

A bill for an act

relating to the financing, organization, and operation of state government; providing for programs in education, higher education, environment and natural resources, energy, agriculture, veterans affairs, military affairs, jobs and economic development activities or programs, transportation, public safety, courts, human rights, judiciary, housing, public health, health department, and human services; modifying certain statutory provisions and laws; providing for certain programs for economic and state affairs; regulating certain activities and practices; fixing and limiting fees; providing for the taxation of certain corporations; authorizing rulemaking, requiring studies and reports; providing civil penalties; making technical corrections; providing for fund transfers; appropriating money or reducing appropriations; amending Minnesota Statutes 2006, sections 3.30, subdivision 1; 3.855, subdivision 3; 3.971, subdivision 2; 10A.071, subdivision 3; 13.32, subdivision 3, by adding a subdivision; 13.461, by adding a subdivision; 13.465, subdivision 8; 13.851, by adding a subdivision; 15A.081, subdivision 8; 15A.0815; 16A.133, subdivision 1; 16B.281, subdivision 3; 16B.282; 16B.283; 16B.284; 16B.287, subdivision 2; 16C.16, subdivision 5; 16E.01, subdivision 3; 16E.03, subdivision 1; 16E.04, subdivision 2; 17.4988, subdivisions 2, 3; 43A.01, subdivision 3; 43A.17, subdivision 9; 84.788, subdivision 3; 84.82, subdivision 2, by adding a subdivision; 84.922, subdivision 2; 84.9256, subdivision 1; 85.011; 85.012, subdivisions 28, 49a; 85.013, subdivision 1; 85.054, subdivision 3, by adding a subdivision; 86B.401, subdivision 2; 88.15, subdivision 2; 89.715; 93.481, by adding a subdivision; 97A.055, subdivision 4b; 97A.141, subdivision 1; 103A.204; 103A.43; 103B.151, subdivision 1; 103G.291, by adding a subdivision; 103G.615, subdivision 2; 116J.423, by adding a subdivision; 116J.8731, subdivision 4; 116L.17, by adding a subdivision; 116U.26; 119A.03, subdivision 1; 120B.131, subdivision 2; 120B.31, as amended; 120B.35, as amended; 120B.36, as amended; 120B.362; 122A.21; 123B.02, subdivision 21; 123B.59, subdivision 1; 123B.62; 124D.04, subdivisions 3, 6, 8, 9; 124D.05, by adding a subdivision; 124D.10, subdivision 20; 124D.385, subdivision 4; 124D.55; 125A.65, by adding a subdivision; 125A.76, by adding a subdivision; 126C.10, subdivision 31, by adding a subdivision; 126C.17, subdivision 9; 126C.21, subdivision 1; 126C.51; 126C.52, subdivision 2, by adding a subdivision; 126C.53; 126C.55; 127A.45, subdivision 16; 136A.101, subdivision 8; 136A.121, subdivision 5; 136F.90, subdivision 1; 141.25, by adding a subdivision; 144.1222, subdivision 1a, by adding subdivisions; 144.1501, subdivision 2; 144.218, subdivision 1; 144.225, subdivision 2; 144.2252; 144.226, subdivision 1; 157.16, as amended; 168.1255, by adding a subdivision; 171.29, subdivision 1; 190.19,

