payment rates by December 1 of the year preceding  
409.25 the rate year 30 days prior to implementation. The rate setting data must reflect the  
409.26 admissions data used to establish relative values. ~~Base year changes from 1981 to the base~~  
409.27 ~~year established for the rate year beginning January 1, 1991, and for subsequent rate years,~~  
409.28 ~~shall not be limited to the limits ending June 30, 1987, on the maximum rate of increase~~  
409.29 ~~under subdivision 1.~~ The commissioner may adjust base year cost, relative value, and case  
409.30 mix index data to exclude the costs of services that have been discontinued by the October  
409.31 1 of the year preceding the rate year or that are paid separately from inpatient services.  
409.32 Inpatient stays that encompass portions of two or more rate years shall have payments  
409.33 established based on payment rates in effect at the time of admission unless the date of  
409.34 admission preceded the rate year in effect by six months or more. In this case, operating

410.1 payment rates for services rendered during the rate year in effect and established based on  
410.2 the date of admission shall be adjusted to the rate year in effect by the hospital cost index.

410.3 (b) For fee-for-service admissions occurring on or after July 1, 2002, the total  
410.4 payment, before third-party liability and spenddown, made to hospitals for inpatient  
410.5 services is reduced by .5 percent from the current statutory rates.

410.6 (c) In addition to the reduction in paragraph (b), the total payment for fee-for-service  
410.7 admissions occurring on or after July 1, 2003, made to hospitals for inpatient services before  
410.8 third-party liability and spenddown, is reduced five percent from the current statutory  
410.9 rates. Mental health services within diagnosis related groups 424 to 432 or corresponding  
410.10 APR-DRGs, and facilities defined under subdivision 16 are excluded from this paragraph.

410.11 (d) In addition to the reduction in paragraphs (b) and (c), the total payment for  
410.12 fee-for-service admissions occurring on or after August 1, 2005, made to hospitals for  
410.13 inpatient services before third-party liability and spenddown, is reduced 6.0 percent from  
410.14 the current statutory rates. Mental health services within diagnosis related groups 424  
410.15 to 432 or corresponding APR-DRGs, and facilities defined under subdivision 16 are  
410.16 excluded from this paragraph. ~~Notwithstanding section 256.9686, subdivision 7, for~~  
410.17 ~~purposes of this paragraph, medical assistance does not include general assistance medical~~  
410.18 ~~care. Payments made to managed care plans shall be reduced for services provided on or~~  
410.19 ~~after January 1, 2006, to reflect this reduction.~~

410.20 (e) In addition to the reductions in paragraphs (b), (c), and (d), the total payment for  
410.21 fee-for-service admissions occurring on or after July 1, 2008, through June 30, 2009, made  
410.22 to hospitals for inpatient services before third-party liability and spenddown, is reduced  
410.23 3.46 percent from the current statutory rates. Mental health services with diagnosis  
410.24 related groups 424 to 432 or corresponding APR-DRGs, and facilities defined under  
410.25 subdivision 16 are excluded from this paragraph. Payments made to managed care plans  
410.26 shall be reduced for services provided on or after January 1, 2009, through June 30, 2009,  
410.27 to reflect this reduction.

410.28 (f) In addition to the reductions in paragraphs (b), (c), and (d), the total payment  
410.29 for fee-for-service admissions occurring on or after July 1, 2009, through June 30, 2011,  
410.30 made to hospitals for inpatient services before third-party liability and spenddown, is  
410.31 reduced 1.9 percent from the current statutory rates. Mental health services with diagnosis  
410.32 related groups 424 to 432 or corresponding APR-DRGs, and facilities defined under  
410.33 subdivision 16 are excluded from this paragraph. Payments made to managed care plans  
410.34 shall be reduced for services provided on or after July 1, 2009, through June 30, 2011,  
410.35 to reflect this reduction.

411.1       (g) In addition to the reductions in paragraphs (b), (c), and (d), the total payment  
411.2 for fee-for-service admissions occurring on or after July 1, 2011, made to hospitals for  
411.3 inpatient services before third-party liability and spenddown, is reduced 1.79 percent from  
411.4 the current statutory rates. Mental health services with diagnosis related groups 424 to 432  
411.5 or corresponding APR-DRGs, and facilities defined under subdivision 16 are excluded  
411.6 from this paragraph. Payments made to managed care plans shall be reduced for services  
411.7 provided on or after July 1, 2011, to reflect this reduction.

411.8       (h) In addition to the reductions in paragraphs (b), (c), (d), (f), and (g), the total  
411.9 payment for fee-for-service admissions occurring on or after July 1, 2009, made to  
411.10 hospitals for inpatient services before third-party liability and spenddown, is reduced  
411.11 one percent from the current statutory rates. Facilities defined under subdivision 16 are  
411.12 excluded from this paragraph. Payments made to managed care plans shall be reduced for  
411.13 services provided on or after October 1, 2009, to reflect this reduction.

411.14       (i) In addition to the reductions in paragraphs (b), (c), (d), (g), and (h), the total  
411.15 payment for fee-for-service admissions occurring on or after July 1, 2011, made to  
411.16 hospitals for inpatient services before third-party liability and spenddown, is reduced  
411.17 1.96 percent from the current statutory rates. Facilities defined under subdivision 16 are  
411.18 excluded from this paragraph. Payments made to managed care plans shall be reduced for  
411.19 services provided on or after January 1, 2011, to reflect this reduction.

411.20       (j) Effective for discharges on and after October 1, 2014, from hospitals paid under  
411.21 subdivision 2b, paragraph (a), clauses (1) and (4), the rate adjustments in this subdivision  
411.22 must be incorporated into the rebased rates established under subdivision 2b, paragraph  
411.23 (c), and must not be applied to each claim.

411.24 Sec. 12. Minnesota Statutes 2012, section 256.969, subdivision 3b, is amended to read:

411.25       **Subd. 3b. Nonpayment for hospital-acquired conditions and for certain**  
411.26 **treatments.** (a) The commissioner must not make medical assistance payments to a  
411.27 hospital for any costs of care that result from a condition listed identified in paragraph  
411.28 (c), if the condition was hospital acquired.

411.29       (b) For purposes of this subdivision, a condition is hospital acquired if it is not  
411.30 identified by the hospital as present on admission. For purposes of this subdivision,  
411.31 medical assistance includes general assistance medical care and MinnesotaCare.

411.32       (c) The prohibition in paragraph (a) applies to payment for each hospital-acquired  
411.33 condition listed in this paragraph that is represented by an ICD-9-CM or ICD-10-CM  
411.34 diagnosis code and is designated as a complicating condition or a major complicating  
411.35 econdition:

412.1       (1) foreign object retained after surgery (ICD-9-CM codes 998.4 or 998.7);  
412.2       (2) air embolism (ICD-9-CM code 999.1);  
412.3       (3) blood incompatibility (ICD-9-CM code 999.6);  
412.4       (4) pressure ulcers stage III or IV (ICD-9-CM codes 707.23 or 707.24);  
412.5       (5) falls and trauma, including fracture, dislocation, intracranial injury, crushing  
412.6       injury, burn, and electric shock (ICD-9-CM codes with these ranges on the complicating  
412.7       condition and major complicating condition list: 800-829; 830-839; 850-854; 925-929;  
412.8       940-949; and 991-994);  
412.9       (6) catheter-associated urinary tract infection (ICD-9-CM code 996.64);  
412.10       (7) vascular catheter-associated infection (ICD-9-CM code 999.31);  
412.11       (8) manifestations of poor glycemic control (ICD-9-CM codes 249.10; 249.11;  
412.12       249.20; 249.21; 250.10; 250.11; 250.12; 250.13; 250.20; 250.21; 250.22; 250.23; and  
412.13       251.0);  
412.14       (9) surgical site infection (ICD-9-CM codes 996.67 or 998.59) following certain  
412.15       orthopedic procedures (procedure codes 81.01; 81.02; 81.03; 81.04; 81.05; 81.06; 81.07;  
412.16       81.08; 81.23; 81.24; 81.31; 81.32; 81.33; 81.34; 81.35; 81.36; 81.37; 81.38; 81.83; and  
412.17       81.85);  
412.18       (10) surgical site infection (ICD-9-CM code 998.59) following bariatric surgery  
412.19       (procedure codes 44.38; 44.39; or 44.95) for a principal diagnosis of morbid obesity  
412.20       (ICD-9-CM code 278.01);  
412.21       (11) surgical site infection, mediastinitis (ICD-9-CM code 519.2) following coronary  
412.22       artery bypass graft (procedure codes 36.10 to 36.19); and  
412.23       (12) deep vein thrombosis (ICD-9-CM codes 453.40 to 453.42) or pulmonary  
412.24       embolism (ICD-9-CM codes 415.11 or 415.19) following total knee replacement  
412.25       (procedure code 81.54) or hip replacement (procedure codes 00.85 to 00.87 or 81.51 to  
412.26       81.52). The list of conditions shall be the hospital-acquired conditions (HAC) list defined  
412.27       by the Centers for Medicare and Medicaid Services on an annual basis.

412.28       (d) The prohibition in paragraph (a) applies to any additional payments that result  
412.29       from a hospital-acquired condition listed identified in paragraph (c), including, but not  
412.30       limited to, additional treatment or procedures, readmission to the facility after discharge,  
412.31       increased length of stay, change to a higher diagnostic category, or transfer to another  
412.32       hospital. In the event of a transfer to another hospital, the hospital where the condition  
412.33       listed identified under paragraph (c) was acquired is responsible for any costs incurred at  
412.34       the hospital to which the patient is transferred.

412.35       (e) A hospital shall not bill a recipient of services for any payment disallowed under  
412.36       this subdivision.

413.1 Sec. 13. Minnesota Statutes 2012, section 256.969, subdivision 3c, is amended to read:

413.2       **Subd. 3c. Rateable reduction and readmissions reduction.** (a) The total payment  
413.3 for fee for service admissions occurring on or after September 1, 2011, ~~through June 30,~~  
413.4 ~~2015 to October 31, 2014,~~ made to hospitals for inpatient services before third-party  
413.5 liability and spenddown, is reduced ten percent from the current statutory rates. Facilities  
413.6 defined under subdivision 16, long-term hospitals as determined under the Medicare  
413.7 program, children's hospitals whose inpatients are predominantly under 18 years of age,  
413.8 and payments under managed care are excluded from this paragraph.

413.9       (b) Effective for admissions occurring during calendar year 2010 and each year  
413.10 after, the commissioner shall calculate a regional readmission rate for admissions to all  
413.11 hospitals occurring within 30 days of a previous discharge. The commissioner may  
413.12 adjust the readmission rate taking into account factors such as the medical relationship,  
413.13 complicating conditions, and sequencing of treatment between the initial admission and  
413.14 subsequent readmissions.

413.15       (c) Effective for payments to all hospitals on or after July 1, 2013, through ~~June 30,~~  
413.16 ~~2015 October 31, 2014,~~ the reduction in paragraph (a) is reduced one percentage point for  
413.17 every percentage point reduction in the overall readmissions rate between the two previous  
413.18 calendar years to a maximum of five percent.

413.19       (d) The exclusion from the rate reduction in paragraph (a) also applies to admissions  
413.20 of patients under 18 years of age to a hospital located in Hennepin County with a licensed  
413.21 capacity of 1,700 beds as of September 1, 2011.

413.22       **EFFECTIVE DATE.** Paragraph (d) is effective retroactively from September 1,  
413.23 2011, and applies to admissions on or after that date.

413.24 Sec. 14. Minnesota Statutes 2012, section 256.969, is amended by adding a subdivision  
413.25 to read:

413.26       **Subd. 4b. Medical assistance cost reports for services.** (a) A hospital that meets  
413.27 one of the following criteria must annually file medical assistance cost reports within six  
413.28 months of the end of the hospital's fiscal year:

413.29       (1) a hospital designated as a critical access hospital that receives medical assistance  
413.30 payments; or

413.31       (2) a Minnesota hospital or out-of-state hospital located within a Minnesota local  
413.32 trade area that receives a disproportionate population adjustment under subdivision 9.

413.33       For purposes of this subdivision, local trade area has the meaning given in  
413.34 subdivision 17.

414.1       (b) The commissioner shall suspend payments to any hospital that fails to file a  
414.2 report required under this subdivision. Payments must remain suspended until the report  
414.3 has been filed with and accepted by the Department of Human Services inpatient rates unit.

414.4       Sec. 15. Minnesota Statutes 2012, section 256.969, subdivision 6a, is amended to read:  
414.5              Subd. 6a. **Special considerations.** In determining the payment rates, the  
414.6 commissioner shall consider whether the circumstances in subdivisions 78 to 14 exist.

414.7       Sec. 16. Minnesota Statutes 2012, section 256.969, subdivision 8, is amended to read:  
414.8              Subd. 8. **Unusual length of stay experience.** (a) The commissioner shall establish  
414.9 day outlier thresholds for each diagnostic category established under subdivision 2 at two  
414.10 standard deviations beyond the mean length of stay. Payment for the days beyond the outlier  
414.11 threshold shall be in addition to the operating and property payment rates per admission  
414.12 established under subdivisions 2, 2b, and 2c. Payment for outliers shall be at 70 percent of  
414.13 the allowable operating cost, after adjustment by the case mix index, hospital cost index,  
414.14 relative values and the disproportionate population adjustment. The outlier threshold for  
414.15 neonatal and burn diagnostic categories shall be established at one standard deviation  
414.16 beyond the mean length of stay, and payment shall be at 90 percent of allowable operating  
414.17 cost calculated in the same manner as other outliers. A hospital may choose an alternative  
414.18 to the 70 percent outlier payment that is at a minimum of 60 percent and a maximum of 80  
414.19 percent if the commissioner is notified in writing of the request by October 1 of the year  
414.20 preceding the rate year. The chosen percentage applies to all diagnostic categories except  
414.21 burns and neonates. The percentage of allowable cost that is unrecognized by the outlier  
414.22 payment shall be added back to the base year operating payment rate per admission.

414.23       (b) Effective for transfers occurring on and after October 1, 2014, the commissioner  
414.24 shall establish payment rates for acute transfers that are based on Medicare methodologies.

414.25       Sec. 17. Minnesota Statutes 2012, section 256.969, subdivision 8a, is amended to read:  
414.26              Subd. 8a. **Short length of stay Neonatal admissions.** Except as provided in  
414.27 subdivision 13, for admissions occurring on or after July 1, 1995, payment shall be  
414.28 determined as follows and shall be included in the base year for rate setting purposes:  
414.29                  (1) for an admission that is categorized to a neonatal diagnostic related group  
414.30 in which the length of stay is less than 50 percent of the average length of stay for the  
414.31 category in the base year and the patient at admission is equal to or greater than the age of  
414.32 one, payments shall be established according to the methods of subdivision 14;

415.1       (2) For an admission that is categorized to a diagnostic category that includes  
415.2   neonatal respiratory distress syndrome, the hospital must have a level II or level III  
415.3   nursery and the patient must receive treatment in that unit or payment will be made  
415.4   without regard to the syndrome condition.

415.5       **EFFECTIVE DATE.** This section is effective October 1, 2014.

415.6       Sec. 18. Minnesota Statutes 2012, section 256.969, is amended by adding a subdivision  
415.7   to read:

415.8       Subd. 8c. Hospital residents. For discharges on or after October 1, 2014, payments  
415.9   for hospital residents shall be made as follows:

415.10       (1) payments for the first 180 days of inpatient care shall be the APR-DRG system  
415.11   plus any appropriate outliers; and

415.12       (2) payment for all medically necessary patient care subsequent to 180 days shall  
415.13   be reimbursed at a rate computed by multiplying the statewide average cost-to-charge  
415.14   ratio by the usual and customary charges.

415.15       Sec. 19. Minnesota Statutes 2012, section 256.969, subdivision 9, is amended to read:

415.16       Subd. 9. Disproportionate numbers of low-income patients served. (a) For  
415.17   admissions occurring on or after October 1, 1992, through December 31, 1992, the  
415.18   medical assistance disproportionate population adjustment shall comply with federal law  
415.19   and shall be paid to a hospital, excluding regional treatment centers and facilities of the  
415.20   federal Indian Health Service, with a medical assistance inpatient utilization rate in excess  
415.21   of the arithmetic mean. The adjustment must be determined as follows:

415.22       (1) for a hospital with a medical assistance inpatient utilization rate above the  
415.23   arithmetic mean for all hospitals excluding regional treatment centers and facilities of the  
415.24   federal Indian Health Service but less than or equal to one standard deviation above the  
415.25   mean, the adjustment must be determined by multiplying the total of the operating and  
415.26   property payment rates by the difference between the hospital's actual medical assistance  
415.27   inpatient utilization rate and the arithmetic mean for all hospitals excluding regional  
415.28   treatment centers and facilities of the federal Indian Health Service; and

415.29       (2) for a hospital with a medical assistance inpatient utilization rate above one  
415.30   standard deviation above the mean, the adjustment must be determined by multiplying  
415.31   the adjustment that would be determined under clause (1) for that hospital by 1.1. If  
415.32   federal matching funds are not available for all adjustments under this subdivision, the  
415.33   commissioner shall reduce payments on a pro rata basis so that all adjustments qualify for  
415.34   federal match. The commissioner may establish a separate disproportionate population

416.1 ~~operating payment rate adjustment under the general assistance medical care program.~~  
416.2 ~~For purposes of this subdivision medical assistance does not include general assistance~~  
416.3 ~~medical care.~~ The commissioner shall report annually on the number of hospitals likely to  
416.4 receive the adjustment authorized by this paragraph. The commissioner shall specifically  
416.5 report on the adjustments received by public hospitals and public hospital corporations  
416.6 located in cities of the first class.

416.7 (b) For admissions occurring on or after July 1, 1993, the medical assistance  
416.8 disproportionate population adjustment shall comply with federal law and shall be paid to  
416.9 a hospital, excluding regional treatment centers and facilities of the federal Indian Health  
416.10 Service, with a medical assistance inpatient utilization rate in excess of the arithmetic  
416.11 mean. The adjustment must be determined as follows:

416.12 (1) for a hospital with a medical assistance inpatient utilization rate above the  
416.13 arithmetic mean for all hospitals excluding regional treatment centers and facilities of the  
416.14 federal Indian Health Service but less than or equal to one standard deviation above the  
416.15 mean, the adjustment must be determined by multiplying the total of the operating and  
416.16 property payment rates by the difference between the hospital's actual medical assistance  
416.17 inpatient utilization rate and the arithmetic mean for all hospitals excluding regional  
416.18 treatment centers and facilities of the federal Indian Health Service; and

416.19 (2) for a hospital with a medical assistance inpatient utilization rate above one  
416.20 standard deviation above the mean, the adjustment must be determined by multiplying  
416.21 the adjustment that would be determined under clause (1) for that hospital by 1.1. The  
416.22 commissioner may establish a separate disproportionate population ~~operating payment~~  
416.23 rate adjustment ~~under the general assistance medical care program. For purposes of~~  
416.24 ~~this subdivision, medical assistance does not include general assistance medical care~~  
416.25 ~~for critical access hospitals.~~ The commissioner shall report annually on the number of  
416.26 hospitals likely to receive the adjustment authorized by this paragraph. The commissioner  
416.27 shall specifically report on the adjustments received by public hospitals and public hospital  
416.28 corporations located in cities of the first class; and

416.29 (3) for a hospital that had medical assistance fee-for-service payment volume during  
416.30 calendar year 1991 in excess of 13 percent of total medical assistance fee-for-service  
416.31 payment volume, a medical assistance disproportionate population adjustment shall be  
416.32 paid in addition to any other disproportionate payment due under this subdivision as  
416.33 follows: \$1,515,000 due on the 15th of each month after noon, beginning July 15, 1995.  
416.34 For a hospital that had medical assistance fee-for-service payment volume during calendar  
416.35 year 1991 in excess of eight percent of total medical assistance fee-for-service payment  
416.36 volume and was the primary hospital affiliated with the University of Minnesota, a

417.1 medical assistance disproportionate population adjustment shall be paid in addition to any  
417.2 other disproportionate payment due under this subdivision as follows: \$505,000 due on  
417.3 the 15th of each month after noon, beginning July 15, 1995; and

417.4 (4) effective August 1, 2005, the payments in paragraph (b), clause (3), shall be  
417.5 reduced to zero.

417.6 (e) The commissioner shall adjust rates paid to a health maintenance organization  
417.7 under contract with the commissioner to reflect rate increases provided in paragraph (b),  
417.8 clauses (1) and (2), on a nondiscounted hospital-specific basis but shall not adjust those  
417.9 rates to reflect payments provided in clause (3).

417.10 (d) If federal matching funds are not available for all adjustments under paragraph  
417.11 (b), the commissioner shall reduce payments under paragraph (b), clauses (1) and (2), on a  
417.12 pro rata basis so that all adjustments under paragraph (b) qualify for federal match.

417.13 (e) For purposes of this subdivision, medical assistance does not include general  
417.14 assistance medical care.

417.15 (f) For hospital services occurring on or after July 1, 2005, to June 30, 2007:

417.16 (1) general assistance medical care expenditures for fee-for-service inpatient and  
417.17 outpatient hospital payments made by the department shall be considered Medicaid  
417.18 disproportionate share hospital payments, except as limited below:

417.19 (i) only the portion of Minnesota's disproportionate share hospital allotment under  
417.20 section 1923(f) of the Social Security Act that is not spent on the disproportionate  
417.21 population adjustments in paragraph (b), clauses (1) and (2), may be used for general  
417.22 assistance medical care expenditures;

417.23 (ii) only those general assistance medical care expenditures made to hospitals that  
417.24 qualify for disproportionate share payments under section 1923 of the Social Security Act  
417.25 and the Medicaid state plan may be considered disproportionate share hospital payments;

417.26 (iii) only those general assistance medical care expenditures made to an individual  
417.27 hospital that would not cause the hospital to exceed its individual hospital limits under  
417.28 section 1923 of the Social Security Act may be considered; and

417.29 (iv) general assistance medical care expenditures may be considered only to the  
417.30 extent of Minnesota's aggregate allotment under section 1923 of the Social Security Act.

417.31 All hospitals and prepaid health plans participating in general assistance medical care  
417.32 must provide any necessary expenditure, cost, and revenue information required by the  
417.33 commissioner as necessary for purposes of obtaining federal Medicaid matching funds for  
417.34 general assistance medical care expenditures; and

417.35 (2) (c) Certified public expenditures made by Hennepin County Medical Center shall  
417.36 be considered Medicaid disproportionate share hospital payments. Hennepin County

418.1 and Hennepin County Medical Center shall report by June 15, 2007, on payments made  
418.2 beginning July 1, 2005, or another date specified by the commissioner, that may qualify  
418.3 for reimbursement under federal law. Based on these reports, the commissioner shall  
418.4 apply for federal matching funds.

418.5 ~~(g)~~ (d) Upon federal approval of the related state plan amendment, paragraph ~~(f)~~ (c)  
418.6 is effective retroactively from July 1, 2005, or the earliest effective date approved by the  
418.7 Centers for Medicare and Medicaid Services.

418.8 Sec. 20. Minnesota Statutes 2012, section 256.969, subdivision 10, is amended to read:

418.9 **Subd. 10. Separate billing by certified registered nurse anesthetists.** Hospitals  
418.10 ~~may must~~ exclude certified registered nurse anesthetist costs from the operating payment  
418.11 rate as allowed by section 256B.0625, subdivision 11. To be eligible, a hospital must  
418.12 notify the commissioner in writing by October 1 of even-numbered years to exclude  
418.13 certified registered nurse anesthetist costs. The hospital must agree that all hospital  
418.14 claims for the cost and charges of certified registered nurse anesthetist services will not  
418.15 be included as part of the rates for inpatient services provided during the rate year. In  
418.16 this case, the operating payment rate shall be adjusted to exclude the cost of certified  
418.17 registered nurse anesthetist services.