subdivision 1, by adding a subdivision; 192.501, by adding subdivisions; 197.585, subdivision 5; 216C.41, subdivision 4; 253B.045, subdivisions 1, 2, by adding a subdivision; 253B.185, subdivision 5; 256.01, by adding a subdivision; 256.741, subdivisions 2, 2a, 3; 256.969, subdivisions 2b, 20; 256B.0571, subdivisions 8, 9; 256B.0621, subdivisions 2, 6, 10; 256B.0917, subdivision 8; 256B.0924, subdivisions 4, 6; 256B.19, subdivision 1d; 256B.431, subdivision 23; 256B.69, subdivisions 5a, 6, by adding subdivisions; 256B.692, subdivision 2, by adding a subdivision; 256D.44, subdivisions 2, 5; 256L.12, subdivision 9; 259.89, subdivision 1; 260C.317, subdivision 4; 268.125, subdivisions 1, 2, by adding a subdivision; 290.01, subdivisions 5, 19c, as amended, 19d, as amended, by adding a subdivision; 290.17, subdivision 4; 298.2214, subdivisions 1, 2, as amended; 298.223, subdivision 2; 298.28, subdivisions 9b, 9d, as added; 298.292, subdivision 2, as amended; 298.2961, subdivision 2; 341.21, as amended; 341.23; 341.26; 341.28, as amended; 341.29; 341.30; 341.32, as amended; 341.33; 341.34, subdivision 1; 341.35; 341.37; 349A.02, subdivision 1; 446A.12, subdivision 1; 462A.22, subdivision 1; 473.1565, subdivision 3; 518A.50; 518A.53, subdivision 5; 609.531, subdivision 1; Minnesota Statutes 2007 Supplement, sections 3.922, by adding a subdivision; 10A.01, subdivision 35; 16B.328, by adding a subdivision; 80A.28, subdivision 1; 84.8205, subdivision 1; 103G.291, subdivision 3; 116J.575, subdivision 1a; 116L.17, subdivision 1; 120B.021, subdivision 1; 120B.024; 120B.30; 123B.143, subdivision 1; 124D.531, subdivision 1; 126C.21, subdivision 3; 126C.44; 136A.121, subdivision 7a; 136A.126; 136A.127; 136A.128, by adding a subdivision; 136A.65, subdivisions 1, 3, 5, 6, 7; 136A.66; 136A.67; 136A.69; 136F.02, subdivision 1; 136F.03, subdivision 4; 141.25, subdivision 5; 141.28, subdivision 1; 141.35; 190.19, subdivision 2; 214.04, subdivision 3; 216C.052, subdivision 2; 216C.41, subdivision 3; 253B.185, subdivision 1b; 256.741, subdivision 1; 256B.0625, subdivision 20; 256B.0631, subdivisions 1, 3; 256B.199; 256B.434, subdivision 19; 256J.621; 268.047, subdivisions 1, 2; 268.085, subdivisions 3, 9, 16; 268.125, subdivision 3; 298.227; 341.22; 341.25; 341.27; 341.321; 446A.072, subdivisions 3, 5a; 446A.086; Laws 1999, chapter 223, article 2, section 72; Laws 2006, chapter 282, article 2, section 27, subdivision 4; Laws 2007, chapter 45, article 2, section 1; Laws 2007, chapter 54, article 1, section 11; Laws 2007, chapter 57, article 1, section 4, subdivisions 3, 4, 6; Laws 2007, chapter 135, article 1, section 3, subdivisions 2, 3; Laws 2007, chapter 144, article 1, sections 3, subdivisions 2, 18; 5, subdivisions 2, 5; Laws 2007, chapter 146, article 1, section 24, subdivisions 2, 3, 4, 5, 6, 7, 8; article 2, section 46, subdivisions 2, 3, 4, 6, 9, 13; article 3, sections 23, subdivision 2; 24, subdivisions 3, 4, 9; article 4, section 16, subdivisions 2, 3, 6, 8; article 5, section 13, subdivisions 2, 3, 4, 5; article 7, section 4; article 9, section 17, subdivisions 2, 3, 4, 8, 9, 13; Laws 2007, chapter 147, article 2, section 21; article 19, section 3, subdivisions 1, 4; Laws 2007, chapter 148, article 1, sections 7; 12, subdivision 4; Laws 2007, First Special Session chapter 2, article 1, section 11, subdivisions 1, 2, 6; Laws 2008, chapter 152, article 1, section 6, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 5; 13B; 16A; 43A; 115A; 116J; 120B; 121A; 124D; 127A; 136F; 144; 192; 256B; 268; 325F; 341; 446A; repealing Minnesota Statutes 2006, sections 16B.281, subdivisions 2, 4, 5; 16B.285; 84.961, subdivision 4; 85.013, subdivision 21b; 97A.141, subdivision 2; 121A.67; 125A.16; 125A.19; 125A.20; 125A.57; 168.123, subdivision 2a; 256.741, subdivision 15; 256J.24, subdivision 6; 259.83, subdivision 3; 259.89, subdivisions 2, 3, 4, 5; 290.01, subdivision 6b; 298.28, subdivision 9a; 341.31; 645.44, subdivision 19; Minnesota Statutes 2007 Supplement, section 256.969, subdivision 27; Laws 1989, chapter 335, article 1, section 21, subdivision 8, as amended; Laws 2004, chapter 188, section 2; Laws 2006, chapter 263, article 3, section 16; Laws 2007, First Special Session chapter 2, article 1, section 11, subdivisions 3, 4.

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

ARTICLE 1

K-12 EDUCATION

Section 1. Minnesota Statutes 2007 Supplement, section 120B.021, subdivision 1, is amended to read:

Subdivision 1. **Required academic standards.** (a) The following subject areas are required for statewide accountability:

(1) language arts;

(2) mathematics;

(3) science;

(4) social studies, including history, geography, economics, and government and citizenship;

(5) physical education;

(6) health and physical education, for which locally developed academic standards apply; and

~~(6)~~ (7) the arts, for which statewide or locally developed academic standards apply, as determined by the school district. Public elementary and middle schools must offer at least three and require at least two of the following four arts areas: dance; music; theater; and visual arts. Public high schools must offer at least three and require at least one of the following five arts areas: media arts; dance; music; theater; and visual arts.

(b) To satisfy the one-half credit physical education requirement under section 120B.024, paragraph (a), clause (5), the state physical education standard under paragraph (a) must be consistent with either the six physical education standards developed by the department's quality teaching network or the six National Physical Education Standards developed by the National Association for Sport and Physical Education. Minnesota Statutes, chapter 14, and section 14.386, specifically, do not apply. To satisfy federal reporting requirements for continued funding under Title VII of the Physical Education for Progress Act, a school district must notify the department, if applicable, of its intent to comply with the National Physical Education Standards. School districts and charter schools also must use either the department's physical education standards or the national physical education standards under this paragraph to comply with paragraph (a), clause (5), in providing physical education instruction and programs to students in kindergarten through grade 8.

(c) The commissioner must submit proposed standards in science and social studies to the legislature by February 1, 2004.

(d) For purposes of applicable federal law, the academic standards for language arts, mathematics, and science apply to all public school students, except the very few students with extreme cognitive or physical impairments for whom an individualized education plan team has determined that the required academic standards are inappropriate.

An individualized education plan team that makes this determination must establish alternative standards.

(e) A school district, no later than the 2007-2008 school year, must adopt graduation requirements that meet or exceed state graduation requirements established in law or rule. A school district that incorporates these state graduation requirements before the 2007-2008 school year must provide students who enter the 9th grade in or before the 2003-2004 school year the opportunity to earn a diploma based on existing locally established graduation requirements in effect when the students entered the 9th grade. District efforts to develop, implement, or improve instruction or curriculum as a result of the provisions of this section must be consistent with sections 120B.10, 120B.11, and 120B.20.

(f) The commissioner must include the contributions of Minnesota American Indian tribes and communities as they relate to the academic standards during the review and revision of the required academic standards.

EFFECTIVE DATE. This section is effective the day following final enactment except that paragraph (a), clause (5), applies to students entering the ninth grade in the 2009-2010 school year and later.

Sec. 2. Minnesota Statutes 2007 Supplement, section 120B.024, is amended to read:

120B.024 GRADUATION REQUIREMENTS; COURSE CREDITS.

(a) Students beginning 9th grade in the 2004-2005 school year and later must successfully complete the following high school level course credits for graduation:

(1) four credits of language arts;

(2) three credits of mathematics, encompassing at least algebra, geometry, statistics, and probability sufficient to satisfy the academic standard;

(3) three credits of science, including at least one credit in biology;

(4) three and one-half credits of social studies, encompassing at least United States history, geography, government and citizenship, world history, and economics or three credits of social studies encompassing at least United States history, geography, government and citizenship, and world history, and one-half credit of economics taught in a school's social studies, agriculture education, or business department;

- (5) one credit in the arts; ~~and~~
(6) one-half credit of physical education; and
(7) a minimum of seven 6-1/2 elective course credits.

A course credit is equivalent to a student successfully completing an academic year of study or a student mastering the applicable subject matter, as determined by the local school district.

(b) An agriculture science course may fulfill a science credit requirement in addition to the specified science credits in biology and chemistry or physics under paragraph (a), clause (3).

(c) A career and technical education course may fulfill a science, mathematics, or arts credit requirement in addition to the specified science, mathematics, or arts credits under paragraph (a), clause (2), (3), or (5).

EFFECTIVE DATE. This section is effective the day following final enactment and applies to students entering ninth grade in the 2009-2010 school year and later.

Sec. 3. Minnesota Statutes 2006, section 120B.131, subdivision 2, is amended to read:

Subd. 2. **Reimbursement for examination fees.** The state may reimburse college-level examination program (CLEP) fees for a Minnesota public or nonpublic high school student who has successfully completed one or more college-level courses in high school in the subject matter of each examination in the following subjects: composition and literature, mathematics and science, social sciences and history, foreign languages, and business and humanities. ~~The state may reimburse each student for up to six examination fees.~~ The commissioner shall establish application procedures and a process and schedule for fee reimbursements. The commissioner must give priority to reimburse the CLEP examination fees of students of low-income families.

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

Sec. 4. **[120B.299] DEFINITIONS.**

Subdivision 1. **Definitions.** The definitions in this section apply to this chapter.

Subd. 2. **Growth.** "Growth" compares the difference between a student's achievement score at two distinct points in time.

Subd. 3. **Value-added.** "Value-added" is the amount of achievement a student demonstrates above an established baseline.

6.1 Subd. 4. **Growth-based value-added.** "Growth-based value-added" is a
6.2 value-added system of assessments that measures the difference between an established
6.3 baseline of growth and a student's growth over time.

6.4 Subd. 5. **Adequate yearly progress.** "Adequate yearly progress" compares the
6.5 average achievement of two different groups of students at two different points in time.

6.6 Subd. 6. **State growth norm.** "State growth norm" is an established statewide
6.7 percentile or standard applicable to all students in a particular grade benchmarked to an
6.8 established school year. Beginning in the 2008-2009 school year, the state growth norm
6.9 is benchmarked to 2006-2007 school year data until the commissioner next changes the
6.10 vertically linked scale score. Each time the commissioner changes the vertically linked
6.11 scale score, a recognized Minnesota assessment group composed of assessment and
6.12 evaluation directors and staff and researchers, in collaboration with the Independent Office
6.13 of Educational Accountability under section 120B.31, subdivision 3, must recommend
6.14 a new state growth norm that the commissioner must consider when revising standards
6.15 under section 120B.023, subdivision 2. For each newly established state growth norm, the
6.16 commissioner also must establish criteria for identifying schools and school districts that
6.17 demonstrate accelerated growth in order to advance educators' professional development
6.18 and to replicate programs that succeed in meeting students' diverse learning needs.