418.18 ~~For admissions occurring on or after July 1, 1991, and until the expiration date of~~  
418.19 ~~section 256.9695, subdivision 3, services of certified registered nurse anesthetists provided~~  
418.20 ~~on an inpatient basis may be paid as allowed by section 256B.0625, subdivision 11, when~~  
418.21 ~~the hospital's base year did not include the cost of these services. To be eligible, a hospital~~  
418.22 ~~must notify the commissioner in writing by July 1, 1991, of the request and must comply~~  
418.23 ~~with all other requirements of this subdivision.~~

418.24 Sec. 21. Minnesota Statutes 2012, section 256.969, subdivision 12, is amended to read:

418.25 **Subd. 12. Rehabilitation hospitals and distinct parts.** (a) Units of hospitals that  
418.26 are recognized as rehabilitation distinct parts by the Medicare program shall have separate  
418.27 provider numbers under the medical assistance program for rate establishment and billing  
418.28 purposes only. These units shall also have operating ~~and property~~ payment rates and the  
418.29 disproportionate population adjustment, if allowed by federal law, established separately  
418.30 from other inpatient hospital services.

418.31 (b) The commissioner ~~may~~ shall establish separate relative values under subdivision  
418.32 2 for rehabilitation hospitals and distinct parts as defined by the Medicare program.  
418.33 Effective for discharges on and after October 1, 2014, the commissioner, to the extent  
418.34 possible, shall replicate the existing payment rate methodology under the new diagnostic

classification system. The result must be budget neutral, ensuring that the total aggregate payments under the new system are equal to the total aggregate payments made for the same number and types of services in the base year state fiscal year 2012.

(c) For individual hospitals that did not have separate medical assistance rehabilitation provider numbers or rehabilitation distinct parts in the base year, hospitals shall provide the information needed to separate rehabilitation distinct part cost and claims data from other inpatient service data.

Sec. 22. Minnesota Statutes 2012, section 256.969, subdivision 14, is amended to read:

**Subd. 14. Transfers.** Except as provided in subdivisions 11 and 13, (a) Operating and property payment rates for admissions that result in transfers and transfers shall be established on a per day payment system. The per day payment rate shall be the sum of the adjusted operating and property payment rates determined under this subdivision and subdivisions 2, 2b, 2c, 3a, 4a, 5a, and 78 to 12, divided by the arithmetic mean length of stay for the diagnostic category. Each admission that results in a transfer and each transfer is considered a separate admission to each hospital, and the total of the admission and transfer payments to each hospital must not exceed the total per admission payment that would otherwise be made to each hospital under this subdivision and subdivisions 2, 2b, 2c, 3a, 4a, 5a, and 7 to 13 8 to 12.

(b) Effective for transfers occurring on and after October 1, 2014, the commissioner shall establish payment rates for acute transfers that are based on Medicare methodologies.

Sec. 23. Minnesota Statutes 2012, section 256.969, subdivision 17, is amended to read:

**Subd. 17. Out-of-state hospitals in local trade areas.** Out-of-state hospitals that are located within a Minnesota local trade area and that have more than 20 admissions in the base year or years shall have rates established using the same procedures and methods that apply to Minnesota hospitals. For this subdivision and subdivision 18, local trade area means a county contiguous to Minnesota and located in a metropolitan statistical area as determined by Medicare for October 1 prior to the most current rebased rate year. Hospitals that are not required by law to file information in a format necessary to establish rates shall have rates established based on the commissioner's estimates of the information. Relative values of the diagnostic categories shall not be redetermined under this subdivision until required by rule statute. Hospitals affected by this subdivision shall then be included in determining relative values. However, hospitals that have rates established based upon the commissioner's estimates of information shall not be included in determining relative values. This subdivision is effective for hospital fiscal years beginning on or after July

420.1    1, 1988. A hospital shall provide the information necessary to establish rates under this  
420.2 subdivision at least 90 days before the start of the hospital's fiscal year.

420.3    Sec. 24. Minnesota Statutes 2012, section 256.969, subdivision 18, is amended to read:

420.4        Subd. 18. **Out-of-state hospitals outside local trade areas.** Hospitals that are  
420.5 not located within Minnesota or a Minnesota local trade area shall have ~~operating and~~  
420.6 ~~property inpatient hospital~~ rates established at the average of statewide and local trade area  
420.7 rates or, at the commissioner's discretion, at an amount negotiated by the commissioner.  
420.8 Relative values shall not include data from hospitals that have rates established under this  
420.9 subdivision. Payments, including third-party and recipient liability, established under this  
420.10 subdivision may not exceed the charges on a claim specific basis for inpatient services that  
420.11 are covered by medical assistance.

420.12    Sec. 25. Minnesota Statutes 2012, section 256.969, subdivision 25, is amended to read:

420.13        Subd. 25. **Long-term hospital rates.** (a) Long-term hospitals shall be paid a per  
420.14 diem rate established by the commissioner.

420.15        (b) For admissions occurring on or after April 1, 1995, a long-term hospital as  
420.16 designated by Medicare that does not have admissions in the base year shall have  
420.17 inpatient rates established at the average of other hospitals with the same designation. For  
420.18 subsequent rate-setting periods in which base years are updated, the hospital's base year  
420.19 shall be the first Medicare cost report filed with the long-term hospital designation and  
420.20 shall remain in effect until it falls within the same period as other hospitals.

420.21    Sec. 26. Minnesota Statutes 2012, section 256.969, subdivision 30, is amended to read:

420.22        Subd. 30. **Payment rates for births.** (a) For admissions occurring on or after  
420.23 ~~October 1, 2009~~ October 1, 2014, the total operating and property payment rate, excluding  
420.24 disproportionate population adjustment, for the following diagnosis-related groups, as  
420.25 they fall within the diagnostic APR-DRG categories: (1) ~~371 cesarean section without~~  
420.26 ~~complicating diagnosis 5601, 5602, 5603, 5604 vaginal delivery; and (2) 372 vaginal~~  
420.27 ~~delivery with complicating diagnosis; and (3) 373 vaginal delivery without complicating~~  
420.28 ~~diagnosis 5401, 5402, 5403, 5404 cesarean section,~~ shall be no greater than \$3,528.

420.29        (b) The rates described in this subdivision do not include newborn care.

420.30        (c) Payments to managed care and county-based purchasing plans under section  
420.31 256B.69, 256B.692, or 256L.12 shall be reduced for services provided on or after October  
420.32 1, 2009, to reflect the adjustments in paragraph (a).

421.1       (d) Prior authorization shall not be required before reimbursement is paid for a  
421.2 cesarean section delivery.

421.3       Sec. 27. Minnesota Statutes 2012, section 256B.04, is amended by adding a  
421.4 subdivision to read:

421.5       Subd. 24. Medicaid waiver requests and state plan amendments. Prior to  
421.6 submitting any Medicaid waiver request or Medicaid state plan amendment to the federal  
421.7 government for approval, the commissioner shall publish the text of the waiver request  
421.8 or state plan amendment, or a Web link to the text, in the State Register, and provide a  
421.9 30-day public comment period. The commissioner shall consider public comments when  
421.10 preparing the final waiver request or state plan amendment that is to be submitted to  
421.11 the federal government for approval. The commissioner shall also publish in the State  
421.12 Register notice of any federal decision related to the state request for approval, within 30  
421.13 days of the decision. This notice must describe any modifications to the state request that  
421.14 have been agreed to by the commissioner as a condition of receiving federal approval.

421.15       Sec. 28. Minnesota Statutes 2012, section 256B.0625, subdivision 30, is amended to  
421.16 read:

421.17       Subd. 30. Other clinic services. (a) Medical assistance covers rural health clinic  
421.18 services, federally qualified health center services, nonprofit community health clinic  
421.19 services, and public health clinic services. Rural health clinic services and federally  
421.20 qualified health center services mean services defined in United States Code, title 42,  
421.21 section 1396d(a)(2)(B) and (C). Payment for rural health clinic and federally qualified  
421.22 health center services shall be made according to applicable federal law and regulation.

421.23       (b) A federally qualified health center that is beginning initial operation shall submit  
421.24 an estimate of budgeted costs and visits for the initial reporting period in the form and  
421.25 detail required by the commissioner. A federally qualified health center that is already in  
421.26 operation shall submit an initial report using actual costs and visits for the initial reporting  
421.27 period. Within 90 days of the end of its reporting period, a federally qualified health  
421.28 center shall submit, in the form and detail required by the commissioner, a report of  
421.29 its operations, including allowable costs actually incurred for the period and the actual  
421.30 number of visits for services furnished during the period, and other information required  
421.31 by the commissioner. Federally qualified health centers that file Medicare cost reports  
421.32 shall provide the commissioner with a copy of the most recent Medicare cost report filed  
421.33 with the Medicare program intermediary for the reporting year which support the costs  
421.34 claimed on their cost report to the state.

422.1       (c) In order to continue cost-based payment under the medical assistance program  
422.2 according to paragraphs (a) and (b), a federally qualified health center or rural health clinic  
422.3 must apply for designation as an essential community provider within six months of final  
422.4 adoption of rules by the Department of Health according to section 62Q.19, subdivision  
422.5 7. For those federally qualified health centers and rural health clinics that have applied  
422.6 for essential community provider status within the six-month time prescribed, medical  
422.7 assistance payments will continue to be made according to paragraphs (a) and (b) for the  
422.8 first three years after application. For federally qualified health centers and rural health  
422.9 clinics that either do not apply within the time specified above or who have had essential  
422.10 community provider status for three years, medical assistance payments for health services  
422.11 provided by these entities shall be according to the same rates and conditions applicable  
422.12 to the same service provided by health care providers that are not federally qualified  
422.13 health centers or rural health clinics.

422.14       (d) Effective July 1, 1999, the provisions of paragraph (c) requiring a federally  
422.15 qualified health center or a rural health clinic to make application for an essential  
422.16 community provider designation in order to have cost-based payments made according  
422.17 to paragraphs (a) and (b) no longer apply.

422.18       (e) Effective January 1, 2000, payments made according to paragraphs (a) and (b)  
422.19 shall be limited to the cost phase-out schedule of the Balanced Budget Act of 1997.

422.20       (f) Effective January 1, 2001, each federally qualified health center and rural health  
422.21 clinic may elect to be paid either under the prospective payment system established  
422.22 in United States Code, title 42, section 1396a(aa), or under an alternative payment  
422.23 methodology consistent with the requirements of United States Code, title 42, section  
422.24 1396a(aa), and approved by the Centers for Medicare and Medicaid Services. The  
422.25 alternative payment methodology shall be 100 percent of cost as determined according to  
422.26 Medicare cost principles.

422.27       (g) For purposes of this section, "nonprofit community clinic" is a clinic that:  
422.28           (1) has nonprofit status as specified in chapter 317A;  
422.29           (2) has tax exempt status as provided in Internal Revenue Code, section 501(c)(3);  
422.30           (3) is established to provide health services to low-income population groups,  
422.31 uninsured, high-risk and special needs populations, underserved and other special needs  
422.32 populations;  
422.33           (4) employs professional staff at least one-half of which are familiar with the  
422.34 cultural background of their clients;  
422.35           (5) charges for services on a sliding fee scale designed to provide assistance to  
422.36 low-income clients based on current poverty income guidelines and family size; and

423.1       (6) does not restrict access or services because of a client's financial limitations or  
423.2       public assistance status and provides no-cost care as needed.

423.3       (h) Effective for services provided on and after January 1, 2015, all claims for  
423.4       payment of clinic services provided by federally qualified health centers and rural health  
423.5       clinics shall be submitted to both the commissioner and the managed care or county-based  
423.6       purchasing plan and shall be paid by the commissioner. The commissioner shall provide  
423.7       claims payment information to managed care plans and county-based purchasing plans  
423.8       on a regular basis.

423.9       (i) For clinic services provided prior to January 1, 2015, the commissioner shall  
423.10       require managed care and county-based purchasing plans to provide all necessary claims  
423.11       information to the commissioner and the commissioner shall calculate and pay monthly  
423.12       the proposed managed care supplemental payments to clinics, and clinics shall conduct a  
423.13       timely review of the payment calculation data in order to finalize all supplemental payments  
423.14       in accordance with federal law. Any issues arising from a clinic's review must be reported  
423.15       to the commissioner by January 1, 2017. Upon final agreement between the commissioner  
423.16       and a clinic on issues identified under this subdivision, and in accordance with United  
423.17       States Code, title 42, section 1396a(bb), no supplemental payments for managed care  
423.18       claims for services provided prior to January 1, 2015, shall be made after June 30, 2017.  
423.19       If the commissioner and clinics are unable to resolve issues under this subdivision, the  
423.20       parties shall submit the dispute to the arbitration process under section 14.57.

423.21       Sec. 29. Minnesota Statutes 2013 Supplement, section 256B.0949, subdivision 11,  
423.22       is amended to read:

423.23       **Subd. 11. Federal approval of the autism benefit.** (a) The provisions of  
423.24       subdivision 9 this section shall apply to state plan services under title XIX of the Social  
423.25       Security Act when federal approval is granted under a 1915(i) waiver or other authority  
423.26       which allows children eligible for medical assistance through the TEFRA option under  
423.27       section 256B.055, subdivision 12, to qualify and includes children eligible for medical  
423.28       assistance in families over 150 percent of the federal poverty guidelines.

423.29       (b) The commissioner may use the federal authority for a Medicaid state plan  
423.30       amendment under Early Periodic Diagnosis Screening and Treatment (EPSDT), United  
423.31       States Code, title 42, section 1396D(R)(5), or other Medicaid provision for any aspect or  
423.32       type of treatment covered in this section if new federal guidance is helpful in achieving  
423.33       one or more of the purposes of this section in a cost-effective manner. Notwithstanding  
423.34       subdivisions 2 and 3, any treatment services submitted for federal approval under EPSDT

424.1 shall include appropriate medical criteria to qualify for the service and shall cover children  
424.2 through age 20.

424.3 Sec. 30. Minnesota Statutes 2012, section 256B.199, is amended to read:

**256B.199 PAYMENTS REPORTED BY GOVERNMENTAL ENTITIES.**

424.5 (a) Effective July 1, 2007, The commissioner shall apply for federal matching  
424.6 funds for the expenditures in paragraphs (b) and (c). Effective September 1, 2011, the  
424.7 commissioner shall apply for matching funds for expenditures in paragraph (e).

424.8 (b) The commissioner shall apply for federal matching funds for certified public  
424.9 expenditures as follows:

424.10 (1) Hennepin County, Hennepin County Medical Center, Ramsey County, and  
424.11 Regions Hospital, the University of Minnesota, and Fairview-University Medical Center  
424.12 shall report quarterly to the commissioner beginning June 1, 2007, payments made during  
424.13 the second previous quarter that may qualify for reimbursement under federal law;

424.14 (2) based on these reports, the commissioner shall apply for federal matching  
424.15 funds. These funds are appropriated to the commissioner for the payments under section  
424.16 256.969, subdivision 27; and

424.17 (3) by May 1 of each year, beginning May 1, 2007, the commissioner shall inform  
424.18 the nonstate entities listed in paragraph (a) of the amount of federal disproportionate share  
424.19 hospital payment money expected to be available in the current federal fiscal year.

424.20 (e) The commissioner shall apply for federal matching funds for general assistance  
424.21 medical care expenditures as follows:

424.22 (1) for hospital services occurring on or after July 1, 2007, general assistance medical  
424.23 care expenditures for fee-for-service inpatient and outpatient hospital payments made by  
424.24 the department shall be used to apply for federal matching funds, except as limited below:

424.25 (i) only those general assistance medical care expenditures made to an individual  
424.26 hospital that would not cause the hospital to exceed its individual hospital limits under  
424.27 section 1923 of the Social Security Act may be considered; and

424.28 (ii) general assistance medical care expenditures may be considered only to the extent  
424.29 of Minnesota's aggregate allotment under section 1923 of the Social Security Act; and

424.30 (2) all hospitals must provide any necessary expenditure, cost, and revenue  
424.31 information required by the commissioner as necessary for purposes of obtaining federal  
424.32 Medicaid matching funds for general assistance medical care expenditures.

424.33 (d) (c) For the period from April 1, 2009, to September 30, 2010, the commissioner  
424.34 shall apply for additional federal matching funds available as disproportionate share  
424.35 hospital payments under the American Recovery and Reinvestment Act of 2009. These

425.1 funds shall be made available as the state share of payments under section 256.969,  
425.2 subdivision 28. The entities required to report certified public expenditures under  
425.3 paragraph (b), clause (1), shall report additional certified public expenditures as necessary  
425.4 under this paragraph.

425.5 ~~(e)~~ (d) For services provided on or after September 1, 2011, the commissioner shall  
425.6 apply for additional federal matching funds available as disproportionate share hospital  
425.7 payments under the MinnesotaCare program according to the requirements and conditions  
425.8 of paragraph (e). A hospital may elect on an annual basis to not be a disproportionate  
425.9 share hospital for purposes of this paragraph, if the hospital does not qualify for a payment  
425.10 under section 256.969, subdivision 9, paragraph (b).

425.11 Sec. 31. Minnesota Statutes 2013 Supplement, section 256B.69, subdivision 34,  
425.12 is amended to read:

425.13 Subd. 34. **Supplemental recovery program.** The commissioner shall conduct a  
425.14 supplemental recovery program for third-party liabilities identified through coordination  
425.15 of benefits not recovered by managed care plans and county-based purchasing plans for  
425.16 state public health programs. Any third-party liability identified through coordination of  
425.17 benefits and recovered by the commissioner more than six eight months after the date  
425.18 a managed care plan or county-based purchasing plan receives adjudicates a health  
425.19 care claim shall be retained by the commissioner and deposited in the general fund.  
425.20 The commissioner shall establish a mechanism, including a reconciliation process, for  
425.21 managed care plans and county-based purchasing plans to coordinate third-party liability  
425.22 collections efforts resulting from coordination of benefits under this subdivision with the  
425.23 commissioner to ensure there is no duplication of efforts. The coordination mechanism  
425.24 must be consistent with the reporting requirements in subdivision 9c. The commissioner  
425.25 shall share accurate and timely third-party liability data with managed care plans and  
425.26 county-based purchasing plans.

425.27 Sec. 32. **[256L.30] LOW-INCOME UNINSURED CHILDREN'S HEALTH  
425.28 PROGRAM.**

425.29 Subdivision 1. **General.** (a) Effective January 1, 2016, the commissioner shall  
425.30 establish a program that provides coverage to low-income uninsured children who are not  
425.31 eligible for medical assistance or MinnesotaCare.

425.32 (b) A child is eligible for the program under this section if the child is under the age  
425.33 of 21, and meets all other MinnesotaCare eligibility requirements under this chapter,  
425.34 except as otherwise specified in this section, and:

- 426.1        (1) has been determined eligible for the emergency medical assistance program  
426.2        under section 256B.06, subdivision 4, paragraph (e) or (f); or  
426.3        (2) the child's treating health care provider certifies that the child has an emergency  
426.4        medical condition as defined in United States Code, title 42, section 1396b(v), that is  
426.5        likely to lead to the child being admitted to a hospital or emergency department unless  
426.6        intervening outpatient health care treatment is provided.
- 426.7        (c) Eligibility continues under this section for as long as the child continues to have  
426.8        the underlying medical condition that gave rise to the initial emergency medical condition.
- 426.9        (d) Children eligible for the program under this subdivision are exempt from the  
426.10        income eligibility limits under section 256L.04 and section 256L.07, and remain eligible  
426.11        for the program so long as their family income is equal to or less than 275 percent of federal  
426.12        poverty guidelines, and the citizenship requirements under section 256L.04, subdivision 10.
- 426.13        (e) Children who are eligible for medical assistance under chapter 256B, or  
426.14        MinnesotaCare under this chapter, are not eligible for the program under this section.
- 426.15        (f) All application, navigation services, eligibility determination, enrollment,  
426.16        disenrollment, and premium requirements and procedures of the MinnesotaCare program  
426.17        apply to this program, except as otherwise specified in this section.
- 426.18        Subd. 2. **Covered services.** (a) The program covers the services described under  
426.19        section 256L.03, except as otherwise specified in this subdivision.
- 426.20        (b) The program does not cover services for an emergency medical condition that are  
426.21        covered by the emergency medical assistance program under section 256B.06, subdivision  
426.22        4, paragraphs (e) to (h). The commissioner shall coordinate the program with the federally  
426.23        subsidized emergency medical assistance program with the goal of making transitions  
426.24        between the programs seamless and invisible to the enrollee to the extent possible.
- 426.25        (c) For children who are eligible under subdivision 1, the program covers nursing  
426.26        facility services described under section 144.0724, subdivision 11, and home and  
426.27        community-based services described in paragraph (d), if the child's family income is equal  
426.28        to or less than the medical assistance income eligibility standards described in section  
426.29        256B.056, subdivision 4, or meets the excess income standards described in section  
426.30        256B.056, subdivisions 5 and 5c. All requirements of the medical assistance program  
426.31        under chapter 256B relating to these services apply to the program under this section.
- 426.32        (d) For purposes of this section, home and community-based services include:  
426.33        (1) home and community-based waivered services for persons with developmental  
426.34        disabilities, including consumer-directed community supports under section 256B.092;  
426.35        (2) waivered services under community alternatives for disabled individuals,  
426.36        including consumer-directed community supports under section 256B.49;

427.1        (3) community alternative care waivered services, including consumer-directed  
427.2        community supports under section 256B.49;  
427.3        (4) brain injury waivered services, including consumer-directed community supports  
427.4        under section 256B.49;  
427.5        (5) home and community-based waivered services for the elderly under section  
427.6        256B.0915;  
427.7        (6) nursing services and home health services under section 256B.0625, subdivision  
427.8        6a;  
427.9        (7) personal care services and qualified professional supervision of personal care  
427.10      services under section 256B.0625, subdivisions 6a and 19a;  
427.11      (8) private duty nursing services under section 256B.0625, subdivision 7; and  
427.12      (9) community first services and supports under section 256B.85.

427.13      Subd. 3. Premiums and cost-sharing. For children who are eligible under  
427.14      subdivision 1, the premium and cost-sharing provisions of the MinnesotaCare program  
427.15      apply.

427.16      Subd. 4. Service delivery. (a) The commissioner may contract with managed care  
427.17      plans, county-based purchasing plans, provider networks, nonprofit coverage programs,  
427.18      counties, or health care delivery systems established under section 256B.0755 or  
427.19      256B.0756 to administer the program authorized under this section in order to control the  
427.20      costs of the program through care coordination, limited provider networks, fee discounts,  
427.21      and other methods. The commissioner may delegate to a contractor the responsibility  
427.22      to perform case reviews and authorize payment. The commissioner may contract on  
427.23      a capitated or fixed budget basis under which the contractor shall be responsible for  
427.24      providing the covered services to eligible children within the limits of the capitation  
427.25      or budgeted amount. The commissioner may also contract using gain-sharing and  
427.26      risk-sharing methods authorized for demonstration projects established under sections  
427.27      256B.0755 and 256B.0756. If the commissioner contracts with a contractor under  
427.28      this subdivision, the commissioner may separate nursing facility services, home and  
427.29      community-based services, and pharmacy services from other covered services and may  
427.30      provide payment for these services under the commissioner's fee-for-service payment  
427.31      system instead of payment to the contracted entity.