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

6.20 Sec. 5. Minnesota Statutes 2007 Supplement, section 120B.30, is amended to read:

6.21 **120B.30 STATEWIDE TESTING AND REPORTING SYSTEM.**

6.22 Subdivision 1. **Statewide testing.** (a) The commissioner, with advice from experts
6.23 with appropriate technical qualifications and experience and stakeholders, consistent with
6.24 subdivision 1a, shall include in the comprehensive assessment system, for each grade
6.25 level to be tested, state-constructed tests developed from and aligned with the state's
6.26 required academic standards under section 120B.021 and administered annually to all
6.27 students in grades 3 through 8 and at the high school level. A state-developed test in a
6.28 subject other than writing, ~~developed after the 2002-2003 school year,~~ must include both
6.29 machine-scoreable and constructed response questions. The commissioner shall establish
6.30 one or more months during which schools shall administer the tests to students each
6.31 school year. For students enrolled in grade 8 before the 2005-2006 school year, only
6.32 Minnesota basic skills tests in reading, mathematics, and writing shall fulfill students'
6.33 basic skills testing requirements for a passing state notation. The passing scores of basic
6.34 skills tests in reading and mathematics are the equivalent of 75 percent correct for students

7.1 entering grade 9 ~~in 1997 and thereafter, as based on the first uniform test administration of~~
7.2 administered in February 1998.

7.3 (b) For students enrolled in grade 8 in the 2005-2006 school year and later, only the
7.4 following options shall fulfill students' state graduation test requirements:

7.5 (1) for reading and mathematics:

7.6 (i) obtaining an achievement level equivalent to or greater than proficient as
7.7 determined through a standard setting process on the Minnesota comprehensive
7.8 assessments in grade 10 for reading and grade 11 for mathematics or achieving a passing
7.9 score as determined through a standard setting process on the graduation-required
7.10 assessment for diploma in grade 10 for reading and grade 11 for mathematics or
7.11 subsequent retests;

7.12 (ii) achieving a passing score as determined through a standard setting process on the
7.13 state-identified language proficiency test in reading and the mathematics test for English
7.14 language learners or the graduation-required assessment for diploma equivalent of those
7.15 assessments for students designated as English language learners;

7.16 (iii) achieving an individual passing score on the graduation-required assessment
7.17 for diploma as determined by appropriate state guidelines for students with an individual
7.18 education plan or 504 plan;

7.19 (iv) obtaining achievement level equivalent to or greater than proficient as
7.20 determined through a standard setting process on the state-identified alternate assessment
7.21 or assessments in grade 10 for reading and grade 11 for mathematics for students with
7.22 an individual education plan; or

7.23 (v) achieving an individual passing score on the state-identified alternate assessment
7.24 or assessments as determined by appropriate state guidelines for students with an
7.25 individual education plan; and

7.26 (2) for writing:

7.27 (i) achieving a passing score on the graduation-required assessment for diploma;

7.28 (ii) achieving a passing score as determined through a standard setting process on
7.29 the state-identified language proficiency test in writing for students designated as English
7.30 language learners;

7.31 (iii) achieving an individual passing score on the graduation-required assessment
7.32 for diploma as determined by appropriate state guidelines for students with an individual
7.33 education plan or 504 plan; or

7.34 (iv) achieving an individual passing score on the state-identified alternate assessment
7.35 or assessments as determined by appropriate state guidelines for students with an
7.36 individual education plan.

(c) The 3rd through 8th grade and high school level test results shall be available to districts for diagnostic purposes affecting student learning and district instruction and curriculum, and for establishing educational accountability. The commissioner must disseminate to the public the test results upon receiving those results.

(d) State tests must be constructed and aligned with state academic standards. The commissioner shall determine the testing process and the order of administration ~~shall be determined by the commissioner~~. The statewide results shall be aggregated at the site and district level, consistent with subdivision 1a.

(e) In addition to the testing and reporting requirements under this section, the commissioner shall include the following components in the statewide public reporting system:

(1) uniform statewide testing of all students in grades 3 through 8 and at the high school level that provides appropriate, technically sound accommodations, alternate assessments, or exemptions consistent with applicable federal law, only with parent or guardian approval, for those very few students for whom the student's individual education plan team under sections 125A.05 and 125A.06 determines that the general statewide test is inappropriate for a student, or for a limited English proficiency student under section 124D.59, subdivision 2;

(2) educational indicators that can be aggregated and compared across school districts and across time on a statewide basis, including average daily attendance, high school graduation rates, and high school drop-out rates by age and grade level;

(3) state results on the American College Test; and

(4) state results from participation in the National Assessment of Educational Progress so that the state can benchmark its performance against the nation and other states, and, where possible, against other countries, and contribute to the national effort to monitor achievement.

Subd. 1a. **Statewide and local assessments; results.** (a) The commissioner must develop reading, mathematics, and science assessments aligned with state academic standards that districts and sites must use to monitor student growth toward achieving those standards. The commissioner must not develop statewide assessments for academic standards in social studies, health and physical education, and the arts. The commissioner must require:

(1) annual reading and mathematics assessments in grades 3 through 8 and at the high school level for the 2005-2006 school year and later; and

(2) annual science assessments in one grade in the grades 3 through 5 span, the grades 6 through ~~9~~ 8 span, and a life sciences assessment in the grades ~~10~~ 9 through 12 span for the 2007-2008 school year and later.

(b) The commissioner must ensure that all statewide tests administered to elementary and secondary students measure students' academic knowledge and skills and not students' values, attitudes, and beliefs.

(c) Reporting of assessment results must:

(1) provide timely, useful, and understandable information on the performance of individual students, schools, school districts, and the state;

(2) include, by no later than the 2008-2009 school year, a growth-based value-added ~~component that is in addition to a measure for student achievement growth over time~~ indicator of student achievement under section 120B.35, subdivision 3, paragraph (b); and

(3)(i) for students enrolled in grade 8 before the 2005-2006 school year, determine whether students have met the state's basic skills requirements; and

(ii) for students enrolled in grade 8 in the 2005-2006 school year and later, determine whether students have met the state's academic standards.

(d) Consistent with applicable federal law and subdivision 1, paragraph (d), clause (1), the commissioner must include appropriate, technically sound accommodations or alternative assessments for the very few students with disabilities for whom statewide assessments are inappropriate and for students with limited English proficiency.

(e) A school, school district, and charter school must administer statewide assessments under this section, as the assessments become available, to evaluate student ~~progress in achieving the~~ proficiency in the context of the state's grade level academic standards. If a state assessment is not available, a school, school district, and charter school must determine locally if a student has met the required academic standards. A school, school district, or charter school may use a student's performance on a statewide assessment as one of multiple criteria to determine grade promotion or retention. A school, school district, or charter school may use a high school student's performance on a statewide assessment as a percentage of the student's final grade in a course, or place a student's assessment score on the student's transcript.

Subd. 2. Department of Education assistance. The Department of Education shall contract for professional and technical services according to competitive bidding procedures under chapter 16C for purposes of this section.

Subd. 3. Reporting. The commissioner shall report test data publicly and to stakeholders, including the performance achievement levels developed from students' unweighted test scores in each tested subject and a listing of demographic factors that

strongly correlate with student performance. The commissioner shall also report data that compares performance results among school sites, school districts, Minnesota and other states, and Minnesota and other nations. The commissioner shall disseminate to schools and school districts a more comprehensive report containing testing information that meets local needs for evaluating instruction and curriculum.

Subd. 4. **Access to tests.** The commissioner must adopt and publish a policy to provide public and parental access for review of basic skills tests, Minnesota Comprehensive Assessments, or any other such statewide test and assessment. Upon receiving a written request, the commissioner must make available to parents or guardians a copy of their student's actual responses to the test questions ~~to be reviewed by the parent~~ for their review.

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

Sec. 6. Minnesota Statutes 2006, section 120B.31, as amended by Laws 2007, chapter 146, article 2, section 10, is amended to read:

120B.31 SYSTEM ACCOUNTABILITY AND STATISTICAL ADJUSTMENTS.

Subdivision 1. **Educational accountability and public reporting.** Consistent with the ~~process~~ direction to adopt ~~a results-oriented graduation rule~~ statewide academic standards under section 120B.02, the department, in consultation with education and other system stakeholders, must ~~establish~~ maintain a coordinated and comprehensive system of educational accountability and public reporting that promotes ~~higher~~ greater academic achievement, preparation for higher academic education, preparation for the world of work, citizenship as outlined under sections 120B.021, subdivision 1, clause (4), and 120B.024, paragraph (a), clause (4), and the arts.

Subd. 2. **Statewide testing.** Each school year, all school districts shall give a uniform statewide test to students at specified grades to provide information on the status, needs and performance of Minnesota students.

Subd. 3. **Educational accountability.** (a) The Independent Office of Educational Accountability, as authorized by Laws 1997, First Special Session chapter 4, article 5, section 28, subdivision 2, is established, and shall be funded through the Board of Regents of the University of Minnesota. The office shall advise the education committees of the legislature and the commissioner of education, at least on a biennial basis, on the degree to which the statewide educational accountability and reporting system includes a comprehensive assessment framework that measures school accountability for students

11.1 achieving the goals described in the state's ~~results-oriented~~ high school graduation
11.2 rule. The office shall determine and annually report to the legislature whether and how
11.3 effectively:

11.4 (1) the statewide system of educational accountability ~~utilizes~~ uses multiple
11.5 indicators to provide valid and reliable comparative and contextual data on students,
11.6 schools, districts, and the state, and if not, recommend ways to improve the accountability
11.7 reporting system;

11.8 (2) the commissioner makes statistical adjustments when reporting student data over
11.9 time, consistent with clause (4);

11.10 (3) the commissioner uses ~~indicators of student achievement growth~~ a growth-based
11.11 value-added indicator of student achievement over time ~~and a value-added assessment~~
11.12 ~~model~~ that estimates the effects of the school and school district on student achievement to
11.13 measure school performance, consistent with section ~~120B.36, subdivision 1~~ 120B.35,
11.14 subdivision 3, paragraph (b);

11.15 (4) the commissioner makes data available on students who do not pass one or more
11.16 of the state's required GRAD tests and do not receive a diploma as a consequence, and
11.17 categorizes these data according to gender, race, eligibility for free or reduced lunch, and
11.18 English language proficiency; and

11.19 (5) the commissioner fulfills the requirements under section 127A.095, subdivision 2.

11.20 (b) When the office reviews the statewide educational accountability and reporting
11.21 system, it shall also consider:

11.22 (1) the objectivity and neutrality of the state's educational accountability system; and

11.23 (2) the impact of a testing program on school curriculum and student learning.