427.32      (b) If no qualified contractors are available and willing to contract on alternative  
427.33      payment terms in a geographic area of the state, the commissioner shall administer the  
427.34      program as a fee-for-service program in that area, but may establish additional utilization  
427.35      review and care management programs and requirements in order to control the costs  
427.36      of the program.

428.1       (c) The commissioner shall ensure that an eligible child is provided the opportunity  
428.2       to receive covered services from any essential community provider, as defined in section  
428.3       62Q.19, and that the terms of participation of the essential community provider are in  
428.4       conformance with the requirements of section 62Q.19.

428.5       Sec. 33. Laws 2013, chapter 108, article 1, section 24, the effective date, is amended to  
428.6       read:

428.7       **EFFECTIVE DATE.** This section is effective January July 1, 2014.

428.8       **Sec. 34. FEDERAL AUTHORITY; EMERGENCY MEDICAL ASSISTANCE**  
428.9       **PROGRAM.**

428.10       The commissioner shall seek federal authority to make changes to the emergency  
428.11       medical assistance program established under Minnesota Statutes, section 256B.06,  
428.12       subdivision 4, paragraphs (e) to (h), to allow coverage and payment for cost-effective  
428.13       community-based and outpatient services as an alternative to hospital inpatient and  
428.14       emergency department services in order to reduce the total cost of care.

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

428.16       **Sec. 35. ORAL HEALTH DELIVERY AND REIMBURSEMENT SYSTEM.**

428.17       (a) The commissioner of human services, in consultation with the commissioner of  
428.18       health, shall convene a work group to develop a new delivery and reimbursement system  
428.19       for oral health and dental services that are provided to enrollees of the state public health  
428.20       care programs. The new system must ensure cost-effective delivery and an increase in  
428.21       access to services.

428.22       (b) The commissioner shall consult with dental providers enrolled in the state public  
428.23       health programs, including providers who serve substantial numbers of low-income  
428.24       and uninsured patients and are currently receiving critical access dental payments;  
428.25       private practicing dentists; nonprofit community clinics; managed care and county-based  
428.26       purchasing plans; and health plan companies that provide either directly or through  
428.27       contracts with providers dental services to enrollees of state public health care programs.

428.28       (c) The commissioner shall submit a report containing the proposed delivery and  
428.29       reimbursement system, including draft legislation to the chairs and ranking minority  
428.30       members of the legislative committees and divisions with jurisdiction over health and  
428.31       human services policy and finance by January 15, 2015.

429.1      **Sec. 36. REPEALER.**

429.2      Minnesota Statutes 2012, sections 256.969, subdivisions 2c, 8b, 9a, 9b, 11, 13, 20,  
429.3    21, 22, 26, 27, and 28; and 256.9695, subdivisions 3 and 4, are repealed effective October  
429.4    1, 2014.

429.5      **ARTICLE 20**

429.6      **HEALTH DEPARTMENT**

429.7      Section 1. Minnesota Statutes 2012, section 144.1501, subdivision 1, is amended to read:

429.8      Subdivision 1. **Definitions.** (a) For purposes of this section, the following definitions  
429.9    apply.

429.10     (b) "Dentist" means an individual who is licensed to practice dentistry.

429.11     (c) "Designated rural area" means ~~an area defined as a small rural area or~~  
429.12 ~~isolated rural area according to the four category classifications of the Rural Urban~~  
429.13 ~~Commuting Area system developed for the United States Health Resources and Services~~  
429.14 ~~Administration~~ a city or township that is:

429.15     (1) outside the seven-county metropolitan area as defined in section 473.121,

429.16    subdivision 2; and

429.17     (2) has a population under 15,000.

429.18     (d) "Emergency circumstances" means those conditions that make it impossible for  
429.19    the participant to fulfill the service commitment, including death, total and permanent  
429.20    disability, or temporary disability lasting more than two years.

429.21     (e) "Medical resident" means an individual participating in a medical residency in  
429.22    family practice, internal medicine, obstetrics and gynecology, pediatrics, or psychiatry.

429.23     (f) "Midlevel practitioner" means a nurse practitioner, nurse-midwife, nurse  
429.24    anesthetist, advanced clinical nurse specialist, or physician assistant.

429.25     (g) "Nurse" means an individual who has completed training and received all  
429.26    licensing or certification necessary to perform duties as a licensed practical nurse or  
429.27    registered nurse.

429.28     (h) "Nurse-midwife" means a registered nurse who has graduated from a program of  
429.29    study designed to prepare registered nurses for advanced practice as nurse-midwives.

429.30     (i) "Nurse practitioner" means a registered nurse who has graduated from a program  
429.31    of study designed to prepare registered nurses for advanced practice as nurse practitioners.

429.32     (j) "Pharmacist" means an individual with a valid license issued under chapter 151.

429.33     (k) "Physician" means an individual who is licensed to practice medicine in the areas  
429.34    of family practice, internal medicine, obstetrics and gynecology, pediatrics, or psychiatry.

429.35     (l) "Physician assistant" means a person licensed under chapter 147A.

430.1       (m) "Qualified educational loan" means a government, commercial, or foundation  
430.2       loan for actual costs paid for tuition, reasonable education expenses, and reasonable living  
430.3       expenses related to the graduate or undergraduate education of a health care professional.

430.4       (n) "Underserved urban community" means a Minnesota urban area or population  
430.5       included in the list of designated primary medical care health professional shortage areas  
430.6       (HPSAs), medically underserved areas (MUAs), or medically underserved populations  
430.7       (MUPs) maintained and updated by the United States Department of Health and Human  
430.8       Services.

430.9       Sec. 2. Minnesota Statutes 2012, section 144.551, subdivision 1, is amended to read:

430.10       Subdivision 1. **Restricted construction or modification.** (a) The following  
430.11       construction or modification may not be commenced:

430.12       (1) any erection, building, alteration, reconstruction, modernization, improvement,  
430.13       extension, lease, or other acquisition by or on behalf of a hospital that increases the bed  
430.14       capacity of a hospital, relocates hospital beds from one physical facility, complex, or site  
430.15       to another, or otherwise results in an increase or redistribution of hospital beds within  
430.16       the state; and

430.17       (2) the establishment of a new hospital.

430.18       (b) This section does not apply to:

430.19       (1) construction or relocation within a county by a hospital, clinic, or other health  
430.20       care facility that is a national referral center engaged in substantial programs of patient  
430.21       care, medical research, and medical education meeting state and national needs that  
430.22       receives more than 40 percent of its patients from outside the state of Minnesota;

430.23       (2) a project for construction or modification for which a health care facility held  
430.24       an approved certificate of need on May 1, 1984, regardless of the date of expiration of  
430.25       the certificate;

430.26       (3) a project for which a certificate of need was denied before July 1, 1990, if a  
430.27       timely appeal results in an order reversing the denial;

430.28       (4) a project exempted from certificate of need requirements by Laws 1981, chapter  
430.29       200, section 2;

430.30       (5) a project involving consolidation of pediatric specialty hospital services within  
430.31       the Minneapolis-St. Paul metropolitan area that would not result in a net increase in the  
430.32       number of pediatric specialty hospital beds among the hospitals being consolidated;

430.33       (6) a project involving the temporary relocation of pediatric-orthopedic hospital beds  
430.34       to an existing licensed hospital that will allow for the reconstruction of a new philanthropic,  
430.35       pediatric-orthopedic hospital on an existing site and that will not result in a net increase in

431.1 the number of hospital beds. Upon completion of the reconstruction, the licenses of both  
431.2 hospitals must be reinstated at the capacity that existed on each site before the relocation;

431.3       (7) the relocation or redistribution of hospital beds within a hospital building or  
431.4 identifiable complex of buildings provided the relocation or redistribution does not result  
431.5 in: (i) an increase in the overall bed capacity at that site; (ii) relocation of hospital beds  
431.6 from one physical site or complex to another; or (iii) redistribution of hospital beds within  
431.7 the state or a region of the state;

431.8       (8) relocation or redistribution of hospital beds within a hospital corporate system  
431.9 that involves the transfer of beds from a closed facility site or complex to an existing site  
431.10 or complex provided that: (i) no more than 50 percent of the capacity of the closed facility  
431.11 is transferred; (ii) the capacity of the site or complex to which the beds are transferred  
431.12 does not increase by more than 50 percent; (iii) the beds are not transferred outside of a  
431.13 federal health systems agency boundary in place on July 1, 1983; and (iv) the relocation or  
431.14 redistribution does not involve the construction of a new hospital building;

431.15       (9) a construction project involving up to 35 new beds in a psychiatric hospital in  
431.16 Rice County that primarily serves adolescents and that receives more than 70 percent of its  
431.17 patients from outside the state of Minnesota;

431.18       (10) a project to replace a hospital or hospitals with a combined licensed capacity  
431.19 of 130 beds or less if: (i) the new hospital site is located within five miles of the current  
431.20 site; and (ii) the total licensed capacity of the replacement hospital, either at the time of  
431.21 construction of the initial building or as the result of future expansion, will not exceed 70  
431.22 licensed hospital beds, or the combined licensed capacity of the hospitals, whichever is less;

431.23       (11) the relocation of licensed hospital beds from an existing state facility operated  
431.24 by the commissioner of human services to a new or existing facility, building, or complex  
431.25 operated by the commissioner of human services; from one regional treatment center  
431.26 site to another; or from one building or site to a new or existing building or site on the  
431.27 same campus;

431.28       (12) the construction or relocation of hospital beds operated by a hospital having a  
431.29 statutory obligation to provide hospital and medical services for the indigent that does not  
431.30 result in a net increase in the number of hospital beds, notwithstanding section 144.552, 27  
431.31 beds, of which 12 serve mental health needs, may be transferred from Hennepin County  
431.32 Medical Center to Regions Hospital under this clause;

431.33       (13) a construction project involving the addition of up to 31 new beds in an existing  
431.34 nonfederal hospital in Beltrami County;

431.35       (14) a construction project involving the addition of up to eight new beds in an  
431.36 existing nonfederal hospital in Otter Tail County with 100 licensed acute care beds;

432.1       (15) a construction project involving the addition of 20 new hospital beds  
432.2 used for rehabilitation services in an existing hospital in Carver County serving the  
432.3 southwest suburban metropolitan area. Beds constructed under this clause shall not be  
432.4 eligible for reimbursement under medical assistance, general assistance medical care,  
432.5 or MinnesotaCare;

432.6       (16) a project for the construction or relocation of up to 20 hospital beds for the  
432.7 operation of up to two psychiatric facilities or units for children provided that the operation  
432.8 of the facilities or units have received the approval of the commissioner of human services;

432.9       (17) a project involving the addition of 14 new hospital beds to be used for  
432.10 rehabilitation services in an existing hospital in Itasca County;

432.11       (18) a project to add 20 licensed beds in existing space at a hospital in Hennepin  
432.12 County that closed 20 rehabilitation beds in 2002, provided that the beds are used only  
432.13 for rehabilitation in the hospital's current rehabilitation building. If the beds are used for  
432.14 another purpose or moved to another location, the hospital's licensed capacity is reduced  
432.15 by 20 beds;

432.16       (19) a critical access hospital established under section 144.1483, clause (9), and  
432.17 section 1820 of the federal Social Security Act, United States Code, title 42, section  
432.18 1395i-4, that delicensed beds since enactment of the Balanced Budget Act of 1997, Public  
432.19 Law 105-33, to the extent that the critical access hospital does not seek to exceed the  
432.20 maximum number of beds permitted such hospital under federal law;

432.21       (20) notwithstanding section 144.552, a project for the construction of a new hospital  
432.22 in the city of Maple Grove with a licensed capacity of up to 300 beds provided that:

432.23       (i) the project, including each hospital or health system that will own or control the  
432.24 entity that will hold the new hospital license, is approved by a resolution of the Maple  
432.25 Grove City Council as of March 1, 2006;

432.26       (ii) the entity that will hold the new hospital license will be owned or controlled by  
432.27 one or more not-for-profit hospitals or health systems that have previously submitted a  
432.28 plan or plans for a project in Maple Grove as required under section 144.552, and the  
432.29 plan or plans have been found to be in the public interest by the commissioner of health  
432.30 as of April 1, 2005;

432.31       (iii) the new hospital's initial inpatient services must include, but are not limited  
432.32 to, medical and surgical services, obstetrical and gynecological services, intensive  
432.33 care services, orthopedic services, pediatric services, noninvasive cardiac diagnostics,  
432.34 behavioral health services, and emergency room services;

432.35       (iv) the new hospital:

- 433.1       (A) will have the ability to provide and staff sufficient new beds to meet the growing  
433.2   needs of the Maple Grove service area and the surrounding communities currently being  
433.3   served by the hospital or health system that will own or control the entity that will hold  
433.4   the new hospital license;
- 433.5       (B) will provide uncompensated care;
- 433.6       (C) will provide mental health services, including inpatient beds;
- 433.7       (D) will be a site for workforce development for a broad spectrum of  
433.8   health-care-related occupations and have a commitment to providing clinical training  
433.9   programs for physicians and other health care providers;
- 433.10       (E) will demonstrate a commitment to quality care and patient safety;
- 433.11       (F) will have an electronic medical records system, including physician order entry;
- 433.12       (G) will provide a broad range of senior services;
- 433.13       (H) will provide emergency medical services that will coordinate care with regional  
433.14   providers of trauma services and licensed emergency ambulance services in order to  
433.15   enhance the continuity of care for emergency medical patients; and
- 433.16       (I) will be completed by December 31, 2009, unless delayed by circumstances  
433.17   beyond the control of the entity holding the new hospital license; and
- 433.18       (v) as of 30 days following submission of a written plan, the commissioner of health  
433.19   has not determined that the hospitals or health systems that will own or control the entity  
433.20   that will hold the new hospital license are unable to meet the criteria of this clause;
- 433.21       (21) a project approved under section 144.553;
- 433.22       (22) a project for the construction of a hospital with up to 25 beds in Cass County  
433.23   within a 20-mile radius of the state Ah-Gwah-Ching facility, provided the hospital's  
433.24   license holder is approved by the Cass County Board;
- 433.25       (23) a project for an acute care hospital in Fergus Falls that will increase the bed  
433.26   capacity from 108 to 110 beds by increasing the rehabilitation bed capacity from 14 to 16  
433.27   and closing a separately licensed 13-bed skilled nursing facility; or
- 433.28       (24) notwithstanding section 144.552, a project for the construction and expansion  
433.29   of a specialty psychiatric hospital in Hennepin County for up to 50 beds, exclusively for  
433.30   patients who are under 21 years of age on the date of admission. The commissioner  
433.31   conducted a public interest review of the mental health needs of Minnesota and the Twin  
433.32   Cities metropolitan area in 2008. No further public interest review shall be conducted for  
433.33   the construction or expansion project under this clause; or
- 433.34       (25) a project for a 16-bed psychiatric hospital in the city of Thief River Falls, if  
433.35   the commissioner finds the project is in the public interest after the public interest review  
433.36   conducted under section 144.552 is complete.

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

434.2       **Sec. 3. [144.9513] HEALTHY HOUSING GRANTS.**

434.3       **Subdivision 1. Definitions.** For purposes of this section and sections 144.9501 to  
434.4       144.9512, the following terms have the meanings given.

434.5       (a) "Housing" means a room or group of rooms located within a dwelling forming  
434.6       a single habitable unit with facilities used or intended to be used for living, sleeping,  
434.7       cooking, and eating.

434.8       (b) "Healthy housing" means housing that is sited, designed, built, renovated, and  
434.9       maintained in ways that supports the health of residents.

434.10       (c) "Housing-based health threat" means a chemical, biologic, or physical agent in  
434.11       the immediate housing environment which constitutes a potential or actual hazard to  
434.12       human health at acute or chronic exposure levels.

434.13       (d) "Primary prevention" means preventing exposure to housing-based health threats  
434.14       before seeing clinical symptoms or a diagnosis.

434.15       (e) "Secondary prevention" means intervention to mitigate health effects on people  
434.16       with housing-based health threats.

434.17       **Subd. 2. Grants; administration.** Grant applicants shall submit applications to  
434.18       the commissioner as directed by a request for proposals. Grants must be competitively  
434.19       awarded and recipients of a grant under this section must prepare and submit a quarterly  
434.20       progress report to the commissioner beginning three months after receipt of the grant. The  
434.21       commissioner shall provide technical assistance and program support as needed to ensure  
434.22       that housing-based health threats are effectively identified, mitigated, and evaluated by  
434.23       grantees.

434.24       **Subd. 3. Education and training grant; eligible activities.** (a) Within the limits of  
434.25       available appropriations, the commissioner shall make grants to nonprofit organizations,  
434.26       community health boards, and community action agencies under section 256E.31 with  
434.27       expertise in providing outreach, education, and training on healthy homes subjects and in  
434.28       providing comprehensive healthy homes assessments and interventions to provide healthy  
434.29       housing education, training, and technical assistance services for persons engaged in  
434.30       addressing housing-based health threats and other individuals impacted by housing-based  
434.31       health threats.

434.32       (b) The grantee may conduct the following activities:

434.33       (1) implement and maintain primary prevention programs to reduce housing-based  
434.34       health threats that include the following:

435.1        (i) providing education materials to the general public and to property owners,  
435.2        contractors, code officials, health care providers, public health professionals, health  
435.3        educators, nonprofit organizations, and other persons and organizations engaged in  
435.4        housing and health issues;  
435.5        (ii) promoting awareness of community, legal, and housing resources; and  
435.6        (iii) promoting the use of hazard reduction measures in new housing construction  
435.7        and housing rehabilitation programs;  
435.8        (2) provide training on identifying and addressing housing-based health threats;  
435.9        (3) provide technical assistance on the implementation of mitigation measures;  
435.10        (4) promote adoption of evidence-based best practices for mitigation of  
435.11        housing-based health threats; or  
435.12        (5) develop work practices for addressing specific housing-based health threats.

435.13        Subd. 4. **Healthy homes implementation grant; eligible activities.** Within the  
435.14        limits of available appropriations, the commissioner shall make grants to nonprofit  
435.15        organizations, community health boards, and community action agencies under section  
435.16        256E.31 to support implementation of healthy housing programs in local jurisdictions for  
435.17        any of the following activities:

435.18        (1) identify, characterize, and mitigate hazards in housing that contribute to adverse  
435.19        health outcomes;  
435.20        (2) ensure screening services and other secondary prevention measures are provided  
435.21        to populations at high risk for housing-based health threats;  
435.22        (3) promote compliance with Department of Health guidelines and other best  
435.23        practices, as identified by the commissioner, for preventing or reducing housing-based  
435.24        health threats;  
435.25        (4) establish local or regional collaborative groups to ensure that resources for  
435.26        addressing housing-based health threats are coordinated; or  
435.27        (5) develop model programs for addressing housing-based health threats.

435.28        **Sec. 4. [144A.484] INTEGRATED LICENSURE; HOME AND**  
435.29        **COMMUNITY-BASED SERVICES DESIGNATION.**

435.30        Subdivision 1. **Integrated licensing established.** (a) From January 1, 2014, to  
435.31        June 30, 2015, the commissioner of health shall enforce the home and community-based  
435.32        services standards under chapter 245D for those providers who also have a home care  
435.33        license pursuant to this chapter as required under Laws 2013, chapter 108, article 8, section  
435.34        60, and article 11, section 31. During this period, the commissioner shall provide technical  
435.35        assistance to achieve and maintain compliance with applicable law or rules governing the

436.1 provision of home and community-based services, including complying with the service  
436.2 recipient rights notice in subdivision 4, clause (4). If during the survey, the commissioner  
436.3 finds that the licensee has failed to achieve compliance with an applicable law or rule  
436.4 under chapter 245D and this failure does not imminently endanger the health, safety, or  
436.5 rights of the persons served by the program, the commissioner may issue a licensing  
436.6 survey report with recommendations for achieving and maintaining compliance.

436.7 (b) Beginning July 1, 2015, a home care provider applicant or license holder may  
436.8 apply to the commissioner of health for a home and community-based services designation  
436.9 for the provision of basic support services identified under section 245D.03, subdivision 1,  
436.10 paragraph (b). The designation allows the license holder to provide basic support services  
436.11 that would otherwise require licensure under chapter 245D, under the license holder's  
436.12 home care license governed by sections 144A.43 to 144A.481.

436.13 Subd. 2. **Application for home and community-based services designation.** An  
436.14 application for a home and community-based services designation must be made on the  
436.15 forms and in the manner prescribed by the commissioner. The commissioner shall provide  
436.16 the applicant with instruction for completing the application and provide information  
436.17 about the requirements of other state agencies that affect the applicant. Application for  
436.18 the home and community-based services designation is subject to the requirements under  
436.19 section 144A.473.

436.20 Subd. 3. **Home and community-based services designation fees.** A home care  
436.21 provider applicant or licensee applying for the home and community-based services  
436.22 designation or renewal of a home and community-based services designation must submit  
436.23 a fee in the amount specified in subdivision 8.

436.24 Subd. 4. **Applicability of home and community-based services requirements.** A  
436.25 home care provider with a home and community-based services designation must comply  
436.26 with the requirements for home care services governed by this chapter. For the provision  
436.27 of basic support services, the home care provider must also comply with the following  
436.28 home and community-based services licensing requirements:

436.29 (1) service planning and delivery requirements in section 245D.07;  
436.30 (2) protection standards in section 245D.06;  
436.31 (3) emergency use of manual restraints in section 245D.061; and  
436.32 (4) protection-related rights in section 245D.04, subdivision 3, paragraph (a), clauses  
436.33 (5), (7), (8), (12), and (13), and paragraph (b).

436.34 A home care provider with the integrated license-home and community-based services  
436.35 designation may utilize a bill of rights which incorporates the service recipient rights in

437.1 section 245D.04, subdivision 3, paragraph (a), clauses (5), (7), (8), (12), and (13), and  
437.2 paragraph (b) with the home care bill of rights in section 144A.44.

437.3 Subd. 5. **Monitoring and enforcement.** (a) The commissioner shall monitor for  
437.4 compliance with the home and community-based services requirements identified in  
437.5 subdivision 4, in accordance with this section and any agreements by the commissioners  
437.6 of health and human services.

437.7 (b) The commissioner shall enforce compliance with applicable home and  
437.8 community-based services licensing requirements as follows:

437.9 (1) the commissioner may deny a home and community-based services designation  
437.10 in accordance with section 144A.473 or 144A.475; and

437.11 (2) if the commissioner finds that the applicant or license holder has failed to comply  
437.12 with the applicable home and community-based services designation requirements, the  
437.13 commissioner may issue:

437.14 (i) a correction order in accordance with section 144A.474;

437.15 (ii) an order of conditional license in accordance with section 144A.475;

437.16 (iii) a sanction in accordance with section 144A.475; or

437.17 (iv) any combination of clauses (i) to (iii).

437.18 Subd. 6. **Appeals.** A home care provider applicant that has been denied a temporary  
437.19 license will also be denied their application for the home and community-based services  
437.20 designation. The applicant may request reconsideration in accordance with section  
437.21 144A.473, subdivision 3. A licensed home care provider whose application for a home  
437.22 and community-based services designation has been denied or whose designation has been  
437.23 suspended or revoked may appeal the denial, suspension, revocation, or refusal to renew a  
437.24 home and community-based services designation in accordance with section 144A.475.

437.25 A license holder may request reconsideration of a correction order in accordance with  
437.26 section 144A.474, subdivision 12.