11.24 Subd. 4. **Statistical adjustments; student performance data.** In ~~developing~~
11.25 managing policies and assessment processes to hold schools and districts accountable
11.26 for high levels of academic standards under section 120B.021, the commissioner shall
11.27 aggregate student data over time to report student performance and growth levels
11.28 measured at the school, school district, ~~regional, or~~ and statewide level. When collecting
11.29 and reporting the performance data, the commissioner shall: (1) acknowledge the impact
11.30 of significant demographic factors such as residential instability, the number of single
11.31 parent families, parents' level of education, and parents' income level on school outcomes;
11.32 and (2) organize and report the data so that state and local policy makers can understand
11.33 the educational implications of changes in districts' demographic profiles over time. Any
11.34 report the commissioner disseminates containing summary data on student performance
11.35 must integrate student performance and the demographic factors that strongly correlate
11.36 with that performance.

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

12.2 Sec. 7. Minnesota Statutes 2006, section 120B.35, as amended by Laws 2007, chapter
12.3 147, article 8, section 38, is amended to read:

12.4 **120B.35 STUDENT ACADEMIC ACHIEVEMENT AND PROGRESS**
12.5 **GROWTH.**

12.6 Subdivision 1. ~~Adequate yearly progress of schools and students~~ School and
12.7 student indicators of growth and achievement. The commissioner must ~~develop~~
12.8 ~~and implement~~ maintain a system for measuring and reporting academic achievement
12.9 and individual student ~~progress~~ growth, consistent with the statewide educational
12.10 accountability and reporting system. The system components ~~of the system~~ must measure
12.11 the adequate yearly progress of schools and the growth of individual students: students'
12.12 current achievement in schools under subdivision 2; and individual students' educational
12.13 ~~progress~~ growth over time under subdivision 3. The system also must include statewide
12.14 measures of student academic ~~achievement~~ growth that identify schools with high levels
12.15 of ~~achievement~~ growth, and also schools with low levels of ~~achievement~~ growth that need
12.16 improvement. When determining a school's effect, the data must include both statewide
12.17 measures of student achievement and, ~~to the extent annual tests are administered,~~
12.18 indicators of achievement growth that take into account a student's prior achievement.
12.19 Indicators of achievement and prior achievement must be based on highly reliable
12.20 statewide or districtwide assessments. Indicators that take into account a student's prior
12.21 achievement must not be used to disregard a school's low achievement or to exclude
12.22 a school from a program to improve low achievement levels. ~~The commissioner by~~
12.23 ~~January 15, 2002, must submit a plan for integrating these components to the chairs of~~
12.24 ~~the legislative committees having policy and budgetary responsibilities for elementary~~
12.25 ~~and secondary education.~~

12.26 Subd. 2. **Expectations for federally mandated student academic achievement.**

12.27 (a) Each school year, a school district must determine if the student achievement levels
12.28 at each school site meet ~~state and local~~ federally mandated expectations. If student
12.29 achievement levels at a school site do not meet ~~state and local~~ federally mandated
12.30 expectations and the site has not made adequate yearly progress for two consecutive
12.31 school years, beginning with the 2001-2002 school year, the district must work with the
12.32 school site to adopt a plan to raise student achievement levels to meet ~~state and local~~
12.33 federally mandated expectations. The commissioner of education shall establish student
12.34 academic achievement levels to comply with this paragraph.

(b) School sites identified as not meeting federally mandated expectations must develop continuous improvement plans in order to meet ~~state and local~~ federally mandated expectations for student academic achievement. The department, at a district's request, must assist the district and the school site in developing a plan to improve student achievement. The plan must include parental involvement components.

(c) The commissioner must:

(1) ~~provide assistance to~~ assist school sites and districts identified as not meeting federally mandated expectations; and

(2) provide technical assistance to schools that integrate student ~~progress~~ measures ~~under subdivision 3~~ in the school continuous improvement plan.

(d) The commissioner shall establish and maintain a continuous improvement Web site designed to make data on every school and district available to parents, teachers, administrators, community members, and the general public.

Subd. 3. **Student ~~progress assessment~~ growth; other state measures.** (a) The state's educational assessment system ~~component~~ measuring individual students' educational ~~progress must be~~ growth is based, ~~to the extent annual tests are administered,~~ on indicators of achievement growth that show an individual student's prior achievement. Indicators of achievement and prior achievement ~~must be~~ are based on highly reliable statewide or districtwide assessments.

(b) The commissioner must ~~identify effective models for measuring individual student progress that enable a school district or school site to perform gains-based analysis, including evaluating the effects of the teacher, school, and school district on student achievement over time. At least one model must be a "value-added" assessment model that reliably estimates those effects for classroom settings where a single teacher teaches multiple subjects to the same group of students, for team teaching arrangements, and for other teaching circumstances.~~ use a growth-based value-added system. The commissioner must apply the state growth norm to students in grades 4 through 8 beginning in the 2008-2009 school year, consistent with section 120B.299, subdivision 6, initially benchmarking the state growth norm to 2006-2007 school year data. The model must allow the user to:

(1) report student growth at and above the state norm; and

(2) for all student categories with a cell size of at least 20, report and compare aggregated and disaggregated state growth data using the nine student categories identified under the federal 2001 No Child Left Behind Act and two student gender categories of male and female, respectively. The model must measure the effects that teacher teams within a grade, teacher teams across an entire grade, the school, and the school district

14.1 have on student growth. The model must not compile test results for teacher teams within
14.2 a grade or across a grade unless the test results encompass data on three or more teachers.

14.3 ~~(c) If a district has an accountability plan that includes gains-based analysis or~~
14.4 ~~"value-added" assessment, the commissioner shall, to the extent practicable, incorporate~~
14.5 ~~those measures in determining whether the district or school site meets expectations. The~~
14.6 ~~department must coordinate with the district in evaluating school sites and continuous~~
14.7 ~~improvement plans, consistent with best practices. If a district has an accountability~~
14.8 plan that includes other growth-based value-added analysis, the commissioner may, to
14.9 the extent practicable and consistent with this section, incorporate those measures in
14.10 determining whether the district or school site shows growth, including accelerated growth.

14.11 (d) When reporting student performance under section 120B.36, subdivision 1, the
14.12 commissioner annually, beginning July 1, 2011, must report two core measures indicating
14.13 the extent to which current high school graduates are being prepared for postsecondary
14.14 academic and career opportunities:

14.15 (1) a preparation measure indicating the number and percentage of high school
14.16 graduates in the most recent school year who completed course work important to
14.17 preparing them for postsecondary academic and career opportunities, consistent with the
14.18 core academic subjects required for admission to Minnesota's public four-year colleges
14.19 and universities as determined by the Office of Higher Education under chapter 136A; and

14.20 (2) a rigorous coursework measure indicating the number and percentage of high
14.21 school graduates in the most recent school year who successfully completed one or more
14.22 college-level advanced placement, international baccalaureate, postsecondary enrollment
14.23 options including concurrent enrollment, other rigorous courses of study under section
14.24 120B.021, subdivision 1a, or industry certification courses or programs.

14.25 When reporting the core measures under clauses (1) and (2), the commissioner must also
14.26 analyze and report separate categories of information using the nine student categories
14.27 identified under the federal 2001 No Child Left Behind Act and two student gender
14.28 categories of male and female, respectively.

14.29 (e) When reporting student performance under section 120B.36, subdivision 1, the
14.30 commissioner annually, beginning July 1, 2011, must include summary data showing
14.31 students' average self-reported sense of school safety, engagement in school, and the
14.32 quality of students' relationship with teachers, administrators, and other students. The
14.33 commissioner must gather these data consistently from students in grade 4 or 5, in one
14.34 grade level in grades 6 through 8, and in one grade level in high school, as determined by
14.35 the commissioner in consultation with recognized and qualified experts. All data received,

collected, or created that are used to generate the summary data under this paragraph are nonpublic data under section 13.02, subdivision 9.

Subd. 4. **Improving schools.** Consistent with the requirements of this section, the commissioner of education must ~~establish a second achievement benchmark to identify improving schools. The commissioner must recommend to~~ annually report to the public and the legislature by February 15, 2002, indicators in addition to the achievement benchmark for identifying improving schools, including an indicator requiring a school to demonstrate ongoing successful use of best teaching practices best practices learned from those schools that demonstrate accelerated growth compared to the state growth norm.

Subd. 5. **Improving graduation rates for students with emotional or behavioral disorders.** (a) A district must develop strategies in conjunction with parents of students with emotional or behavioral disorders and the county board responsible for implementing sections 245.487 to 245.4889 to keep students with emotional or behavioral disorders in school, when the district has a drop-out rate for students with an emotional or behavioral disorder in grades 9 through 12 exceeding 25 percent.

(b) A district must develop a plan in conjunction with parents of students with emotional or behavioral disorders and the local mental health authority to increase the graduation rates of students with emotional or behavioral disorders. A district with a drop-out rate for children with an emotional or behavioral disturbance in grades 9 through 12 that is in the top 25 percent of all districts shall submit a plan for review and oversight to the commissioner.

EFFECTIVE DATE. Subdivision 3, paragraph (b), applies to students in the 2009-2010 school year and later. Subdivision 3, paragraph (d), applies to students in the 2010-2011 school year and later. Subdivision 3, paragraph (e), applies to high school students in the 2009-2010 school year and later, and to students in any grades 4 through 8 in the 2010-2011 school year and later, consistent with the commissioner's grade level determinations. Subdivision 4 applies in the 2011-2012 school year and later.

Sec. 8. Minnesota Statutes 2006, section 120B.36, as amended by Laws 2007, chapter 146, article 2, section 11, is amended to read:

120B.36 SCHOOL ACCOUNTABILITY; APPEALS PROCESS.

Subdivision 1. **School performance report cards.** (a) The commissioner shall ~~use objective criteria based on levels of student performance to report at least student~~ academic performance under section 120B.35, subdivision 2, the percentages of students at and above the state growth norm under section 120B.35, subdivision 3, paragraph (b),

school safety and student engagement under section 120B.35, subdivision 3, paragraph (e), rigorous coursework under section 120B.35, subdivision 3, paragraph (d), two separate student-to-teacher ratios that clearly indicate the definition of teacher consistent with sections 122A.06 and 122A.15 for purposes of determining these ratios, and staff characteristics excluding salaries, ~~with a value-added component added no later than the 2008-2009 school year~~ student enrollment demographics, district mobility, and extracurricular activities. ~~The report must indicate a school's adequate yearly progress status, and must not set any designations applicable to high- and low-performing schools due solely to adequate yearly progress status.~~

(b) The commissioner shall develop, annually update, and post on the department Web site school performance report cards.