437.27 Subd. 7. **Agreements.** The commissioners of health and human services shall enter  
437.28 into any agreements necessary to implement this section.

437.29 Subd. 8. **Fees; home and community-based services designation.** (a) The  
437.30 initial fee for a home and community-based services designation is \$155. A home care  
437.31 provider renewing the home and community-based services designation must pay an  
437.32 annual nonrefundable fee, in addition to the annual home care license fee, according to the  
437.33 following schedule and based on revenues from the home and community-based services  
437.34 that require licensure under chapter 245D during the calendar year immediately preceding  
437.35 the year in which the license fee is paid:

	<u>HCBS Designation</u>
438.1	
438.2	<u>Provider Annual Revenue from HCBS</u>
438.3	<u>greater than \$1,500,000</u>
438.4	<u>greater than \$1,275,000 and no more than \$1,500,000</u>
438.5	<u>greater than \$1,100,000 and no more than \$1,275,000</u>
438.6	<u>greater than \$950,000 and no more than \$1,100,000</u>
438.7	<u>greater than \$850,000 and no more than \$950,000</u>
438.8	<u>greater than \$750,000 and no more than \$850,000</u>
438.9	<u>greater than \$650,000 and no more than \$750,000</u>
438.10	<u>greater than \$550,000 and no more than \$650,000</u>
438.11	<u>greater than \$450,000 and no more than \$550,000</u>
438.12	<u>greater than \$350,000 and no more than \$450,000</u>
438.13	<u>greater than \$250,000 and no more than \$350,000</u>
438.14	<u>greater than \$100,000 and no more than \$250,000</u>
438.15	<u>greater than \$50,000 and no more than \$100,000</u>
438.16	<u>greater than \$25,000 and no more than \$50,000</u>
438.17	<u>no more than \$25,000</u>

438.18        (b) Fees and penalties collected under this section shall be deposited in the state  
 438.19 treasury and credited to the state government special revenue fund.

438.20        **EFFECTIVE DATE.** Minnesota Statutes, section 144A.484, subdivisions 2 to 8,  
 438.21 are effective July 1, 2015.

438.22        Sec. 5. Minnesota Statutes 2013 Supplement, section 145.4716, subdivision 2, is  
 438.23 amended to read:

438.24        Subd. 2. **Duties of director.** The director of child sex trafficking prevention is  
 438.25 responsible for the following:

438.26        (1) developing and providing comprehensive training on sexual exploitation of  
 438.27 youth for social service professionals, medical professionals, public health workers, and  
 438.28 criminal justice professionals;

438.29        (2) collecting, organizing, maintaining, and disseminating information on sexual  
 438.30 exploitation and services across the state, including maintaining a list of resources on the  
 438.31 Department of Health Web site;

438.32        (3) monitoring and applying for federal funding for antitrafficking efforts that may  
 438.33 benefit victims in the state;

438.34        (4) managing grant programs established under sections 145.4716 to 145.4718;

438.35        (5) managing the request for proposals for grants for comprehensive services,  
 438.36 including trauma-informed, culturally specific services;

439.1       (6) identifying best practices in serving sexually exploited youth, as defined in  
439.2 section 260C.007, subdivision 31;  
439.3       (6) (7) providing oversight of and technical support to regional navigators pursuant  
439.4 to section 145.4717;  
439.5       (7) (8) conducting a comprehensive evaluation of the statewide program for safe  
439.6 harbor of sexually exploited youth; and  
439.7       (8) (9) developing a policy consistent with the requirements of chapter 13 for sharing  
439.8 data related to sexually exploited youth, as defined in section 260C.007, subdivision 31,  
439.9 among regional navigators and community-based advocates.

439.10      Sec. 6. Minnesota Statutes 2013 Supplement, section 256B.04, subdivision 21, is  
439.11 amended to read:

439.12      Subd. 21. **Provider enrollment.** (a) If the commissioner or the Centers for  
439.13 Medicare and Medicaid Services determines that a provider is designated "high-risk," the  
439.14 commissioner may withhold payment from providers within that category upon initial  
439.15 enrollment for a 90-day period. The withholding for each provider must begin on the date  
439.16 of the first submission of a claim.

439.17      (b) An enrolled provider that is also licensed by the commissioner under chapter  
439.18 245A, or is also licensed as a home-care provider by the Department of Health under  
439.19 chapter 144A and has a home and community-based services designation on the home care  
439.20 license under section 144A.484, must designate an individual as the entity's compliance  
439.21 officer. The compliance officer must:

439.22      (1) develop policies and procedures to assure adherence to medical assistance laws  
439.23 and regulations and to prevent inappropriate claims submissions;

439.24      (2) train the employees of the provider entity, and any agents or subcontractors of  
439.25 the provider entity including billers, on the policies and procedures under clause (1);

439.26      (3) respond to allegations of improper conduct related to the provision or billing of  
439.27 medical assistance services, and implement action to remediate any resulting problems;

439.28      (4) use evaluation techniques to monitor compliance with medical assistance laws  
439.29 and regulations;

439.30      (5) promptly report to the commissioner any identified violations of medical  
439.31 assistance laws or regulations; and

439.32      (6) within 60 days of discovery by the provider of a medical assistance  
439.33 reimbursement overpayment, report the overpayment to the commissioner and make  
439.34 arrangements with the commissioner for the commissioner's recovery of the overpayment.

440.1       The commissioner may require, as a condition of enrollment in medical assistance, that a  
440.2 provider within a particular industry sector or category establish a compliance program that  
440.3 contains the core elements established by the Centers for Medicare and Medicaid Services.

440.4           (c) The commissioner may revoke the enrollment of an ordering or rendering  
440.5 provider for a period of not more than one year, if the provider fails to maintain and, upon  
440.6 request from the commissioner, provide access to documentation relating to written orders  
440.7 or requests for payment for durable medical equipment, certifications for home health  
440.8 services, or referrals for other items or services written or ordered by such provider, when  
440.9 the commissioner has identified a pattern of a lack of documentation. A pattern means a  
440.10 failure to maintain documentation or provide access to documentation on more than one  
440.11 occasion. Nothing in this paragraph limits the authority of the commissioner to sanction a  
440.12 provider under the provisions of section 256B.064.

440.13           (d) The commissioner shall terminate or deny the enrollment of any individual or  
440.14 entity if the individual or entity has been terminated from participation in Medicare or  
440.15 under the Medicaid program or Children's Health Insurance Program of any other state.

440.16           (e) As a condition of enrollment in medical assistance, the commissioner shall  
440.17 require that a provider designated "moderate" or "high-risk" by the Centers for Medicare  
440.18 and Medicaid Services or the commissioner permit the Centers for Medicare and Medicaid  
440.19 Services, its agents, or its designated contractors and the state agency, its agents, or its  
440.20 designated contractors to conduct unannounced on-site inspections of any provider location.  
440.21 The commissioner shall publish in the Minnesota Health Care Program Provider Manual a  
440.22 list of provider types designated "limited," "moderate," or "high-risk," based on the criteria  
440.23 and standards used to designate Medicare providers in Code of Federal Regulations, title  
440.24 42, section 424.518. The list and criteria are not subject to the requirements of chapter 14.  
440.25 The commissioner's designations are not subject to administrative appeal.

440.26           (f) As a condition of enrollment in medical assistance, the commissioner shall  
440.27 require that a high-risk provider, or a person with a direct or indirect ownership interest in  
440.28 the provider of five percent or higher, consent to criminal background checks, including  
440.29 fingerprinting, when required to do so under state law or by a determination by the  
440.30 commissioner or the Centers for Medicare and Medicaid Services that a provider is  
440.31 designated high-risk for fraud, waste, or abuse.

440.32           (g)(1) Upon initial enrollment, reenrollment, and revalidation, all durable medical  
440.33 equipment, prosthetics, orthotics, and supplies (DMEPOS) suppliers operating in  
440.34 Minnesota and receiving Medicaid funds must purchase a surety bond that is annually  
440.35 renewed and designates the Minnesota Department of Human Services as the obligee, and  
440.36 must be submitted in a form approved by the commissioner.

441.1       (2) At the time of initial enrollment or reenrollment, the provider agency must  
441.2 purchase a performance bond of \$50,000. If a revalidating provider's Medicaid revenue  
441.3 in the previous calendar year is up to and including \$300,000, the provider agency must  
441.4 purchase a performance bond of \$50,000. If a revalidating provider's Medicaid revenue  
441.5 in the previous calendar year is over \$300,000, the provider agency must purchase a  
441.6 performance bond of \$100,000. The performance bond must allow for recovery of costs  
441.7 and fees in pursuing a claim on the bond.

441.8       (h) The Department of Human Services may require a provider to purchase a  
441.9 performance surety bond as a condition of initial enrollment, reenrollment, reinstatement,  
441.10 or continued enrollment if: (1) the provider fails to demonstrate financial viability, (2) the  
441.11 department determines there is significant evidence of or potential for fraud and abuse by  
441.12 the provider, or (3) the provider or category of providers is designated high-risk pursuant  
441.13 to paragraph (a) and as per Code of Federal Regulations, title 42, section 455.450. The  
441.14 performance bond must be in an amount of \$100,000 or ten percent of the provider's  
441.15 payments from Medicaid during the immediately preceding 12 months, whichever is  
441.16 greater. The performance bond must name the Department of Human Services as an  
441.17 obligee and must allow for recovery of costs and fees in pursuing a claim on the bond.

441.18       Sec. 7. **HEALTH CARE GRANTS FOR THE UNINSURED.**

441.19       Subdivision 1. **Dental providers.** (a) A dental provider is eligible for a grant under  
441.20 this section if the provider is:

441.21       (1) a nonprofit organization not affiliated with a hospital or medical group that  
441.22 offers free or reduced-cost oral health care to low-income patients with incomes below  
441.23 200 percent of the federal poverty guideline who do not have insurance coverage for  
441.24 oral health care services;

441.25       (2) eligible for critical access dental provider payments under Minnesota Statutes,  
441.26 section 256B.76, subdivision 4; and

441.27       (3) more than 80 percent of dental provider's patient encounters per year are with  
441.28 patients who are uninsured or covered by medical assistance or MinnesotaCare.

441.29       (b) Grants shall be distributed by the commissioner of health to each eligible  
441.30 provider based on the proportion of that provider's number of low-income uninsured  
441.31 patients served in the reporting year to the total number of low-income uninsured patients  
441.32 served by all eligible providers, except that no single eligible provider shall receive less  
441.33 than two percent or more than 30 percent of the total appropriation provided under this  
441.34 subdivision. If the number of eligible providers is such that the minimum of two percent

442.1 cannot be provided to each eligible provider, the commissioner shall limit eligibility for  
442.2 the subsidy to the top 20 eligible oral health providers.

442.3       **Subd. 2. Community mental health programs.** A community mental health  
442.4 program is eligible for a grant under this section if it is a community mental health center  
442.5 established under Minnesota Statutes, section 245.62, or a nonprofit community mental  
442.6 health clinic that is designated as an essential community provider under Minnesota  
442.7 Statutes, section 62Q.19, and the center or clinic offers free or reduced-cost mental health  
442.8 care to low-income patients with incomes below 200 percent of the federal poverty  
442.9 guideline who do not have health insurance coverage. The grants shall be distributed by  
442.10 the commissioner of health to each eligible mental health center or clinic based on the  
442.11 proportion of that mental health center's or clinic's number of low-income uninsured  
442.12 patients served in the reporting year to the total number of low-income uninsured patients  
442.13 served by all mental health centers and clinics eligible for a grant under this subdivision,  
442.14 except that no single eligible provider shall receive less than two percent or more than 30  
442.15 percent of the total appropriation provided under this subdivision.

442.16       **Subd. 3. Emergency medical assistance outlier grant program.** (a) The  
442.17 commissioner of health shall establish a grant program for hospitals for the purposes of  
442.18 defraying underpayments associated with the emergency medical assistance program.  
442.19 Grants shall be made for the services provided between July 1, 2014, and June 30, 2015,  
442.20 to an individual who is enrolled in emergency medical assistance, and when emergency  
442.21 medical assistance reimbursement is in excess of \$50,000.

442.22       (b) Hospitals seeking a grant from this program must submit an application that  
442.23 includes the number and dollar amount of hospital claims for emergency medical  
442.24 assistance in excess of \$150,000 to the commissioner in a form prescribed by the  
442.25 commissioner. Grant payments shall be in proportion to the total hospital emergency  
442.26 medical assistance claims submitted by all applicant hospitals. Claims for inpatient  
442.27 hospital, outpatient services, and hospital emergency department services shall be  
442.28 considered when determining the value of the grants.

442.29       **Subd. 4. Grant process.** The commissioner of health may use data submitted  
442.30 by organizations seeking a grant under this section, without further verification, for  
442.31 purposes of determining eligibility for a grant and allocating grant money among eligible  
442.32 organizations. The chief executive or chief financial officer must certify that the data  
442.33 submitted is accurate and that no changes were made in the organization's accounting and  
442.34 record-keeping practices or policies for providing free or reduced cost care to uninsured  
442.35 patients for the purpose of creating eligibility or increasing the organization's allocation.  
442.36 The commissioner may audit or verify the data submitted. Grant funds must be used to

443.1 defray the organization's costs of providing care and services to uninsured patients with  
443.2 incomes below 200 percent of the federal poverty guidelines. An organization must not  
443.3 receive more than one grant under subdivisions 1, 2, or 3, even though the organization is  
443.4 potentially eligible for a grant under two or more subdivisions. Organizations eligible for  
443.5 a grant under this section may join together to submit a combined application provided the  
443.6 data submitted is certified by each individual organization.

443.7 Sec. 8. **QUALITY TRANSPARENCY.**

443.8 (a) The commissioner of health shall develop an implementation plan for stratifying  
443.9 measures based on disability, race, ethnicity, language, and other sociodemographic factors  
443.10 that are correlated with health disparities and impact performance on quality measures.  
443.11 The plan must be designed so that quality measures can be stratified beginning January 1,  
443.12 2017, in order to advance work aimed at identifying and eliminating health disparities.  
443.13 By January 15, 2015, the commissioner shall submit a report to the chairs and ranking  
443.14 minority members of the senate and house of representatives committees and divisions  
443.15 with jurisdiction on health and human services and finance with the plan, including an  
443.16 estimated budget, timeline, and processes to be used for implementation.

443.17 (b) The commissioner of health shall assess the risk adjustment methodology  
443.18 established under Minnesota Statutes, section 62U.02, subdivision 3, for the potential  
443.19 for harm and unintended consequences for patient populations who experience health  
443.20 disparities, and the providers who serve them, and identify changes that may be needed  
443.21 to alleviate harm and unintended consequences. By January 15, 2016, the commissioner  
443.22 shall submit a report to the chairs and ranking minority members of the senate and house  
443.23 of representatives committees and divisions with jurisdiction on health and human  
443.24 services and finance with the result of the assessment of the risk-adjustment methodology  
443.25 and any recommended changes.

443.26 (c) The commissioner shall develop the plan described in paragraph (a), in  
443.27 consultation with consumer, community and advocacy organizations representing diverse  
443.28 communities; health plan companies; providers; quality measurement organizations; and  
443.29 safety net providers that primarily serve communities and patient populations with health  
443.30 disparities. The commissioner shall use culturally appropriate methods of consultation and  
443.31 engagement with consumer and advocacy organizations led by and representing diverse  
443.32 communities by race, ethnicity, language, and sociodemographic factors.

443.33 Sec. 9. **STUDY AND REPORT ABOUT CLIENT BILLS OF RIGHTS.**

444.1       The commissioner of health shall consult with Aging Services of Minnesota, Care  
444.2       Providers of Minnesota, Minnesota Home Care Association, the commissioner of human  
444.3       services, the Office of the Ombudsman for Long-Term Care, and other stakeholders to  
444.4       evaluate and determine how to streamline the requirements related to the clients' rights in  
444.5       Minnesota Statutes, sections 144A.44, 144A.441, and 245D.04, for applicable providers,  
444.6       while assuring and maintaining the health and safety of clients. The evaluation must  
444.7       consider the federal client bill of rights requirements for Medicare-certified home care  
444.8       providers. The evaluation must determine if there are duplications or conflicts of client  
444.9       rights, evaluate how to reduce the complexity of the requirements related to clients' rights  
444.10       for providers and consumers, determine which rights must be included in a consolidated  
444.11       client bill of rights document, and develop options to inform consumers of their rights.  
444.12       The commissioner shall report to the chairs and ranking minority members of the health  
444.13       and human services committees of the legislature no later than February 15, 2015, and  
444.14       include any recommendations for legislative changes.

## ARTICLE 21

### PUBLIC ASSISTANCE SIMPLIFICATION

444.17       Section 1. Minnesota Statutes 2012, section 254B.04, subdivision 3, is amended to read:  
444.18       Subd. 3. **Amount of contribution.** The commissioner shall adopt a sliding fee scale  
444.19       to determine the amount of contribution to be required from persons under this section.  
444.20       The commissioner may adopt rules to amend existing fee scales. The commissioner  
444.21       may establish a separate fee scale for recipients of chemical dependency transitional and  
444.22       extended care rehabilitation services that provides for the collection of fees for board and  
444.23       lodging expenses. The fee schedule shall ensure that employed persons are allowed the  
444.24       income disregards and savings accounts that are allowed residents of community mental  
444.25       illness facilities under section 256D.06, subdivisions subdivision 1 and 1b. The fee scale  
444.26       must not provide assistance to persons whose income is more than 115 percent of the  
444.27       state median income. Payments of liabilities under this section are medical expenses for  
444.28       purposes of determining spenddown under sections 256B.055, 256B.056, 256B.06, and  
444.29       256D.01 to 256D.21. The required amount of contribution established by the fee scale in  
444.30       this subdivision is also the cost of care responsibility subject to collection under section  
444.31       254B.06, subdivision 1.

444.32       **EFFECTIVE DATE.** This section is effective October 1, 2015.

444.33       Sec. 2. Minnesota Statutes 2012, section 256D.02, subdivision 8, is amended to read:

445.1        Subd. 8. **Income.** "Income" means any form of income, including remuneration  
445.2 for services performed as an employee and ~~net earnings~~ earned income from ~~rental~~  
445.3 ~~income and self-employment earnings,~~ ~~reduced by the amount attributable to employment~~  
445.4 ~~expenses as defined by the commissioner.~~ The amount attributable to employment  
445.5 ~~expenses shall include amounts paid or withheld for federal and state personal income~~  
445.6 ~~taxes and federal Social Security taxes as described under section 256P.05.~~

445.7        Income includes any payments received as an annuity, retirement, or disability  
445.8 benefit, including veteran's or workers' compensation; old age, survivors, and disability  
445.9 insurance; railroad retirement benefits; unemployment benefits; and benefits under any  
445.10 federally aided categorical assistance program, supplementary security income, or other  
445.11 assistance program; rents, dividends, interest and royalties; and support and maintenance  
445.12 payments. Such payments may not be considered as available to meet the needs of any  
445.13 person other than the person for whose benefit they are received, unless that person is  
445.14 a family member or a spouse and the income is not excluded under section 256D.01,  
445.15 subdivision 1a. Goods and services provided in lieu of cash payment shall be excluded  
445.16 from the definition of income, except that payments made for room, board, tuition or  
445.17 fees by a parent, on behalf of a child enrolled as a full-time student in a postsecondary  
445.18 institution, and payments made on behalf of an applicant or ~~recipient~~ participant which  
445.19 the applicant or ~~recipient~~ participant could legally demand to receive personally in cash,  
445.20 must be included as income. Benefits of an applicant or ~~recipient~~ participant, such as those  
445.21 administered by the Social Security Administration, that are paid to a representative  
445.22 payee, and are spent on behalf of the applicant or ~~recipient~~ participant, are considered  
445.23 available income of the applicant or ~~recipient~~ participant.

445.24        **EFFECTIVE DATE.** This section is effective February 1, 2015.

445.25        Sec. 3. Minnesota Statutes 2012, section 256D.02, subdivision 12, is amended to read:

445.26        Subd. 12. **County Agency.** "County agency" means the agency designated by the  
445.27 ~~county board of commissioners, human services boards, local social services agencies~~  
445.28 ~~in the several counties of the state or multieounty local social services agencies or~~  
445.29 ~~departments where those have been established in accordance with law~~ "Agency" has the  
445.30 meaning given in section 256P.01, subdivision 2.

445.31        Sec. 4. Minnesota Statutes 2012, section 256D.05, subdivision 5, is amended to read:

445.32        Subd. 5. **Transfers of property.** The equity value of real and personal property  
445.33 transferred without reasonable compensation within 12 months preceding the date of  
445.34 application for general assistance must be included in determining the resources of an

446.1 assistance unit ~~in the same manner as in the Minnesota family investment program under~~  
446.2 ~~chapter 256J as described in section 256P.02, subdivision 1, paragraph (c).~~

446.3 **EFFECTIVE DATE.** This section is effective January 1, 2016.

446.4 Sec. 5. Minnesota Statutes 2012, section 256D.06, subdivision 1, is amended to read:

446.5 Subdivision 1. **Eligibility; amount of assistance.** General assistance shall be  
446.6 granted in an amount that when added to the nonexempt income actually available to the  
446.7 assistance unit, the total amount equals the applicable standard of assistance for general  
446.8 assistance. In determining eligibility for and the amount of assistance for an individual or  
446.9 married couple, the ~~county~~ agency shall apply the earned income disregard the first \$50 of  
446.10 earned income per month as determined in section 256P.03.

446.11 **EFFECTIVE DATE.** This section is effective October 1, 2015.

446.12 Sec. 6. Minnesota Statutes 2012, section 256D.08, subdivision 1, is amended to read:

446.13 Subdivision 1. **Eligibility; excluded resources.** ~~In determining eligibility of an~~  
446.14 ~~assistance unit, the following resources shall be excluded:~~  
446.15 ~~(1) real or personal property or liquid assets which do not exceed \$1,000; and~~  
446.16 ~~(2) other property which has been determined, according to limitations contained in~~  
446.17 ~~rules promulgated by the commissioner, to be essential to the assistance unit as a means of~~  
446.18 ~~self-support or self-care or which is producing income that is being used for the support~~  
446.19 ~~of the assistance unit. The commissioner shall further provide by rule the conditions for~~  
446.20 ~~those situations in which property not excluded under this subdivision may be retained by~~  
446.21 ~~the assistance unit where there is a reasonable probability that in the foreseeable future the~~  
446.22 ~~property will be used for the self-support of the assistance unit; and~~  
446.23 ~~(3) payments, made according to litigation and subsequent appropriation by the~~  
446.24 ~~United States Congress, of funds to compensate members of Indian tribes for the taking of~~  
446.25 ~~tribal land by the federal government. To establish eligibility for general assistance under~~  
446.26 ~~this chapter, an agency must use the procedures established in section 256P.02.~~

446.27 **EFFECTIVE DATE.** This section is effective January 1, 2016.

446.28 Sec. 7. Minnesota Statutes 2012, section 256D.08, is amended by adding a subdivision  
446.29 to read:

446.30 Subd. 3. **Verification.** To verify eligibility for general assistance under this chapter,  
446.31 an agency must use the procedures established in section 256P.04.

447.1       **EFFECTIVE DATE.** This section is effective February 1, 2015.

447.2       Sec. 8. Minnesota Statutes 2012, section 256D.10, is amended to read:

447.3       **256D.10 ADMINISTRATIVE HEARING PRIOR TO ADVERSE ACTION.**

447.4       No grant of general assistance except one made pursuant to section 256D.06,  
447.5 subdivision 2; ~~or 256D.08, subdivision 2,~~ shall be reduced, terminated, or suspended  
447.6 unless the recipient receives notice and is afforded an opportunity to be heard prior to  
447.7 any action by the county agency.

447.8       Nothing herein shall deprive a recipient of the right to full administrative and judicial  
447.9 review of an order or determination of a county agency as provided for in section 256.045  
447.10 subsequent to any action taken by a county agency after a prior hearing.

447.11       **EFFECTIVE DATE.** This section is effective January 1, 2016.

447.12       Sec. 9. Minnesota Statutes 2012, section 256D.405, subdivision 1, is amended to read:

447.13       Subdivision 1. **Verification of information.** ~~The county agency shall request, and~~  
447.14 ~~applicants and recipients shall provide and verify, all information necessary to determine~~  
447.15 ~~initial and continuing eligibility and assistance payment amounts. If necessary, the county~~  
447.16 ~~agency shall assist the applicant or recipient in obtaining verifications. If the applicant or~~  
447.17 ~~recipient refuses or fails without good cause to provide the information or verification, the~~  
447.18 ~~county agency shall deny or terminate assistance. An agency must apply section 256P.04~~  
447.19 ~~when documenting, verifying, and recertifying eligibility under this chapter. An agency~~  
447.20 ~~must only require verification of information necessary to determine eligibility under this~~  
447.21 ~~chapter and the amount of the assistance payment.~~

447.22       **EFFECTIVE DATE.** This section is effective February 1, 2015.

447.23       Sec. 10. Minnesota Statutes 2012, section 256D.405, subdivision 3, is amended to read:

447.24       Subd. 3. **Reports.** ~~Participants~~ must report changes in circumstances that  
447.25 affect eligibility or assistance payment amounts within ten days of the change. ~~Participants~~  
447.26 ~~Participants~~ who do not receive SSI because of excess income must complete a monthly  
447.27 report form if they have earned income, if they have income deemed to them from a  
447.28 financially responsible relative with whom the ~~recipient~~ ~~participant~~ resides, or if they have  
447.29 income deemed to them by a sponsor. If the report form is not received before the end of  
447.30 the month in which it is due, the county agency must terminate assistance. The termination  
447.31 shall be effective on the first day of the month following the month in which the report  
447.32 was due. If a complete report is received within the month the assistance was terminated,

448.1 the assistance unit is considered to have continued its application for assistance, effective  
448.2 the first day of the month the assistance was terminated.

448.3 **EFFECTIVE DATE.** This section is effective February 1, 2015.

448.4 Sec. 11. Minnesota Statutes 2012, section 256D.425, subdivision 2, is amended to read:

448.5       **Subd. 2. Resource standards.** (a) For persons receiving supplemental security  
448.6 income benefits, the resource standards and restrictions for supplemental aid under  
448.7 this section shall be those used to determine eligibility for disabled individuals in the  
448.8 supplemental security income program.

448.9       (b) For persons not receiving supplemental security income benefits due to excess  
448.10 income or resources, but whose income and resources are within the limits of the Minnesota  
448.11 supplemental aid program, the resource standards shall be those in section 256P.02.

448.12       **EFFECTIVE DATE.** This section is effective January 1, 2016.

448.13 Sec. 12. Minnesota Statutes 2012, section 256I.03, is amended by adding a subdivision  
448.14 to read:

448.15       **Subd. 1a. Agency.** "Agency" has the meaning given in section 256P.01, subdivision  
448.16 2.

448.17 Sec. 13. Minnesota Statutes 2012, section 256I.04, subdivision 1, is amended to read:

448.18       **Subdivision 1. Individual eligibility requirements.** An individual is eligible for  
448.19 and entitled to a group residential housing payment to be made on the individual's behalf  
448.20 if the county agency has approved the individual's residence in a group residential housing  
448.21 setting and the individual meets the requirements in paragraph (a) or (b).

448.22       (a) The individual is aged, blind, or is over 18 years of age and disabled as  
448.23 determined under the criteria used by the title II program of the Social Security Act, and  
448.24 meets the resource restrictions and standards of the supplemental seecurity income program  
448.25 section 256P.02, and the individual's countable income after deducting the (1) exclusions  
448.26 and disregards of the SSI program, (2) the medical assistance personal needs allowance  
448.27 under section 256B.35, and (3) an amount equal to the income actually made available to  
448.28 a community spouse by an elderly waiver recipient participant under the provisions of  
448.29 sections 256B.0575, paragraph (a), clause (4), and 256B.058, subdivision 2, is less than  
448.30 the monthly rate specified in the county agency's agreement with the provider of group  
448.31 residential housing in which the individual resides.

449.1       (b) The individual meets a category of eligibility under section 256D.05, subdivision  
449.2 1, paragraph (a), and the individual's resources are less than the standards specified by  
449.3 section 256D.08 256P.02, and the individual's countable income as determined under  
449.4 sections 256D.01 to 256D.21, less the medical assistance personal needs allowance under  
449.5 section 256B.35 is less than the monthly rate specified in the ~~county~~ agency's agreement  
449.6 with the provider of group residential housing in which the individual resides.

449.7       **EFFECTIVE DATE.** This section is effective January 1, 2016.

449.8       Sec. 14. Minnesota Statutes 2012, section 256J.08, is amended by adding a subdivision  
449.9 to read:

449.10       Subd. 2a. **Agency.** "Agency" has the meaning given in section 256P.01, subdivision  
449.11 2.

449.12       Sec. 15. Minnesota Statutes 2012, section 256J.08, subdivision 47, is amended to read:  
449.13       Subd. 47. **Income.** "Income" means cash or in-kind benefit, whether earned or  
449.14 unearned, received by or available to an applicant or participant that is not ~~an asset~~  
449.15 property under section 256J.20 256P.02.

449.16       **EFFECTIVE DATE.** This section is effective January 1, 2016.

449.17       Sec. 16. Minnesota Statutes 2012, section 256J.08, subdivision 57, is amended to read:  
449.18       Subd. 57. **Minnesota family investment program or MFIP.** "Minnesota family  
449.19 investment program" or "MFIP" means the assistance program authorized in this chapter  
449.20 and ~~chapter~~ 256K.

449.21       Sec. 17. Minnesota Statutes 2012, section 256J.08, subdivision 83, is amended to read:  
449.22       Subd. 83. **Significant change.** "Significant change" means a decline in gross  
449.23 income of the amount of the disregard as defined in ~~subdivision 24~~ section 256P.03 or  
449.24 more from the income used to determine the grant for the current month.

449.25       **EFFECTIVE DATE.** This section is effective January 1, 2015.

449.26       Sec. 18. Minnesota Statutes 2012, section 256J.10, is amended to read:

449.27       **256J.10 MFIP ELIGIBILITY REQUIREMENTS.**

450.1        To be eligible for MFIP, applicants must meet the general eligibility requirements  
450.2        in sections 256J.11 to 256J.15, the property limitations in section ~~256J.20~~ 256P.02, and  
450.3        the income limitations in section 256J.21.

450.4        **EFFECTIVE DATE.** This section is effective January 1, 2016.

450.5        Sec. 19. Minnesota Statutes 2013 Supplement, section 256J.21, subdivision 3, is  
450.6        amended to read:

450.7        Subd. 3. **Initial income test.** The county agency shall determine initial eligibility  
450.8        by considering all earned and unearned income that is not excluded under subdivision 2.  
450.9        To be eligible for MFIP, the assistance unit's countable income minus the earned income  
450.10        disregards in paragraphs paragraph (a) and (b) section 256P.03 must be below the family  
450.11        wage level according to section 256J.24 for that size assistance unit.

450.12        (a) The initial eligibility determination must disregard the following items:

450.13        (1) the employment earned income disregard is ~~18 percent of the gross earned~~  
450.14        ~~income whether or not the member is working full time or part time as determined in~~  
450.15        section 256P.03;

450.16        (2) dependent care costs must be deducted from gross earned income for the actual  
450.17        amount paid for dependent care up to a maximum of \$200 per month for each child less  
450.18        than two years of age, and \$175 per month for each child two years of age and older ~~under~~  
450.19        ~~this chapter and chapter 119B~~;

450.20        (3) all payments made according to a court order for spousal support or the support  
450.21        of children not living in the assistance unit's household shall be disregarded from the  
450.22        income of the person with the legal obligation to pay support, ~~provided that, if there has~~  
450.23        ~~been a change in the financial circumstances of the person with the legal obligation to pay~~  
450.24        ~~support since the support order was entered, the person with the legal obligation to pay~~  
450.25        ~~support has petitioned for a modification of the support order~~; and

450.26        (4) an allocation for the unmet need of an ineligible spouse or an ineligible child  
450.27        under the age of 21 for whom the caregiver is financially responsible and who lives with  
450.28        the caregiver according to section 256J.36.

450.29        (b) ~~Notwithstanding paragraph (a), when determining initial eligibility for applicant~~  
450.30        ~~units when at least one member has received MFIP in this state within four months of~~  
450.31        ~~the most recent application for MFIP, apply the disregard as defined in section 256J.08,~~  
450.32        ~~subdivision 24, for all unit members.~~

450.33        After initial eligibility is established, the assistance payment calculation is based on  
450.34        the monthly income test.

451.1       **EFFECTIVE DATE.** This section is effective October 1, 2015.

451.2       Sec. 20. Minnesota Statutes 2012, section 256J.21, subdivision 4, is amended to read:

451.3           **Subd. 4. Monthly income test and determination of assistance payment.**

451.4       The county agency shall determine ongoing eligibility and the assistance payment  
451.5       amount according to the monthly income test. To be eligible for MFIP, the result of the  
451.6       computations in paragraphs (a) to (e) must be at least \$1.

451.7           (a) Apply an income disregard as defined in section ~~256J.08, subdivision 24~~ 256P.03,  
451.8       to gross earnings and subtract this amount from the family wage level. If the difference is  
451.9       equal to or greater than the MFIP transitional standard of need, the assistance payment is  
451.10       equal to the MFIP transitional standard of need. If the difference is less than the MFIP  
451.11       transitional standard of need, the assistance payment is equal to the difference. The  
451.12       employment earned income disregard in this paragraph must be deducted every month  
451.13       there is earned income.

451.14           (b) All payments made according to a court order for spousal support or the support  
451.15       of children not living in the assistance unit's household must be disregarded from the  
451.16       income of the person with the legal obligation to pay support, ~~provided that, if there has~~  
451.17       ~~been a change in the financial circumstances of the person with the legal obligation to pay~~  
451.18       ~~support since the support order was entered, the person with the legal obligation to pay~~  
451.19       ~~support has petitioned for a modification of the court order~~.

451.20           (c) An allocation for the unmet need of an ineligible spouse or an ineligible child  
451.21       under the age of 21 for whom the caregiver is financially responsible and who lives with  
451.22       the caregiver must be made according to section 256J.36.

451.23           (d) Subtract unearned income dollar for dollar from the MFIP transitional standard  
451.24       of need to determine the assistance payment amount.

451.25           (e) When income is both earned and unearned, the amount of the assistance payment  
451.26       must be determined by first treating gross earned income as specified in paragraph (a).  
451.27       After determining the amount of the assistance payment under paragraph (a), unearned  
451.28       income must be subtracted from that amount dollar for dollar to determine the assistance  
451.29       payment amount.

451.30           (f) When the monthly income is greater than the MFIP transitional standard of need  
451.31       after deductions and the income will only exceed the standard for one month, the county  
451.32       agency must suspend the assistance payment for the payment month.

451.33       **EFFECTIVE DATE.** This section is effective October 1, 2015.

451.34       Sec. 21. Minnesota Statutes 2012, section 256J.30, subdivision 4, is amended to read:

452.1       **Subd. 4. Participant's completion of recertification of eligibility form.** A  
452.2        participant must complete forms prescribed by the commissioner which are required  
452.3        for recertification of eligibility according to section 256J.32, subdivision 6 256P.04,  
452.4        subdivisions 8 and 9.

452.5        **EFFECTIVE DATE.** This section is effective February 1, 2015.

452.6        Sec. 22. Minnesota Statutes 2013 Supplement, section 256J.30, subdivision 9, is  
452.7        amended to read:

452.8        **Subd. 9. Changes that must be reported.** A caregiver must report the changes  
452.9        or anticipated changes specified in clauses (1) to ~~(16)~~(15) within ten days of the date  
452.10       they occur, at the time of the periodic recertification of eligibility under section 256J.32,  
452.11       subdivision 6 256P.04, subdivisions 8 and 9, or within eight calendar days of a reporting  
452.12       period as in subdivision 5, whichever occurs first. A caregiver must report other changes  
452.13       at the time of the periodic recertification of eligibility under section 256J.32, subdivision  
452.14       6 256P.04, subdivisions 8 and 9, or at the end of a reporting period under subdivision  
452.15       5, as applicable. A caregiver must make these reports in writing to the ~~county~~ agency.  
452.16       When ~~a~~county an agency could have reduced or terminated assistance for one or more  
452.17       payment months if a delay in reporting a change specified under clauses (1) to ~~(15)~~(14)  
452.18       had not occurred, the ~~county~~ agency must determine whether a timely notice under section  
452.19       256J.31, subdivision 4, could have been issued on the day that the change occurred. When  
452.20       a timely notice could have been issued, each month's overpayment subsequent to that  
452.21       notice must be considered a client error overpayment under section 256J.38. Calculation  
452.22       of overpayments for late reporting under clause ~~(16)~~(15) is specified in section 256J.09,  
452.23       subdivision 9. Changes in circumstances which must be reported within ten days must  
452.24       also be reported on the MFIP household report form for the reporting period in which  
452.25       those changes occurred. Within ten days, a caregiver must report:

- 452.26       (1) a change in initial employment;
- 452.27       (2) a change in initial receipt of unearned income;
- 452.28       (3) a recurring change in unearned income;
- 452.29       (4) a nonrecurring change of unearned income that exceeds \$30;
- 452.30       (5) the receipt of a lump sum;
- 452.31       (6) an increase in assets that may cause the assistance unit to exceed asset limits;
- 452.32       (7) a change in the physical or mental status of an incapacitated member of the  
452.33       assistance unit if the physical or mental status is the basis for reducing the hourly  
452.34       participation requirements under section 256J.55, subdivision 1, or the type of activities  
452.35       included in an employment plan under section 256J.521, subdivision 2;

453.1                         (8) a change in employment status;  
453.2                         ~~(9) information affecting an exception under section 256J.24, subdivision 9;~~  
453.3                         ~~(10)~~ (9) the marriage or divorce of an assistance unit member;  
453.4                         ~~(11)~~ (10) the death of a parent, minor child, or financially responsible person;  
453.5                         ~~(12)~~ (11) a change in address or living quarters of the assistance unit;  
453.6                         ~~(13)~~ (12) the sale, purchase, or other transfer of property;  
453.7                         ~~(14)~~ (13) a change in school attendance of a caregiver under age 20 or an employed  
453.8                         child;  
453.9                         ~~(15)~~ (14) filing a lawsuit, a workers' compensation claim, or a monetary claim  
453.10                         against a third party; and  
453.11                         ~~(16)~~ (15) a change in household composition, including births, returns to and  
453.12                         departures from the home of assistance unit members and financially responsible persons,  
453.13                         or a change in the custody of a minor child.

453.14                         **EFFECTIVE DATE.** This section is effective January 1, 2015.

453.15                         Sec. 23. Minnesota Statutes 2012, section 256J.32, subdivision 1, is amended to read:  
453.16                         Subdivision 1. **Verification of information.** ~~A county~~ An agency must apply section  
453.17                         256P.04 when documenting, verifying, and recertifying MFIP eligibility. An agency must  
453.18                         only require verification of information necessary to determine MFIP eligibility and the  
453.19                         amount of the assistance payment.

453.20                         **EFFECTIVE DATE.** This section is effective February 1, 2015.

453.21                         Sec. 24. Minnesota Statutes 2012, section 256J.33, subdivision 2, is amended to read:  
453.22                         Subd. 2. **Prospective eligibility.** ~~A county~~ An agency must determine whether the  
453.23                         eligibility requirements that pertain to an assistance unit, including those in sections  
453.24                         256J.11 to 256J.15 and ~~256J.20~~ 256P.02, will be met prospectively for the payment  
453.25                         month. Except for the provisions in section 256J.34, subdivision 1, the income test will be  
453.26                         applied retrospectively.

453.27                         **EFFECTIVE DATE.** This section is effective January 1, 2016.

453.28                         Sec. 25. Minnesota Statutes 2012, section 256J.37, as amended by Laws 2013, chapter  
453.29                         107, article 4, section 15, is amended to read:

453.30                         **256J.37 TREATMENT OF INCOME AND LUMP SUMS.**

454.1        Subdivision 1. **Deemed income from ineligible household assistance unit**  
454.2        ~~members. Unless otherwise provided under subdivision 1a or 1b,~~ The income of ineligible  
454.3        ~~household assistance unit~~ members must be deemed after allowing the following disregards:  
454.4        (1) the first 18 percent of the ineligible family member's gross an earned income  
454.5        disregard as determined under section 256P.03;  
454.6        (2) amounts the ineligible person actually paid to individuals not living in the  
454.7        same household but whom the ineligible person claims or could claim as dependents for  
454.8        determining federal personal income tax liability;  
454.9        (3) (2) all payments made by the ineligible person according to a court order for  
454.10      spousal support or the support of children not living in the assistance unit's household,  
454.11      provided that, if there has been a change in the financial circumstances of the ineligible  
454.12      person since the support order was entered, the ineligible person has petitioned for a  
454.13      modification of the support order; and  
454.14        (4) (3) an amount for the unmet needs of the ineligible person and other persons  
454.15      who live in the household but are not included in the assistance unit and are or could be  
454.16      claimed by an ineligible person as dependents for determining federal personal income  
454.17      tax liability who, if eligible, would be assistance unit members under section 256J.24,  
454.18      subdivision 2 or 4, paragraph (b). This amount is equal to the difference between the  
454.19      MFIP transitional standard of need when the ineligible person is persons are included in  
454.20      the assistance unit and the MFIP transitional standard of need when the ineligible person  
454.21      is persons are not included in the assistance unit.

454.22       Subd. 1a. **Deemed income from disqualified assistance unit members.** The  
454.23      income of disqualified members must be deemed after allowing the following disregards:  
454.24       (1) the first 18 percent of the disqualified member's gross an earned income disregard  
454.25      as determined under section 256P.03;  
454.26       (2) amounts the disqualified member actually paid to individuals not living in the  
454.27      same household but whom the disqualified member claims or could claim as dependents  
454.28      for determining federal personal income tax liability;  
454.29       (3) (2) all payments made by the disqualified member according to a court order for  
454.30      spousal support or the support of children not living in the assistance unit's household,  
454.31      provided that, if there has been a change in the financial circumstances of the disqualified  
454.32      member's legal obligation to pay support since the support order was entered, the  
454.33      disqualified member has petitioned for a modification of the support order; and  
454.34       (4) (3) an amount for the unmet needs of other ineligible persons who live in the  
454.35      household but are not included in the assistance unit and are or could be claimed by the  
454.36      disqualified member as dependents for determining federal personal income tax liability

455.1       who, if eligible, would be assistance unit members under section 256J.24, subdivision 2 or  
455.2       4, paragraph (b). This amount is equal to the difference between the MFIP transitional  
455.3       standard of need when the ineligible person is persons are included in the assistance unit  
455.4       and the MFIP transitional standard of need when the ineligible person is persons are  
455.5       not included in the assistance unit. An amount shall not be allowed for the needs of a  
455.6       disqualified member members.

455.7       **Subd. 1b. Deemed income from parents of minor caregivers.** In households  
455.8       where minor caregivers live with a parent or parents who do not receive MFIP for  
455.9       themselves or their minor children, the income of the parents must be deemed after  
455.10      allowing the following disregards:

455.11       (1) income of the parents equal to 200 percent of the federal poverty guideline for a  
455.12       family size not including the minor parent and the minor parent's child in the household  
455.13       according to section 256J.21, subdivision 2, clause (43); and

455.14       (2) 18 percent of the parents' gross earned income;

455.15       (3) amounts the parents actually paid to individuals not living in the same household  
455.16       but whom the parents claim or could claim as dependents for determining federal personal  
455.17       income tax liability; and

455.18       (4) (2) all payments made by parents according to a court order for spousal support  
455.19       or the support of children not living in the parent's household, provided that, if there has  
455.20       been a change in the financial circumstances of the parent's legal obligation to pay support  
455.21       since the support order was entered, the parents have petitioned for a modification of  
455.22       the support order.

455.23       **Subd. 2. Deemed income and assets of sponsor of noncitizens.** (a) If a noncitizen  
455.24       applies for or receives MFIP, the county agency must deem the income and assets of the  
455.25       noncitizen's sponsor and the sponsor's spouse as provided in this paragraph and paragraph  
455.26       (b) or (c), whichever is applicable. The deemed income of a sponsor and the sponsor's  
455.27       spouse is considered unearned income of the noncitizen. The deemed assets of a sponsor  
455.28       and the sponsor's spouse are considered available assets of the noncitizen.

455.29       (b) The income and assets of a sponsor who signed an affidavit of support under title  
455.30       IV, sections 421, 422, and 423, of Public Law 104-193, the Personal Responsibility and  
455.31       Work Opportunity Reconciliation Act of 1996, and the income and assets of the sponsor's  
455.32       spouse, must be deemed to the noncitizen to the extent required by those sections of  
455.33       Public Law 104-193.

455.34       (c) The income and assets of a sponsor and the sponsor's spouse to whom the  
455.35       provisions of paragraph (b) do not apply must be deemed to the noncitizen to the full

456.1 extent allowed under title V, section 5505, of Public Law 105-33, the Balanced Budget  
456.2 Act of 1997.

456.3       **Subd. 3. Earned income of wage, salary, and contractual employees.** The county  
456.4 agency must include gross earned income less any disregards in the initial and monthly  
456.5 income test. Gross earned income received by persons employed on a contractual basis  
456.6 must be prorated over the period covered by the contract even when payments are received  
456.7 over a lesser period of time.

456.8       **Subd. 3a. Rental subsidies; unearned income.** (a) Effective July 1, 2003, the  
456.9 county agency shall count \$50 of the value of public and assisted rental subsidies provided  
456.10 through the Department of Housing and Urban Development (HUD) as unearned income  
456.11 to the cash portion of the MFIP grant. The full amount of the subsidy must be counted as  
456.12 unearned income when the subsidy is less than \$50. The income from this subsidy shall  
456.13 be budgeted according to section 256J.34.

456.14       (b) The provisions of this subdivision shall not apply to an MFIP assistance unit  
456.15 which includes a participant who is:

456.16           (1) age 60 or older;  
456.17           (2) a caregiver who is suffering from an illness, injury, or incapacity that has been  
456.18 certified by a qualified professional when the illness, injury, or incapacity is expected  
456.19 to continue for more than 30 days and severely limits the person's ability to obtain or  
456.20 maintain suitable employment; or  
456.21           (3) a caregiver whose presence in the home is required due to the illness or  
456.22 incapacity of another member in the assistance unit, a relative in the household, or a foster  
456.23 child in the household when the illness or incapacity and the need for the participant's  
456.24 presence in the home has been certified by a qualified professional and is expected to  
456.25 continue for more than 30 days.

456.26       (c) The provisions of this subdivision shall not apply to an MFIP assistance unit  
456.27 where the parental caregiver is an SSI recipient participant.

456.28       **Subd. 4. Self-employment.** ~~Self-employed individuals are those who are~~  
456.29 ~~responsible for their own work schedule and do not have coverage under an employer's~~  
456.30 ~~liability insurance or workers' compensation. Self-employed individuals generally work~~  
456.31 ~~for themselves rather than an employer. However, individuals employed in some types of~~  
456.32 ~~servicees may be self-employed even if they have an employer or work out of another's~~  
456.33 ~~business location. For example, real estate sales people, individuals who work for~~  
456.34 ~~eommission sales, manufacturer's representatives, and independent contractors may be~~  
456.35 ~~self-employed. Self-employed individuals may or may not have FICA deducted from the~~  
456.36 ~~eheck issued to them by an employer or another party.~~

457.1        Self-employed individuals may own a business singularly or in partnership.  
457.2        Individuals operating more than one self-employment business may use the loss from  
457.3        one business to offset self-employment income from another business. A loss from a  
457.4        self-employment business may not offset income earned under subdivision 3.

457.5        Self-employment has the meaning given in section 256P.01, subdivision 7.

457.6        Subd. 5. **Self-employment earnings.** The county agency must determine  
457.7        self-employment income according to the following: section 256P.05, subdivision 2.

457.8        (a) Subtract allowable business expenses from total gross receipts. Allowable  
457.9        business expenses include:

457.10        (1) interest on mortgages and loans;  
457.11        (2) employee wages, except for persons who are part of the assistance unit or whose  
457.12        income is deemed to the participant;

457.13        (3) FICA funds paid on employees' wages, payment of employee workers'  
457.14        compensation, and unemployment benefits;

457.15        (4) livestock and veterinary or breeding fees;

457.16        (5) raw material;

457.17        (6) seed and fertilizer;

457.18        (7) maintenance and repairs that are not capital expenditures;

457.19        (8) tax return preparation fees;

457.20        (9) license fees, professional fees, franchise fees, and professional dues;

457.21        (10) tools and supplies that are not capital expenditures;

457.22        (11) fuel and transportation expenses other than fuel costs covered by the flat rate  
457.23        transportation deduction;

457.24        (12) advertising costs;

457.25        (13) meals eaten when required to be away from the local work site;

457.26        (14) property expenses such as rent, insurance, taxes, and utilities;

457.27        (15) postage;

457.28        (16) purchase cost of inventory at time of sale;

457.29        (17) loss from another self-employment business;

457.30        (18) attorney fees allowed by the Internal Revenue Service; and

457.31        (19) tuition for classes necessary to maintain or improve job skills or required by  
457.32        law to maintain job status or salary as allowed by the Internal Revenue Service.

457.33        (b) The county agency shall not allow a deduction for the following expenses:

457.34        (1) purchases of capital assets;

457.35        (2) payments on the principals of loans for capital assets;

457.36        (3) depreciation;

458.1       (4) amortization;

458.2       (5) the wholesale costs of items purchased, processed, or manufactured which are

458.3       unsold inventory;

458.4       (6) transportation costs that exceed the maximum standard mileage rate allowed for

458.5       use of a personal car in the Internal Revenue Code;

458.6       (7) costs, in any amount, for mileage between an applicant's or participant's home

458.7       and place of employment;

458.8       (8) salaries and other employment deductions made for members of an assistance

458.9       unit or persons who live in the household for whom an employer is legally responsible;

458.10       (9) monthly expenses in excess of \$71 for each roomer;

458.11       (10) monthly expenses in excess of the Thrifty Food Plan amount for one person for

458.12       each boarder. For purposes of this clause and clause (11), "Thrifty Food Plan" has the

458.13       meaning given it in Code of Federal Regulations;

458.14       (11) monthly expenses in excess of the roomer rate plus the Thrifty Food Plan

458.15       amount for one person for each roomer-boarder. If there is more than one boarder or

458.16       roomer-boarder, use the total number of boarders as the unit size to determine the Thrifty

458.17       Food Plan amount;

458.18       (12) an amount greater than actual expenses or two percent of the estimated market

458.19       value on a county tax assessment form, whichever is greater, as a deduction for upkeep

458.20       and repair against rental income;

458.21       (13) expenses not allowed by the Internal Revenue Code;

458.22       (14) expenses in excess of 60 percent of gross receipts for in-home child care unless

458.23       a higher amount can be documented; and

458.24       (15) expenses that are reimbursed under the child and adult care food program as

458.25       authorized under the National School Lunch Act, United States Code, title 42.

458.26       **Subd. 6. Self-employment budget period.** The self-employment budget period

458.27       begins in the month of application or in the first month of self-employment. Gross receipts

458.28       must be budgeted in the month received. Expenses must be budgeted against gross

458.29       receipts in the month the expenses are paid, except for paragraphs (a) to (e).

458.30       (a) The purchase cost of inventory items, including materials which are processed

458.31       or manufactured, must be deducted as an expense at the time payment is received for

458.32       the sale of the inventory items.

458.33       (b) A 12-month rolling average based on clauses (1) to (3) must be used to budget

458.34       monthly income.

458.35       (1) For a business in operation for at least 12 months, the county agency shall use

458.36       the average monthly self-employment income from the most current income tax report for

459.1 the 12 months before the month of application. The county agency shall determine a new  
459.2 monthly average by adding in the actual self-employment income and expenses from the  
459.3 previous month and dropping the first month from the averaging period.

459.4 (2) For a business in operation for less than 12 months, the county agency shall  
459.5 compute the average for the number of months the business has been in operation to  
459.6 determine a monthly average. When data are available for 12 or more months, average  
459.7 monthly self-employment income is determined under clause (1).

459.8 (3) If the business undergoes a major change, the county agency shall compute a new  
459.9 rolling average beginning with the first month of the major change. For the purpose of this  
459.10 clause, major change means a change that affects the nature and scale of the business and  
459.11 is not merely the result of normal business fluctuations.

459.12 (e) For seasonal self-employment, the caregiver may choose whether to use actual  
459.13 income in the month of receipt and expenses in the month incurred or the rolling average  
459.14 method of computation. The choice must be made once per year at the time of application  
459.15 or recertification. For the purpose of this paragraph, seasonal means working six or less  
459.16 months per year.

459.17       The agency must budget self-employment earned income according to section  
459.18 256P.05, subdivision 3.

459.19 Subd. 7. **Farm income.** Farm income is the difference between gross receipts  
459.20 and operating expenses. The county agency must not allow a deduction for expenses  
459.21 listed in subdivision 5, paragraph (b). Gross receipts include sales, rents, subsidies,  
459.22 soil conservation payments, production derived from livestock, and income from  
459.23 home-produced food. Farm income shall be treated as self-employment income under  
459.24 section 256P.05, subdivision 2. The agency must budget farm income as self-employment  
459.25 earned income according to section 256P.05, subdivision 3.

459.26 Subd. 8. **Rental income.** The county agency must treat income from rental property  
459.27 as earned or unearned income. Income from rental property is unearned income unless the  
459.28 assistance unit spends an average of ten hours per week on maintenance or management  
459.29 of the property. When the owner spends more than ten hours per week on maintenance  
459.30 or repairs, the earnings are considered self-employment earnings. An amount must be  
459.31 deducted for upkeep and repairs, as specified in subdivision 5, paragraph (b), clause  
459.32 (12), real estate taxes, insurance, utilities, and interest on principal payments. When the  
459.33 applicant or participant lives on the rental property, expenses for upkeep, taxes, insurance,  
459.34 utilities, and interest must be divided by the number of rooms to determine expense per  
459.35 room and expenses deducted must be deducted only for the number of rooms rented.  
459.36       Rental income is subject to the requirements of section 256P.05.

460.1        Subd. 9. **Unearned income.** (a) The ~~county~~ agency must apply unearned income  
460.2 to the MFIP transitional standard of need. When determining the amount of unearned  
460.3 income, the ~~county~~ agency must deduct the costs necessary to secure payments of  
460.4 unearned income. These costs include legal fees, medical fees, and mandatory deductions  
460.5 such as federal and state income taxes.

460.6        (b) The ~~county~~ agency must convert unearned income received on a periodic basis to  
460.7 monthly amounts by prorating the income over the number of months represented by the  
460.8 frequency of the payments. The ~~county~~ agency must begin counting the monthly amount  
460.9 in the month the periodic payment is received and budget it according to the assistance  
460.10 unit's budget cycle.

460.11       Subd. 10. **Treatment of lump sums.** (a) The ~~county~~ agency must treat lump-sum  
460.12 payments as earned or unearned income. If the lump-sum payment is included in the  
460.13 category of income identified in subdivision 9, it must be treated as unearned income. A  
460.14 lump sum is counted as income in the month received and budgeted either prospectively or  
460.15 retrospectively depending on the budget cycle at the time of receipt. When an individual  
460.16 receives a lump-sum payment, that lump sum must be combined with all other earned and  
460.17 unearned income received in the same budget month, and it must be applied according to  
460.18 paragraphs (a) to (c). A lump sum may not be carried over into subsequent months. Any  
460.19 funds that remain in the third month after the month of receipt are counted in the asset limit.

460.20       (b) For a lump sum received by an applicant during the first two months, prospective  
460.21 budgeting is used to determine the payment and the lump sum must be combined with  
460.22 other earned or unearned income received and budgeted in that prospective month.

460.23       (c) For a lump sum received by a participant after the first two months of MFIP  
460.24 eligibility, the lump sum must be combined with other income received in that budget  
460.25 month, and the combined amount must be applied retrospectively against the applicable  
460.26 payment month.

460.27       (d) When a lump sum, combined with other income under paragraphs (b) and (c), is  
460.28 less than the MFIP transitional standard of need for the appropriate payment month, the  
460.29 assistance payment must be reduced according to the amount of the countable income.  
460.30 When the countable income is greater than the MFIP standard or family wage level, the  
460.31 assistance payment must be suspended for the payment month.

460.32       **EFFECTIVE DATE.** The amendments to subdivisions 1, 1a, 1b, and 2 are effective  
460.33 October 1, 2015. The amendments to subdivisions 4, 5, 6, 7, and 8 are effective February  
460.34 1, 2015. The amendments to subdivisions 9 and 10 are effective January 1, 2015.

460.35       Sec. 26. Minnesota Statutes 2012, section 256J.425, subdivision 1, is amended to read:

461.1        Subdivision 1. **Eligibility.** (a) To be eligible for a hardship extension, a participant  
461.2    in an assistance unit subject to the time limit under section 256J.42, subdivision 1, must  
461.3    be in compliance in the participant's 60th counted month. For purposes of determining  
461.4    eligibility for a hardship extension, a participant is in compliance in any month that the  
461.5    participant has not been sanctioned. In order to maintain eligibility for any of the hardship  
461.6    extension categories a participant shall develop and comply with either an employment  
461.7    plan or a family stabilization services plan, whichever is appropriate.

461.8        (b) If one participant in a two-parent assistance unit is determined to be ineligible for  
461.9    a hardship extension, the county shall give the assistance unit the option of disqualifying  
461.10   the ineligible participant from MFIP. In that case, the assistance unit shall be treated as a  
461.11   one-parent assistance unit ~~and the assistance unit's MFIP grant shall be calculated using~~  
461.12   ~~the shared household standard under section 256J.08, subdivision 82a.~~

461.13        (c) Prior to denying an extension, the county must review the sanction status and  
461.14   determine whether the sanction is appropriate or if good cause exists under section 256J.57.  
461.15   If the sanction was inappropriately applied or the participant is granted a good cause  
461.16   exception before the end of month 60, the participant shall be considered for an extension.

461.17        **EFFECTIVE DATE.** This section is effective January 1, 2015.

461.18        Sec. 27. Minnesota Statutes 2012, section 256J.425, subdivision 7, is amended to read:

461.19        Subd. 7. **Status of disqualified participants.** (a) An assistance unit that is  
461.20   disqualified under subdivision 6, paragraph (a), may be approved for MFIP if the  
461.21   participant complies with MFIP program requirements and demonstrates compliance for  
461.22   up to one month. No assistance shall be paid during this period.

461.23        (b) An assistance unit that is disqualified under subdivision 6, paragraph (a), and that  
461.24   reappears under paragraph (a) is subject to sanction under section 256J.46, subdivision  
461.25   1, paragraph (c), clause (1), for a first occurrence of noncompliance. A subsequent  
461.26   occurrence of noncompliance results in a permanent disqualification.

461.27        (c) If one participant in a two-parent assistance unit receiving assistance under a  
461.28   hardship extension under subdivision 3 or 4 is determined to be out of compliance with  
461.29   the employment and training services requirements under sections 256J.521 to 256J.57,  
461.30   the county shall give the assistance unit the option of disqualifying the noncompliant  
461.31   participant from MFIP. In that case, the assistance unit shall be treated as a one-parent  
461.32   assistance unit for the purposes of meeting the work requirements under subdivision  
461.33   4 ~~and the assistance unit's MFIP grant shall be calculated using the shared household~~  
461.34   ~~standard under section 256J.08, subdivision 82a.~~ An applicant who is disqualified  
461.35   from receiving assistance under this paragraph may reapply under paragraph (a). If a

462.1 participant is disqualified from MFIP under this subdivision a second time, the participant  
462.2 is permanently disqualified from MFIP.

462.3       (d) Prior to a disqualification under this subdivision, a county agency must review  
462.4 the participant's case to determine if the employment plan is still appropriate and attempt  
462.5 to meet with the participant face-to-face. If a face-to-face meeting is not conducted, the  
462.6 county agency must send the participant a notice of adverse action as provided in section  
462.7 256J.31. During the face-to-face meeting, the county agency must:

462.8           (1) determine whether the continued noncompliance can be explained and mitigated  
462.9 by providing a needed preemployment activity, as defined in section 256J.49, subdivision  
462.10 13, clause (9);

462.11           (2) determine whether the participant qualifies for a good cause exception under  
462.12 section 256J.57;

462.13           (3) inform the participant of the family violence waiver criteria and make appropriate  
462.14 referrals if the waiver is requested;

462.15           (4) inform the participant of the participant's sanction status and explain the  
462.16 consequences of continuing noncompliance;

462.17           (5) identify other resources that may be available to the participant to meet the  
462.18 needs of the family; and

462.19           (6) inform the participant of the right to appeal under section 256J.40.

462.20       **EFFECTIVE DATE.** This section is effective January 1, 2015.

462.21 Sec. 28. Minnesota Statutes 2012, section 256J.95, subdivision 8, is amended to read:

462.22       **Subd. 8. Verification requirements.** (a) A county agency must only require  
462.23 verification of information necessary to determine DWP eligibility and the amount of  
462.24 the payment. The applicant or participant must document the information required or  
462.25 authorize the county agency to verify the information. The applicant or participant has the  
462.26 burden of providing documentary evidence to verify eligibility. The county agency shall  
462.27 assist the applicant or participant in obtaining required documents when the applicant  
462.28 or participant is unable to do so.

462.29       (b) A county agency must not request information about an applicant or participant  
462.30 that is not a matter of public record from a source other than county agencies, the  
462.31 Department of Human Services, or the United States Department of Health and Human  
462.32 Services without the person's prior written consent. An applicant's signature on an  
462.33 application form constitutes consent for contact with the sources specified on the  
462.34 application. A county agency may use a single consent form to contact a group of similar

463.1 sources, but the sources to be contacted must be identified by the county agency prior to  
463.2 requesting an applicant's consent.

463.3 (c) Factors to be verified shall follow section 256J.32, subdivision 256P.04,  
463.4 subdivisions 4 and 5. Except for personal needs, family maintenance needs must be  
463.5 verified before the expense can be allowed in the calculation of the DWP grant.

463.6 **EFFECTIVE DATE.** This section is effective February 1, 2015.

463.7 Sec. 29. Minnesota Statutes 2012, section 256J.95, subdivision 9, is amended to read:

463.8       **Subd. 9. Property and income limitations.** The asset limits and exclusions in  
463.9 section 256J.20 256P.02 apply to applicants and recipients participants of DWP. All  
463.10 payments, unless excluded in section 256J.21, must be counted as income to determine  
463.11 eligibility for the diversionary work program. The county agency shall treat income as  
463.12 outlined in section 256J.37, except for subdivision 3a. The initial income test and the  
463.13 disregards in section 256J.21, subdivision 3, shall be followed for determining eligibility  
463.14 for the diversionary work program.

463.15 **EFFECTIVE DATE.** This section is effective January 1, 2016.

463.16 Sec. 30. Minnesota Statutes 2012, section 256J.95, subdivision 10, is amended to read:

463.17       **Subd. 10. Diversionary work program grant.** (a) The amount of cash benefits that  
463.18 a family unit is eligible for under the diversionary work program is based on the number  
463.19 of persons in the family unit, the family maintenance needs, personal needs allowance,  
463.20 and countable income. The county agency shall evaluate the income of the family unit  
463.21 that is requesting payments under the diversionary work program. Countable income  
463.22 means gross earned and unearned income not excluded or disregarded under MFIP.  
463.23 The same disregards for earned income that are allowed under MFIP are allowed for  
463.24 the diversionary work program.

463.25       (b) The DWP grant is based on the family maintenance needs for which the DWP  
463.26 family unit is responsible plus a personal needs allowance. Housing and utilities, except  
463.27 for telephone service, shall be vendor paid. Unless otherwise stated in this section, actual  
463.28 housing and utility expenses shall be used when determining the amount of the DWP grant.

463.29       (c) The maximum monthly benefit amount available under the diversionary work  
463.30 program is the difference between the family unit's needs under paragraph (b) and the  
463.31 family unit's countable income not to exceed the cash portion of the MFIP transitional  
463.32 standard of need as defined in section sections 256J.08, subdivision 55a 85, and 256J.24,  
463.33 subdivision 5, for the family unit's size.

464.1       (d) Once the county has determined a grant amount, the DWP grant amount will  
464.2 not be decreased if the determination is based on the best information available at the  
464.3 time of approval and shall not be decreased because of any additional income to the  
464.4 family unit. The grant must be increased if a participant later verifies an increase in family  
464.5 maintenance needs or family unit size. The minimum cash benefit amount, if income and  
464.6 asset tests are met, is \$10. Benefits of \$10 shall not be vendor paid.

464.7       (e) When all criteria are met, including the development of an employment plan as  
464.8 described in subdivision 14 and eligibility exists for the month of application, the amount  
464.9 of benefits for the diversionary work program retroactive to the date of application is as  
464.10 specified in section 256J.35, paragraph (a).

464.11       (f) Any month during the four-month DWP period that a person receives a DWP  
464.12 benefit directly or through a vendor payment made on the person's behalf, that person is  
464.13 ineligible for MFIP or any other TANF cash assistance program except for benefits defined  
464.14 in section 256J.626, subdivision 2, clause (1).

464.15       If during the four-month period a family unit that receives DWP benefits moves to  
464.16 a county that has not established a diversionary work program, the family unit may be  
464.17 eligible for MFIP the month following the last month of the issuance of the DWP benefit.

464.18       **EFFECTIVE DATE.** This section is effective January 1, 2015.

464.19       **Sec. 31. [256P.001] APPLICABILITY.**

464.20       General assistance and Minnesota supplemental aid under chapter 256D and  
464.21 programs governed by chapter 256I or 256J are subject to the requirements of this chapter,  
464.22 unless otherwise specified or exempted.

464.23       **Sec. 32. [256P.01] DEFINITIONS.**

464.24       Subdivision 1. Scope. For purposes of this chapter, the terms defined in this section  
464.25 have the meanings given them.

464.26       Subd. 2. Agency. "Agency" means any county, federally recognized Indian tribe, or  
464.27 multicounty social services collaboratives.

464.28       Subd. 3. Earned income. "Earned income" means cash or in-kind income earned  
464.29 through the receipt of wages, salary, commissions, profit from employment activities, net  
464.30 profit from self-employment activities, payments made by an employer for regularly  
464.31 accrued vacation or sick leave, and any other profit from activity earned through effort or  
464.32 labor. The income must be in return for, or as a result of, legal activity.

465.1        Subd. 4. **Earned income disregard.** "Earned income disregard" means earned  
465.2        income that is not counted according to section 256P.03 when determining eligibility and  
465.3        calculating the amount of the assistance payment.

465.4        Subd. 5. **Equity value.** "Equity value" means the amount of equity in personal  
465.5        property owned by a person and is determined by subtracting any outstanding  
465.6        encumbrances from the fair market value of the personal property.

465.7        Subd. 6. **Personal property.** "Personal property" means an item of value that  
465.8        is not real property.

465.9        Subd. 7. **Self-employment.** "Self-employment" means employment by an  
465.10       individual who:

465.11        (1) incurs costs in producing income and deducts these costs in order to equate the  
465.12        individual's income with income from sources where there are no production costs; and

465.13        (2) controls the individual's work by working either independently of an employer or  
465.14        freelance, or by running the business; or

465.15        (3) pays self-employment taxes.

465.16        Sec. 33. **[256P.02] PERSONAL PROPERTY LIMITATIONS.**

465.17        Subdivision 1. **Property ownership.** (a) The agency must apply paragraphs (b) to  
465.18        (e) to determine the value of personal property. The agency must use the equity value  
465.19        of legally available personal property to determine whether an applicant or participant  
465.20        is eligible for assistance.

465.21        (b) When personal property is jointly owned by two or more persons, the agency  
465.22        shall assume that each person owns an equal share, except that either person owns  
465.23        the entire sum of a joint personal checking or savings account. When an applicant or  
465.24        participant documents greater or lesser ownership, the agency must use that greater or  
465.25        lesser share to determine the equity value held by the applicant or participant. Other types  
465.26        of ownership must be evaluated according to law.

465.27        (c) Personal property owned by the applicant or participant must be presumed legally  
465.28        available to the applicant or participant unless the applicant or participant documents  
465.29        that the property is not legally available to the applicant or participant. When personal  
465.30        property is not legally available, its equity value must not be applied against the limits of  
465.31        subdivision 2.

465.32        (d) An applicant must disclose whether the applicant has transferred personal  
465.33        property valued in excess of the property limits in subdivision 2 for which reasonable  
465.34        compensation was not received within one year prior to application. A participant must  
465.35        disclose all transfers of property valued in excess of these limits, according to the reporting

466.1 requirements in section 256J.30, subdivision 9. When a transfer of personal property  
466.2 without reasonable compensation has occurred:

466.3       (1) the person who transferred the property must provide the property's description,  
466.4 information needed to determine the property's equity value, the names of the persons who  
466.5 received the property, and the circumstances of and reasons for the transfer; and

466.6       (2) when the transferred property can be reasonably reacquired, or when reasonable  
466.7 compensation can be secured, the property is presumed legally available to the applicant  
466.8 or participant.

466.9       (e) A participant may build the equity value of personal property to the limits in  
466.10 subdivision 2.

466.11       **Subd. 2. Personal property limitations.** (a) The equity value of an assistance unit's  
466.12 personal property listed in clauses (1) to (4) must not exceed \$10,000 for applicants and  
466.13 participants. For purposes of this subdivision, personal property is limited to:

466.14       (1) cash;

466.15       (2) bank accounts;

466.16       (3) liquid stocks and bonds that can be readily accessed without a financial penalty;

466.17 and

466.18       (4) vehicles not excluded under subdivision 3.

466.19       **Subd. 3. Vehicle exception.** One vehicle per assistance unit member age 16 or older  
466.20 shall be excluded when determining the equity value of personal property. If the assistance  
466.21 unit owns more than one vehicle per assistance unit member age 16 or older, the agency  
466.22 shall determine the trade-in values of all additional vehicles and apply the values to the  
466.23 personal property limitations in subdivision 2. To establish the trade-in values of vehicles,  
466.24 an agency must use the National Automobile Dealers Association online car values and  
466.25 car prices guide. When a vehicle is not listed in the online guide, or when the applicant or  
466.26 participant disputes the trade-in value listed in the online guide as unreasonable given the  
466.27 condition of the particular vehicle, the agency may require the applicant or participant to  
466.28 document the trade-in value by securing a written statement from a motor vehicle dealer  
466.29 licensed under section 168.27, stating the amount that the dealer would pay to purchase  
466.30 the vehicle. The agency shall reimburse the applicant or participant for the cost of a  
466.31 written statement that documents a lower loan value.

466.32       **EFFECTIVE DATE.** This section is effective January 1, 2016.

466.33       Sec. 34. **[256P.03] EARNED INCOME DISREGARD.**

467.1        Subdivision 1. **Exempted programs.** Participants who qualify for Minnesota  
467.2        supplemental aid under chapter 256D and for group residential housing under chapter 256I  
467.3        on the basis of eligibility for Supplemental Security Income are exempt from this section.

467.4        Subd. 2. **Earned income disregard.** The agency shall disregard the first \$65 of  
467.5        earned income plus one-half of the remaining earned income per month.

467.6        **EFFECTIVE DATE.** This section is effective October 1, 2015.

467.7        **Sec. 35. [256P.04] DOCUMENTING, VERIFYING, AND RECERTIFYING**  
467.8        **ELIGIBILITY.**

467.9        Subdivision 1. **Exemption.** Participants who receive Minnesota supplemental aid  
467.10        and who maintain Supplemental Security Income eligibility under chapters 256D and  
467.11        256I are exempt from the reporting requirements of this section, except that the policies  
467.12        and procedures for transfers of assets are those used by the medical assistance program  
467.13        under section 256B.0595.

467.14        Subd. 2. **Verification of information.** An agency must only require verification of  
467.15        information necessary to determine eligibility and the amount of the assistance payment.  
467.16        If necessary, the agency shall assist the applicant or participant in obtaining verifications  
467.17        and required documents when the applicant or participant is unable to do so.

467.18        Subd. 3. **Documentation.** The applicant or participant must document the  
467.19        information required under subdivisions 4 to 7 or authorize the agency to verify the  
467.20        information. The applicant or participant has the burden of providing documentary  
467.21        evidence to verify eligibility. The agency must accept a signed personal statement from  
467.22        the applicant or participant when determining personal property values under section  
467.23        256P.02. The signed personal statement must include general penalty warnings and a  
467.24        disclaimer that any false or misrepresented information is subject to prosecution for fraud  
467.25        under sections 609.52 and 609.821 and perjury under section 609.48.

467.26        Subd. 4. **Factors to be verified.** (a) The agency shall verify the following at  
467.27        application:

- 467.28        (1) identity of adults;
- 467.29        (2) age, if necessary to determine eligibility;
- 467.30        (3) immigration status;
- 467.31        (4) income;
- 467.32        (5) spousal support and child support payments made to persons outside the
- 467.33        household;
- 467.34        (6) vehicles;
- 467.35        (7) checking and savings accounts;

468.1       (8) inconsistent information, if related to eligibility;  
468.2       (9) residence; and  
468.3       (10) Social Security number.  
468.4       (b) Applicants who are qualified noncitizens and victims of domestic violence as  
468.5       defined under section 256J.08, subdivision 73, clause (7), are not required to verify the  
468.6       information in paragraph (a), clause (10). When a Social Security number is not provided  
468.7       to the agency for verification, this requirement is satisfied when each member of the  
468.8       assistance unit cooperates with the procedures for verification of Social Security numbers,  
468.9       issuance of duplicate cards, and issuance of new numbers which have been established  
468.10      jointly between the Social Security Administration and the commissioner.

468.11      Subd. 5. **MFIP-only verifications.** In addition to subdivision 4, the agency shall  
468.12      verify the following for programs under chapter 256J:

468.13      (1) the presence of the minor child in the home, if questionable;  
468.14      (2) the relationship of a minor child to caregivers in the assistance unit;  
468.15      (3) pregnancy, if related to eligibility;  
468.16      (4) school attendance, if related to eligibility;  
468.17      (5) a claim of family violence, if used as a basis to qualify for the family violence  
468.18      waiver under chapter 256J; and  
468.19      (6) disability, if used as the basis for reducing the hourly participation requirements  
468.20      under section 256J.55, subdivision 1, or for the type of activity included in an employment  
468.21      plan under section 256J.521, subdivision 2.

468.22      Subd. 6. **Personal property inconsistent information.** If there is inconsistent  
468.23      information known to the agency when reporting personal property under section 256P.02,  
468.24      an agency must require the applicant or participant to document the information required  
468.25      under section 256P.02 or authorize the county agency to verify the information. The  
468.26      applicant or participant has the burden of providing documentary evidence to verify  
468.27      eligibility. The agency shall assist the applicant or participant in obtaining required  
468.28      documents when the applicant or participant is unable to do so.

468.29      Subd. 7. **Documenting and verifying inconsistent information.** When the  
468.30      agency verifies inconsistent information under subdivision 4, paragraph (a), clause (8);  
468.31      subdivision 6; or subdivision 8, clause (3), the reason for verifying the information must  
468.32      be documented in the financial case record.

468.33      Subd. 8. **Recertification.** The agency shall recertify eligibility in an annual  
468.34      interview with the participant. The interview may be conducted by telephone, by Internet  
468.35      telepresence, or face-to-face in the county office or in another location mutually agreed  
468.36      upon. A participant must be given the option of a telephone interview or Internet

469.1 telepresence to recertify eligibility. During the interview, the agency shall verify the  
469.2 following:

- 469.3 (1) income, unless excluded, including self-employment earnings;
- 469.4 (2) assets when the value is within \$200 of the asset limit; and
- 469.5 (3) inconsistent information, if related to eligibility.

469.6 **Subd. 9. MFIP-only recertification.** In addition to subdivision 8, the agency shall  
469.7 verify the following for programs under chapter 256J:

- 469.8 (1) the presence of the minor child in the home, if questionable; and
- 469.9 (2) whether a single-caregiver household meets the requirements in section

469.10 256J.575, subdivision 3.

469.11 **Subd. 10. Participant's completion of form for recertification of eligibility.** A  
469.12 participant must complete forms prescribed by the commissioner which are required  
469.13 for recertification of eligibility according to subdivisions 8 and 9. An agency must end  
469.14 benefits when the participant fails to submit the recertification form and verifications  
469.15 before the end of the certification period. If the participant submits the recertification  
469.16 form within 30 days of the termination of benefits, benefits must be reinstated and made  
469.17 available retroactively for the full benefit month.

469.18 **Subd. 11. Participant's completion of household report form.** (a) When a  
469.19 participant is required to complete a household report form, the following paragraphs apply.

469.20 (b) If the agency receives an incomplete household report form, the agency must  
469.21 immediately return the incomplete form and clearly state what the participant must do for  
469.22 the form to be complete.

469.23 (c) The automated eligibility system must send a notice of proposed termination of  
469.24 assistance to the participant if a complete household report form is not received by the  
469.25 agency. The automated notice must be mailed to the participant by approximately the 16th  
469.26 of the month. When a participant submits an incomplete form on or after the date a notice  
469.27 of proposed termination has been sent, the termination is valid unless the participant  
469.28 submits a complete form before the end of the month.

469.29 (d) The submission of a household report form is considered to have continued the  
469.30 participant's application for assistance if a complete household report form is received  
469.31 within a calendar month after the month in which the form was due. Assistance shall be  
469.32 paid for the period beginning with the first day of that calendar month.

469.33 (e) An agency must allow good cause exemptions for a participant required to  
469.34 complete a household report form when any of the following factors cause a participant to  
469.35 fail to submit a completed household report form before the end of the month in which  
469.36 the form is due:

470.1       (1) an employer delays completion of employment verification;  
470.2       (2) the agency does not help a participant complete the household report form when  
470.3       the participant asks for help;  
470.4       (3) a participant does not receive a household report form due to a mistake on the  
470.5       part of the department or the agency or a reported change in address;  
470.6       (4) a participant is ill or physically or mentally incapacitated; or  
470.7       (5) some other circumstance occurs that a participant could not avoid with reasonable  
470.8       care which prevents the participant from providing a completed household report form  
470.9       before the end of the month in which the form is due.

470.10      Subd. 12. **Contacting third parties.** An agency must not request information  
470.11       about an applicant or participant that is not of public record from a source other than  
470.12       agencies, the department, or the United States Department of Health and Human Services  
470.13       without the applicant's or participant's prior written consent. An applicant's signature  
470.14       on an application form constitutes consent for contact with the sources specified on the  
470.15       application. An agency may use a single consent form to contact a group of similar  
470.16       sources, such as banks or insurance agencies, but the sources to be contacted must be  
470.17       identified by the agency prior to requesting an applicant's consent.

470.18      Subd. 13. **Notice to undocumented persons; release of private data.** Agencies,  
470.19       in consultation with the commissioner of human services, shall provide notification  
470.20       to undocumented persons regarding the release of personal data to the United States  
470.21       Citizenship and Immigration Services and develop protocols regarding the release or  
470.22       sharing of data about undocumented persons with the United States Citizenship and  
470.23       Immigration Services as required under sections 404, 411A, and 434 of the Personal  
470.24       Responsibility and Work Opportunity Reconciliation Act of 1996.

470.25      Subd. 14. **Requirement to report to United States Citizenship and Immigration  
470.26       Services.** The commissioner shall comply with the reporting requirements under United  
470.27       States Code, title 42, section 611a, and any federal regulation or guidance adopted under  
470.28       that law.

470.29      Subd. 15. **Personal statement.** The agency may accept a signed personal statement  
470.30       from the applicant or participant explaining the reasons that the documentation requested  
470.31       in subdivision 3 is unavailable as sufficient documentation at the time of application,  
470.32       recertification, or change related to eligibility only for the following factors:

470.33       (1) a claim of family violence, if used as a basis to qualify for the family violence  
470.34       waiver;  
470.35       (2) relationship of a minor child to caregivers in the assistance unit;

471.1       (3) citizenship status from a noncitizen who reports to be, or is identified as, a victim  
471.2       of severe forms of trafficking in persons, if the noncitizen reports that the noncitizen's  
471.3       immigration documents are being held by an individual or group of individuals against the  
471.4       noncitizen's will. The noncitizen must follow up with the Office of Refugee Resettlement  
471.5       (ORR) to pursue certification. If verification that certification is being pursued is  
471.6       not received within 30 days, the case must be closed and the agency shall pursue  
471.7       overpayments. The ORR documents certifying the noncitizen's status as a victim of severe  
471.8       forms of trafficking in persons, or the reason for the delay in processing, must be received  
471.9       within 90 days, or the case must be closed and the agency shall pursue overpayments; and

471.10      (4) other documentation unavailable for reasons beyond the control of the applicant  
471.11       or participant. The applicant or participant must have made reasonable attempts to obtain  
471.12       the documents requested under subdivision 3.

471.13      Subd. 16. **Excluded resources.** Payments of funds made according to litigation and  
471.14       subsequent appropriation by the United States Congress to compensate members of Indian  
471.15       tribes for the taking of tribal lands by the federal government are excluded.

471.16      **EFFECTIVE DATE.** This section is effective February 1, 2015.

471.17      Sec. 36. **[256P.05] SELF-EMPLOYMENT EARNINGS.**

471.18      Subdivision 1. **Exempted programs.** Participants who qualify for Minnesota  
471.19       supplemental aid under chapter 256D and for group residential housing under chapter 256I  
471.20       on the basis of eligibility for Supplemental Security Income are exempt from this section.

471.21      Subd. 2. **Self-employment income determinations.** An agency must determine  
471.22       self-employment income, which is either:

471.23       (1) one-half of gross earnings from self-employment; or  
471.24       (2) taxable income as determined from an Internal Revenue Service tax form that  
471.25       has been filed with the Internal Revenue Service within the last year. A 12-month average  
471.26       using net taxable income shall be used to budget monthly income.

471.27      Subd. 3. **Self-employment budgeting.** (a) The self-employment budget period  
471.28       begins in the month of application or in the first month of self-employment. Applicants  
471.29       and participants must choose one of the methods described in subdivision 2 for  
471.30       determining self-employment earned income.

471.31       (b) Applicants and participants who elect to use taxable income as described in  
471.32       subdivision 2, clause (2), to determine self-employment income must continue to use this  
471.33       method until recertification, unless there is an unforeseen significant change in gross  
471.34       income equaling a decline in gross income of the amount equal to or greater than the

earned income disregard as defined in section 256P.03 from the income used to determine the benefit for the current month.

(c) For applicants and participants who elect to use one-half of gross earnings as described in subdivision 2, clause (1), to determine self-employment income, earnings must be counted as income in the month received.

**EFFECTIVE DATE.** This section is effective February 1, 2015.

## Sec. 37. REPEALER.

(a) Minnesota Statutes 2012, sections 256J.08, subdivisions 55a and 82a; and  
256J.24, subdivision 9, are repealed effective January 1, 2015.

(b) Minnesota Statutes 2012, sections 256D.405, subdivisions 1a and 2; 256J.08, subdivision 42; and 256J.32, subdivisions 2, 3, 4, 5a, 6, 7, 7a, and 8, are repealed effective February 1, 2015.

(c) Minnesota Statutes 2012, section 256D.06, subdivision 1b, is repealed effective October 1, 2015.

(d) Minnesota Statutes 2013 Supplement, section 256J.08, subdivision 24, is repealed effective October 1, 2015.

(e) Minnesota Statutes 2012, sections 256D.08, subdivision 2; and 256J.20, are repealed effective January 1, 2016.

## **ARTICLE 22**

## HUMAN SERVICES FORECAST ADJUSTMENTS

## 472.21 Section 1. **HUMAN SERVICES APPROPRIATION.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, are subtracted from the appropriations in Laws 2013, chapter 108, article 14, from the general fund or any fund named to the Department of Human Services for the purposes specified in this article, to be available for the fiscal year indicated for each purpose. The figures "2014" and "2015" used in this article mean that the appropriations listed under them are available for the fiscal years ending June 30, 2014, or June 30, 2015, respectively. "The first year" is fiscal year 2014. "The second year" is fiscal year 2015. "The biennium" is fiscal years 2014 and 2015.

**APPROPRIATIONS**  
**Available for the Year**  
**Ending June 30**  
**2014**                   **2015**

473.1 Sec. 2. **COMMISSIONER OF HUMAN**  
 473.2 **SERVICES**

473.3 Subdivision 1. Total Appropriation \$ (196,927) \$ 64,288

473.4 Appropriations by Fund

473.5 <u>General Fund</u>	<u>(153,497)</u>	<u>(25,282)</u>
473.6 <u>Health Care Access</u>		
473.7 <u>Fund</u>	<u>(36,533)</u>	<u>91,294</u>
473.8 <u>Federal TANF</u>	<u>(6,897)</u>	<u>(1,724)</u>

473.9 Subd. 2. Forecasted Programs

473.10 (a) MFIP/DWP

473.11 Appropriations by Fund

473.12 <u>General Fund</u>	<u>3,571</u>	<u>173</u>
473.13 <u>Federal TANF</u>	<u>(6,475)</u>	<u>(1,298)</u>

473.14 (b) MFIP Child Care Assistance (684) 11,114

473.15 (c) General Assistance (2,569) (1,940)

473.16 (d) Minnesota Supplemental Aid (690) (614)

473.17 (e) Group Residential Housing 250 (1,740)

473.18 (f) MinnesotaCare (34,838) 96,340

473.19 These appropriations are from the health care  
 473.20 access fund.

473.21 (g) Medical Assistance

473.22 Appropriations by Fund

473.23 <u>General Fund</u>	<u>(149,494)</u>	<u>(27,075)</u>
473.24 <u>Health Care Access</u>		
473.25 <u>Fund</u>	<u>(1,695)</u>	<u>(5,046)</u>

473.26 (h) Alternative Care Program (6,936) (13,260)

473.27 (i) CCDTF Entitlements 3,055 8,060

473.28 Subd. 3. Technical Activities (422) (426)

473.29 These appropriations are from the federal  
 473.30 TANF fund.

473.31 Sec. 3. Laws 2013, chapter 108, article 14, section 2, subdivision 1, is amended to read:

474.1		<del>6,438,485,000</del>	<del>6,457,117,000</del>
474.2	<b>Subdivision 1. Total Appropriation</b>	\$ <u>6,437,815,000</u>	\$ <u>6,456,311,000</u>

474.3                   **Appropriations by Fund**

		2014	2015
474.5		<del>5,654,765,000</del>	<del>5,677,458,000</del>
474.6	<b>General</b>	<u>5,654,095,000</u>	<u>5,676,652,000</u>
474.7	<b>State Government</b>		
474.8	Special Revenue	4,099,000	4,510,000
474.9	Health Care Access	519,816,000	518,446,000
474.10	Federal TANF	257,915,000	254,813,000
474.11	Lottery Prize Fund	1,890,000	1,890,000

474.12                  **Receipts for Systems Projects.**

474.13                  Appropriations and federal receipts for  
 474.14                  information systems projects for MAXIS,  
 474.15                  PRISM, MMIS, and SSIS must be deposited  
 474.16                  in the state system account authorized  
 474.17                  in Minnesota Statutes, section 256.014.  
 474.18                  Money appropriated for computer projects  
 474.19                  approved by the commissioner of Minnesota  
 474.20                  information technology services, funded  
 474.21                  by the legislature, and approved by the  
 474.22                  commissioner of management and budget,  
 474.23                  may be transferred from one project to  
 474.24                  another and from development to operations  
 474.25                  as the commissioner of human services  
 474.26                  considers necessary. Any unexpended  
 474.27                  balance in the appropriation for these  
 474.28                  projects does not cancel but is available for  
 474.29                  ongoing development and operations.

474.30                  **Nonfederal Share Transfers.** The  
 474.31                  nonfederal share of activities for which  
 474.32                  federal administrative reimbursement is  
 474.33                  appropriated to the commissioner may be  
 474.34                  transferred to the special revenue fund.

474.35                  **ARRA Supplemental Nutrition Assistance**  
 474.36                  **Benefit Increases.** The funds provided for  
 474.37                  food support benefit increases under the

475.1      Supplemental Nutrition Assistance Program  
475.2      provisions of the American Recovery and  
475.3      Reinvestment Act (ARRA) of 2009 must be  
475.4      used for benefit increases beginning July 1,  
475.5      2009.

475.6      **Supplemental Nutrition Assistance**

475.7      **Program Employment and Training.**

475.8      (1) Notwithstanding Minnesota Statutes,  
475.9      sections 256D.051, subdivisions 1a, 6b,  
475.10     and 6c, and 256J.626, federal Supplemental  
475.11     Nutrition Assistance employment and  
475.12     training funds received as reimbursement of  
475.13     MFIP consolidated fund grant expenditures  
475.14     for diversionary work program participants  
475.15     and child care assistance program  
475.16     expenditures must be deposited in the general  
475.17     fund. The amount of funds must be limited to  
475.18     \$4,900,000 per year in fiscal years 2014 and  
475.19     2015, and to \$4,400,000 per year in fiscal  
475.20     years 2016 and 2017, contingent on approval  
475.21     by the federal Food and Nutrition Service.

475.22     (2) Consistent with the receipt of the federal  
475.23     funds, the commissioner may adjust the  
475.24     level of working family credit expenditures  
475.25     claimed as TANF maintenance of effort.  
475.26     Notwithstanding any contrary provision in  
475.27     this article, this rider expires June 30, 2017.

475.28     **TANF Maintenance of Effort.** (a) In order  
475.29     to meet the basic maintenance of effort  
475.30     (MOE) requirements of the TANF block grant  
475.31     specified under Code of Federal Regulations,  
475.32     title 45, section 263.1, the commissioner may  
475.33     only report nonfederal money expended for  
475.34     allowable activities listed in the following  
475.35     clauses as TANF/MOE expenditures:

476.1 (1) MFIP cash, diversionary work program,  
476.2 and food assistance benefits under Minnesota  
476.3 Statutes, chapter 256J;

476.4 (2) the child care assistance programs  
476.5 under Minnesota Statutes, sections 119B.03  
476.6 and 119B.05, and county child care  
476.7 administrative costs under Minnesota  
476.8 Statutes, section 119B.15;

476.9 (3) state and county MFIP administrative  
476.10 costs under Minnesota Statutes, chapters  
476.11 256J and 256K;

476.12 (4) state, county, and tribal MFIP  
476.13 employment services under Minnesota  
476.14 Statutes, chapters 256J and 256K;

476.15 (5) expenditures made on behalf of legal  
476.16 noncitizen MFIP recipients who qualify for  
476.17 the MinnesotaCare program under Minnesota  
476.18 Statutes, chapter 256L;

476.19 (6) qualifying working family credit  
476.20 expenditures under Minnesota Statutes,  
476.21 section 290.0671;

476.22 (7) qualifying Minnesota education credit  
476.23 expenditures under Minnesota Statutes,  
476.24 section 290.0674; and

476.25 (8) qualifying Head Start expenditures under  
476.26 Minnesota Statutes, section 119A.50.

476.27 (b) The commissioner shall ensure that  
476.28 sufficient qualified nonfederal expenditures  
476.29 are made each year to meet the state's  
476.30 TANF/MOE requirements. For the activities  
476.31 listed in paragraph (a), clauses (2) to  
476.32 (8), the commissioner may only report  
476.33 expenditures that are excluded from the

477.1 definition of assistance under Code of  
477.2 Federal Regulations, title 45, section 260.31.

477.3 (c) For fiscal years beginning with state fiscal  
477.4 year 2003, the commissioner shall ensure  
477.5 that the maintenance of effort used by the  
477.6 commissioner of management and budget  
477.7 for the February and November forecasts  
477.8 required under Minnesota Statutes, section  
477.9 16A.103, contains expenditures under  
477.10 paragraph (a), clause (1), equal to at least 16  
477.11 percent of the total required under Code of  
477.12 Federal Regulations, title 45, section 263.1.

477.13 (d) The requirement in Minnesota Statutes,  
477.14 section 256.011, subdivision 3, that federal  
477.15 grants or aids secured or obtained under that  
477.16 subdivision be used to reduce any direct  
477.17 appropriations provided by law, do not apply  
477.18 if the grants or aids are federal TANF funds.

477.19 (e) For the federal fiscal years beginning on  
477.20 or after October 1, 2007, the commissioner  
477.21 may not claim an amount of TANF/MOE in  
477.22 excess of the 75 percent standard in Code  
477.23 of Federal Regulations, title 45, section  
477.24 263.1(a)(2), except:

477.25 (1) to the extent necessary to meet the 80  
477.26 percent standard under Code of Federal  
477.27 Regulations, title 45, section 263.1(a)(1),  
477.28 if it is determined by the commissioner  
477.29 that the state will not meet the TANF work  
477.30 participation target rate for the current year;

477.31 (2) to provide any additional amounts  
477.32 under Code of Federal Regulations, title 45,  
477.33 section 264.5, that relate to replacement of  
477.34 TANF funds due to the operation of TANF  
477.35 penalties; and

478.1 (3) to provide any additional amounts that  
478.2 may contribute to avoiding or reducing  
478.3 TANF work participation penalties through  
478.4 the operation of the excess MOE provisions  
478.5 of Code of Federal Regulations, title 45,  
478.6 section 261.43 (a)(2).

478.7 For the purposes of clauses (1) to (3),  
478.8 the commissioner may supplement the  
478.9 MOE claim with working family credit  
478.10 expenditures or other qualified expenditures  
478.11 to the extent such expenditures are otherwise  
478.12 available after considering the expenditures  
478.13 allowed in this subdivision and subdivisions  
478.14 2 and 3.

478.15 (f) Notwithstanding any contrary provision  
478.16 in this article, paragraphs (a) to (e) expire  
478.17 June 30, 2017.

478.18 **Working Family Credit Expenditures**  
478.19 **as TANF/MOE.** The commissioner may  
478.20 claim as TANF maintenance of effort up to  
478.21 \$6,707,000 per year of working family credit  
478.22 expenditures in each fiscal year.

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

478.24 Sec. 4. Laws 2013, chapter 108, article 14, section 2, subdivision 4, as amended by  
478.25 Laws 2013, chapter 144, section 24, is amended to read:

478.26 **Subd. 4. Central Office**

478.27 The amounts that may be spent from this  
478.28 appropriation for each purpose are as follows:

478.29 **(a) Operations**

Appropriations by Fund		
478.31 General	101,979,000	96,858,000
478.32 State Government		
478.33 Special Revenue	3,974,000	4,385,000

479.1    Health Care Access        13,177,000        13,004,000  
479.2    Federal TANF              100,000            100,000

479.3    **DHS Receipt Center Accounting.** The  
479.4    commissioner is authorized to transfer  
479.5    appropriations to, and account for DHS  
479.6    receipt center operations in, the special  
479.7    revenue fund.

479.8    **Administrative Recovery; Set-Aside.** The  
479.9    commissioner may invoice local entities  
479.10   through the SWIFT accounting system as an  
479.11   alternative means to recover the actual cost  
479.12   of administering the following provisions:

479.13   (1) Minnesota Statutes, section 125A.744,  
479.14   subdivision 3;

479.15   (2) Minnesota Statutes, section 245.495,  
479.16   paragraph (b);

479.17   (3) Minnesota Statutes, section 256B.0625,  
479.18   subdivision 20, paragraph (k);

479.19   (4) Minnesota Statutes, section 256B.0924,  
479.20   subdivision 6, paragraph (g);

479.21   (5) Minnesota Statutes, section 256B.0945,  
479.22   subdivision 4, paragraph (d); and

479.23   (6) Minnesota Statutes, section 256F.10,  
479.24   subdivision 6, paragraph (b).

479.25   **Systems Modernization.** The following  
479.26   amounts are appropriated for transfer to  
479.27   the state systems account authorized in  
479.28   Minnesota Statutes, section 256.014:

479.29   (1) \$1,825,000 in fiscal year 2014 and  
479.30   \$2,502,000 in fiscal year 2015 is for the  
479.31   state share of Medicaid-allocated costs of  
479.32   the health insurance exchange information  
479.33   technology and operational structure. The

480.1 funding base is \$3,222,000 in fiscal year 2016  
480.2 and \$3,037,000 in fiscal year 2017 but shall  
480.3 not be included in the base thereafter; and  
480.4 (2) \$9,344,000 in fiscal year 2014 and  
480.5 \$3,660,000 in fiscal year 2015 are for the  
480.6 modernization and streamlining of agency  
480.7 eligibility and child support systems. The  
480.8 funding base is \$5,921,000 in fiscal year  
480.9 2016 and \$1,792,000 in fiscal year 2017 but  
480.10 shall not be included in the base thereafter.

480.11 The unexpended balance of the \$9,344,000  
480.12 appropriation in fiscal year 2014 and the  
480.13 \$3,660,000 appropriation in fiscal year 2015  
480.14 must be transferred from the Department of  
480.15 Human Services state systems account to  
480.16 the Office of Enterprise Technology when  
480.17 the Office of Enterprise Technology has  
480.18 negotiated a federally approved internal  
480.19 service fund rates and billing process with  
480.20 sufficient internal accounting controls to  
480.21 properly maximize federal reimbursement  
480.22 to Minnesota for human services system  
480.23 modernization projects, but not later than  
480.24 June 30, 2015.

480.25 If contingent funding is fully or partially  
480.26 disbursed under article 15, section 3, and  
480.27 transferred to the state systems account, the  
480.28 unexpended balance of that appropriation  
480.29 must be transferred to the Office of Enterprise  
480.30 Technology in accordance with this clause.  
480.31 Contingent funding must not exceed  
480.32 \$11,598,000 for the biennium.

480.33 **Base Adjustment.** The general fund base  
480.34 is increased by \$2,868,000 in fiscal year  
480.35 2016 and decreased by \$1,206,000 in fiscal

481.1 year 2017. The health access fund base is  
481.2 decreased by \$551,000 in fiscal years 2016  
481.3 and 2017. The state government special  
481.4 revenue fund base is increased by \$4,000 in  
481.5 fiscal year 2016 and decreased by \$236,000  
481.6 in fiscal year 2017.

## **481.7 (b) Children and Families**

## Appropriations by Fund

481.9	General	8,023,000	8,015,000
481.10	Federal TANF	2,282,000	2,282,000

## **481.11 Financial Institution Data Match and**

**481.12 Payment of Fees.** The commissioner is

481.13 authorized to allocate up to \$310,000 each  
481.14 year in fiscal years 2014 and 2015 from the  
481.15 PRISM special revenue account to make  
481.16 payments to financial institutions in exchange  
481.17 for performing data matches between account  
481.18 information held by financial institutions  
481.19 and the public authority's database of child  
481.20 support obligors as authorized by Minnesota  
481.21 Statutes, section 13B.06, subdivision 7.

481.22   **Base Adjustment.** The general fund base is  
481.23   decreased by \$300,000 in fiscal years 2016  
481.24   and 2017. The TANF fund base is increased  
481.25   by \$300,000 in fiscal years 2016 and 2017.

### 481.26 (c) Health Care

## Appropriations by Fund

481.28	General	14,028,000	13,826,000
481.29	Health Care Access	28,442,000	31,137,000

481.30   **Base Adjustment.** The general fund base  
481.31   is decreased by \$86,000 in fiscal year 2016  
481.32   and by \$86,000 in fiscal year 2017. The  
481.33   health care access fund base is increased  
481.34   by \$6,954,000 in fiscal year 2016 and by  
481.35   \$5,489,000 in fiscal year 2017.

**(d) Continuing Care**

Appropriations by Fund		
General	20,993,000	22,359,000
State Government		
Special Revenue	125,000	125,000

482.6 **Base Adjustment.** The general fund base is  
482.7 increased by \$1,690,000 in fiscal year 2016  
482.8 and by \$798,000 in fiscal year 2017.

**(e) Chemical and Mental Health**

Appropriations by Fund		
	<del>4,639,000</del>	<del>4,490,000</del>
General	<u>4,571,000</u>	<u>4,431,000</u>
Lottery Prize Fund	157,000	157,000

482.14 ~~Of the general fund appropriation, \$68,000~~  
482.15 ~~in fiscal year 2014 and \$59,000 in fiscal year~~  
482.16 ~~2015 are for compulsive gambling treatment~~  
482.17 ~~under Minnesota Statutes, section 297E.02,~~  
482.18 ~~subdivision 3, paragraph (e).~~

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

482.20 Sec. 5. Laws 2013, chapter 108, article 14, section 2, subdivision 6, as amended by  
482.21 Laws 2013, chapter 144, section 25, is amended to read:

**Subd. 6. Grant Programs**

482.23 The amounts that may be spent from this  
482.24 appropriation for each purpose are as follows:

**(a) Support Services Grants**

Appropriations by Fund		
General	8,915,000	13,333,000
Federal TANF	94,611,000	94,611,000

482.29 **Paid Work Experience.** \$2,168,000  
482.30 each year in fiscal years 2015 and 2016  
482.31 is from the general fund for paid work  
482.32 experience for long-term MFIP recipients.  
482.33 Paid work includes full and partial wage

483.1    subsidies and other related services such as  
483.2    job development, marketing, preworksite  
483.3    training, job coaching, and postplacement  
483.4    services. These are onetime appropriations.  
483.5    Unexpended funds for fiscal year 2015 do not  
483.6    cancel, but are available to the commissioner  
483.7    for this purpose in fiscal year 2016.

**483.8    Work Study Funding for MFIP**

483.9    **Participants.** \$250,000 each year in fiscal  
483.10    years 2015 and 2016 is from the general fund  
483.11    to pilot work study jobs for MFIP recipients  
483.12    in approved postsecondary education  
483.13    programs. This is a onetime appropriation.  
483.14    Unexpended funds for fiscal year 2015 do  
483.15    not cancel, but are available for this purpose  
483.16    in fiscal year 2016.

**483.17    Local Strategies to Reduce Disparities.**

483.18    \$2,000,000 each year in fiscal years 2015  
483.19    and 2016 is from the general fund for  
483.20    local projects that focus on services for  
483.21    subgroups within the MFIP caseload  
483.22    who are experiencing poor employment  
483.23    outcomes. These are onetime appropriations.  
483.24    Unexpended funds for fiscal year 2015 do not  
483.25    cancel, but are available to the commissioner  
483.26    for this purpose in fiscal year 2016.

**483.27    Home Visiting Collaborations for MFIP**

483.28    **Teen Parents.** \$200,000 per year in fiscal  
483.29    years 2014 and 2015 is from the general fund  
483.30    and \$200,000 in fiscal year 2016 is from the  
483.31    federal TANF fund for technical assistance  
483.32    and training to support local collaborations  
483.33    that provide home visiting services for  
483.34    MFIP teen parents. The general fund

484.1 appropriation is onetime. The federal TANF  
484.2 fund appropriation is added to the base.

484.3 **Performance Bonus Funds for Counties.**

484.4 The TANF fund base is increased by  
484.5 \$1,500,000 each year in fiscal years 2016  
484.6 and 2017. The commissioner must allocate  
484.7 this amount each year to counties that exceed  
484.8 their expected range of performance on the  
484.9 annualized three-year self-support index  
484.10 as defined in Minnesota Statutes, section  
484.11 256J.751, subdivision 2, clause (6). This is a  
484.12 permanent base adjustment. Notwithstanding  
484.13 any contrary provisions in this article, this  
484.14 provision expires June 30, 2016.

484.15 **Base Adjustment.** The general fund base is  
484.16 decreased by \$200,000 in fiscal year 2016  
484.17 and \$4,618,000 in fiscal year 2017. The  
484.18 TANF fund base is increased by \$1,700,000  
484.19 in fiscal years 2016 and 2017.

484.20 **(b) Basic Sliding Fee Child Care Assistance  
484.21 Grants**

36,836,000 42,318,000

484.22 **Base Adjustment.** The general fund base is  
484.23 increased by \$3,778,000 in fiscal year 2016  
484.24 and by \$3,849,000 in fiscal year 2017.

484.25 **(c) Child Care Development Grants**

1,612,000 1,737,000

484.26 **(d) Child Support Enforcement Grants**

50,000 50,000

484.27 **Federal Child Support Demonstration**

484.28 **Grants.** Federal administrative  
484.29 reimbursement resulting from the federal  
484.30 child support grant expenditures authorized  
484.31 under United States Code, title 42, section  
484.32 1315, is appropriated to the commissioner  
484.33 for this activity.

484.34 **(e) Children's Services Grants**

485.1		Appropriations by Fund	
485.2	General	49,760,000	52,961,000
485.3	Federal TANF	140,000	140,000

## **485.4 Adoption Assistance and Relative Custody**

485.5     **Assistance.** \$37,453,000 in fiscal year 2014  
485.6     and \$37,453,000 in fiscal year 2015 is for  
485.7     the adoption assistance and relative custody  
485.8     assistance programs. The commissioner  
485.9     shall determine with the commissioner of  
485.10    Minnesota Management and Budget the  
485.11    appropriation for Northstar Care for Children  
485.12    effective January 1, 2015. The commissioner  
485.13    may transfer appropriations for adoption  
485.14    assistance, relative custody assistance, and  
485.15    Northstar Care for Children between fiscal  
485.16    years and among programs to adjust for  
485.17    transfers across the programs.

485.18     **Title IV-E Adoption Assistance.** Additional  
485.19     federal reimbursements to the state as a result  
485.20     of the Fostering Connections to Success  
485.21     and Increasing Adoptions Act's expanded  
485.22     eligibility for Title IV-E adoption assistance  
485.23     are appropriated for postadoption services,  
485.24     including a parent-to-parent support network.

485.25     **Privatized Adoption Grants.** Federal  
485.26     reimbursement for privatized adoption grant  
485.27     and foster care recruitment grant expenditures  
485.28     is appropriated to the commissioner for  
485.29     adoption grants and foster care and adoption  
485.30     administrative purposes.

485.31    **Adoption Assistance Incentive Grants.**

485.32    Federal funds available during fiscal years

485.33    2014 and 2015 for adoption incentive grants

485.34    are appropriated for postadoption services,

485.35    including a parent-to-parent support network.

486.1   **Base Adjustment.** The general fund base is  
486.2   increased by \$5,913,000 in fiscal year 2016  
486.3   and by \$10,297,000 in fiscal year 2017.

486.4   **(f) Child and Community Service Grants**                         53,301,000                 53,301,000

486.5   **(g) Child and Economic Support Grants**                         21,047,000                 20,848,000

486.6   **Minnesota Food Assistance Program.**

486.7   Unexpended funds for the Minnesota food  
486.8   assistance program for fiscal year 2014 do  
486.9   not cancel but are available for this purpose  
486.10   in fiscal year 2015.

486.11   **Transitional Housing.** \$250,000 each year  
486.12   is for the transitional housing programs under  
486.13   Minnesota Statutes, section 256E.33.

486.14   **Emergency Services.** \$250,000 each year  
486.15   is for emergency services grants under  
486.16   Minnesota Statutes, section 256E.36.

486.17   **Family Assets for Independence.** \$250,000  
486.18   each year is for the Family Assets for  
486.19   Independence Minnesota program. This  
486.20   appropriation is available in either year of the  
486.21   biennium and may be transferred between  
486.22   fiscal years.

486.23   **Food Shelf Programs.** \$375,000 in fiscal  
486.24   year 2014 and \$375,000 in fiscal year  
486.25   2015 are for food shelf programs under  
486.26   Minnesota Statutes, section 256E.34. If the  
486.27   appropriation for either year is insufficient,  
486.28   the appropriation for the other year is  
486.29   available for it. Notwithstanding Minnesota  
486.30   Statutes, section 256E.34, subdivision 4, no  
486.31   portion of this appropriation may be used  
486.32   by Hunger Solutions for its administrative  
486.33   expenses, including but not limited to rent  
486.34   and salaries.

487.1     **Homeless Youth Act.** \$2,000,000 in fiscal  
487.2       year 2014 and \$2,000,000 in fiscal year 2015  
487.3       is for purposes of Minnesota Statutes, section  
487.4       256K.45.

## **487.5 Safe Harbor Shelter and Housing.**

487.6 \$500,000 in fiscal year 2014 and \$500,000 in  
487.7 fiscal year 2015 is for a safe harbor shelter  
487.8 and housing fund for housing and supportive  
487.9 services for youth who are sexually exploited.

## 487.10 (h) Health Care Grants

## 487.11 Appropriations by Fund

487.12	General	190,000	190,000
487.13	Health Care Access	190,000	190,000

## **487.14 Emergency Medical Assistance Referral**

**487.15 and Assistance Grants.** (a) The

487.16 commissioner of human services shall  
487.17 award grants to nonprofit programs that  
487.18 provide immigration legal services based  
487.19 on indigency to provide legal services for  
487.20 immigration assistance to individuals with  
487.21 emergency medical conditions or complex  
487.22 and chronic health conditions who are not  
487.23 currently eligible for medical assistance  
487.24 or other public health care programs, but  
487.25 who may meet eligibility requirements with  
487.26 immigration assistance.

487.27 (b) The grantees, in collaboration with  
487.28 hospitals and safety net providers, shall  
487.29 provide referral assistance to connect  
487.30 individuals identified in paragraph (a) with  
487.31 alternative resources and services to assist in  
487.32 meeting their health care needs. \$100,000  
487.33 is appropriated in fiscal year 2014 and  
487.34 \$100,000 in fiscal year 2015. This is a  
487.35 onetime appropriation.

488.1    **Base Adjustment.** The general fund is  
488.2    decreased by \$100,000 in fiscal year 2016  
488.3    and \$100,000 in fiscal year 2017.

488.4 (i) Aging and Adult Services Grants 14,827,000 15,010,000

488.5    **Base Adjustment.** The general fund is  
488.6    increased by \$1,150,000 in fiscal year 2016  
488.7    and \$1,151,000 in fiscal year 2017.

## **488.8 Community Service Development**

## **488.9      Grants and Community Services Grants.**

488.10 Community service development grants and  
488.11 community services grants are reduced by  
488.12 \$1,150,000 each year. This is a onetime  
488.13 reduction.

488.14 (j) Deaf and Hard-of-Hearing Grants 1,771,000 1,785,000

488.15 (k) Disabilities Grants 18,605,000 18,823,000

488.16   **Advocating Change Together.** \$310,000 in  
488.17   fiscal year 2014 is for a grant to Advocating  
488.18   Change Together (ACT) to maintain and  
488.19   promote services for persons with intellectual  
488.20   and developmental disabilities throughout  
488.21   the state. This appropriation is onetime. Of  
488.22   this appropriation:

488.23 (1) \$120,000 is for direct costs associated  
488.24 with the delivery and evaluation of  
488.25 peer-to-peer training programs administered  
488.26 throughout the state, focusing on education,  
488.27 employment, housing, transportation, and  
488.28 voting;

488.29 (2) \$100,000 is for delivery of statewide  
488.30 conferences focusing on leadership and  
488.31 skill development within the disability  
488.32 community; and

488.33 (3) \$90,000 is for administrative and general  
488.34 operating costs associated with managing

489.1 or maintaining facilities, program delivery,  
489.2 staff, and technology.

489.3 **Base Adjustment.** The general fund base  
489.4 is increased by \$535,000 in fiscal year 2016  
489.5 and by \$709,000 in fiscal year 2017.

489.6 **(I) Adult Mental Health Grants**

Appropriations by Fund		
	<u>71,199,000</u>	<u>69,530,000</u>
General	<u>70,597,000</u>	<u>68,783,000</u>
Health Care Access	750,000	750,000
Lottery Prize	1,733,000	1,733,000

489.12 **Compulsive Gambling Treatment.** Of the  
489.13 general fund appropriation, \$602,000 in  
489.14 fiscal year 2014 and \$747,000 in fiscal year  
489.15 2015 are for compulsive gambling treatment  
489.16 under Minnesota Statutes, section 297E.02,  
489.17 subdivision 3, paragraph (e).

489.18 **Problem Gambling.** \$225,000 in fiscal year  
489.19 2014 and \$225,000 in fiscal year 2015 is  
489.20 appropriated from the lottery prize fund for a  
489.21 grant to the state affiliate recognized by the  
489.22 National Council on Problem Gambling. The  
489.23 affiliate must provide services to increase  
489.24 public awareness of problem gambling,  
489.25 education and training for individuals and  
489.26 organizations providing effective treatment  
489.27 services to problem gamblers and their  
489.28 families, and research relating to problem  
489.29 gambling.

489.30 **Funding Usage.** Up to 75 percent of a fiscal  
489.31 year's appropriations for adult mental health  
489.32 grants may be used to fund allocations in that  
489.33 portion of the fiscal year ending December  
489.34 31.

490.1   **Base Adjustment.** The general fund base is  
490.2   decreased by ~~\$4,427,000~~ \$4,441,000 in fiscal  
490.3   years 2016 and 2017.

490.4   **Mental Health Pilot Project.** \$230,000  
490.5   each year is for a grant to the Zumbro  
490.6   Valley Mental Health Center. The grant  
490.7   shall be used to implement a pilot project  
490.8   to test an integrated behavioral health care  
490.9   coordination model. The grant recipient must  
490.10   report measurable outcomes and savings  
490.11   to the commissioner of human services  
490.12   by January 15, 2016. This is a onetime  
490.13   appropriation.

490.14   **High-risk adults.** \$200,000 in fiscal  
490.15   year 2014 is for a grant to the nonprofit  
490.16   organization selected to administer the  
490.17   demonstration project for high-risk adults  
490.18   under Laws 2007, chapter 54, article 1,  
490.19   section 19, in order to complete the project.  
490.20   This is a onetime appropriation.

490.21   **(m) Child Mental Health Grants**                         18,246,000                         20,636,000

490.22   **Text Message Suicide Prevention**

490.23   **Program.** \$625,000 in fiscal year 2014 and  
490.24   \$625,000 in fiscal year 2015 is for a grant  
490.25   to a nonprofit organization to establish and  
490.26   implement a statewide text message suicide  
490.27   prevention program. The program shall  
490.28   implement a suicide prevention counseling  
490.29   text line designed to use text messaging to  
490.30   connect with crisis counselors and to obtain  
490.31   emergency information and referrals to  
490.32   local resources in the local community. The  
490.33   program shall include training within schools  
490.34   and communities to encourage the use of the  
490.35   program.

491.1   **Mental Health First Aid Training.** \$22,000  
491.2   in fiscal year 2014 and \$23,000 in fiscal  
491.3   year 2015 is to train teachers, social service  
491.4   personnel, law enforcement, and others who  
491.5   come into contact with children with mental  
491.6   illnesses, in children and adolescents mental  
491.7   health first aid training.

491.8   **Funding Usage.** Up to 75 percent of a fiscal  
491.9   year's appropriation for child mental health  
491.10   grants may be used to fund allocations in that  
491.11   portion of the fiscal year ending December  
491.12   31.

491.13 <b>(n) CD Treatment Support Grants</b>	1,816,000	1,816,000
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491.14   **SBIRT Training.** (1) \$300,000 each year is  
491.15   for grants to train primary care clinicians to  
491.16   provide substance abuse brief intervention  
491.17   and referral to treatment (SBIRT). This is a  
491.18   onetime appropriation. The commissioner of  
491.19   human services shall apply to SAMHSA for  
491.20   an SBIRT professional training grant.

491.21   (2) If the commissioner of human services  
491.22   receives a grant under clause (1) funds  
491.23   appropriated under this clause, equal to  
491.24   the grant amount, up to the available  
491.25   appropriation, shall be transferred to the  
491.26   Minnesota Organization on Fetal Alcohol  
491.27   Syndrome (MOFAS). MOFAS must use  
491.28   the funds for grants. Grant recipients must  
491.29   be selected from communities that are  
491.30   not currently served by federal Substance  
491.31   Abuse Prevention and Treatment Block  
491.32   Grant funds. Grant money must be used to  
491.33   reduce the rates of fetal alcohol syndrome  
491.34   and fetal alcohol effects, and the number of  
491.35   drug-exposed infants. Grant money may be

492.1 used for prevention and intervention services  
492.2 and programs, including, but not limited to,  
492.3 community grants, professional education,  
492.4 public awareness, and diagnosis.

492.5 **Fetal Alcohol Syndrome Grant.** \$180,000  
492.6 each year from the general fund is for a  
492.7 grant to the Minnesota Organization on Fetal  
492.8 Alcohol Syndrome (MOFAS) to support  
492.9 nonprofit Fetal Alcohol Spectrum Disorders  
492.10 (FASD) outreach prevention programs  
492.11 in Olmsted County. This is a onetime  
492.12 appropriation.

492.13 **Base Adjustment.** The general fund base is  
492.14 decreased by \$480,000 in fiscal year 2016  
492.15 and \$480,000 in fiscal year 2017.

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

492.17       Sec. 6. **EFFECTIVE DATE.**

492.18       Sections 1 and 2 are effective the day following final enactment.