(c) The commissioner must make available ~~the first~~ performance report cards by ~~November 2003, and during~~ the beginning of each school year thereafter.

(d) A school or district may appeal its adequate yearly progress status in writing to the commissioner within 30 days of receiving the notice of its status. The commissioner's decision to uphold or deny an appeal is final.

(e) School performance report ~~cards~~ card data are nonpublic data under section 13.02, subdivision 9, until not later than ten days after the appeal procedure described in paragraph (d) concludes. The department shall annually post school performance report cards to its public Web site no later than September 1.

Subd. 2. **Adequate yearly progress data.** All data the department receives, collects, or creates ~~for purposes of determining to determine~~ adequate yearly progress designations status under Public Law 107-110, section 1116, set state growth norms, and determine student growth are nonpublic data under section 13.02, subdivision 9, until not later than ten days after the appeal procedure described in subdivision 1, paragraph (d), concludes. Districts must provide parents sufficiently detailed summary data to permit parents to appeal under Public Law 107-110, section 1116(b)(2). The department shall annually post federally mandated adequate yearly progress data and state student growth data to its public Web site no later than September 1.

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

Sec. 9. Minnesota Statutes 2006, section 120B.362, is amended to read:

120B.362 GROWTH-BASED VALUE-ADDED ASSESSMENT PROGRAM.

~~(a)~~ The commissioner of education must implement a growth-based value-added assessment program to assist school districts, public schools, and charter schools in

17.1 assessing and reporting individual students' growth in academic achievement under section
17.2 120B.30, subdivision 1a. The program must use assessments of individual students'
17.3 academic achievement to make longitudinal comparisons of each student's academic
17.4 growth over time. ~~School districts, public schools, and charter schools may apply to the~~
17.5 ~~commissioner to participate in the initial trial program using a form and in the manner the~~
17.6 ~~commissioner prescribes. The commissioner must select program participants from urban,~~
17.7 ~~suburban, and rural areas throughout the state.~~

17.8 ~~(b) The commissioner may issue a request for proposals to contract with an~~
17.9 ~~organization that provides a value-added assessment model that reliably estimates school~~
17.10 ~~and school district effects on students' academic achievement over time. The model the~~
17.11 ~~commissioner selects must accommodate diverse data and must use each student's test~~
17.12 ~~data across grades. Data on individual teachers generated under the model are personnel~~
17.13 ~~data under section 13.43.~~

17.14 ~~(c) The contract under paragraph (b) must be consistent with the definition of "best~~
17.15 ~~value" under section 16C.02, subdivision 4.~~

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

17.17 Sec. 10. Minnesota Statutes 2006, section 122A.21, is amended to read:

17.18 **122A.21 TEACHERS' AND ADMINISTRATORS' LICENSES; FEES.**

17.19 Subdivision 1. Licensure applications. Each application for the issuance, renewal,
17.20 or extension of a license to teach, including applications for licensure via portfolio under
17.21 subdivision 2, must be accompanied by a processing fee of \$57. Each application for
17.22 issuing, renewing, or extending the license of a school administrator or supervisor must
17.23 be accompanied by a processing fee in the amount set by the Board of Teaching. The
17.24 processing fee for a teacher's license and for the licenses of supervisory personnel must
17.25 be paid to the executive secretary of the appropriate board. The executive secretary of
17.26 the board shall deposit the fees with the commissioner of finance. The fees as set by the
17.27 board are nonrefundable for applicants not qualifying for a license. However, a fee must
17.28 be refunded by the commissioner of finance in any case in which the applicant already
17.29 holds a valid unexpired license. The board may waive or reduce fees for applicants who
17.30 apply at the same time for more than one license.

17.31 Subd. 2. Licensure via portfolio. (a) A candidate seeking licensure via portfolio
17.32 must submit a \$75 fee to the Educator Licensing Division at the department to determine
17.33 the candidate's eligibility for licensure via portfolio. An eligible candidate may use

licensure via portfolio to obtain an initial licensure or to add a licensure field, consistent with the applicable Board of Teaching licensure rules.

(b) A candidate for initial licensure must submit to the Educator Licensing Division at the department one portfolio demonstrating pedagogical competence and one portfolio demonstrating content competence.

(c) A candidate seeking to add a licensure field must submit to the Educator Licensing Division at the department one portfolio demonstrating content competence.

(d) A candidate must pay to the executive secretary of the Board of Teaching a \$300 fee for the first portfolio submitted for review and a \$200 fee for any portfolio submitted subsequently. The fees must be paid to the executive secretary of the Board of Teaching. The revenue generated from the fee must be deposited in an education licensure portfolio account in the special revenue fund. The fees set by the Board of Teaching are nonrefundable for applicants not qualifying for a license. The Board of Teaching may waive or reduce fees for candidates based on financial need.

Sec. 11. [121A.215] LOCAL SCHOOL DISTRICT WELLNESS POLICIES; WEB SITE.

When available, a school district must post its current local school wellness policy on its Web site.

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

Sec. 12. Minnesota Statutes 2006, section 123B.02, subdivision 21, is amended to read:

Subd. 21. Wind energy conversion system. The board, or more than one board acting jointly under the authority granted by section 471.59, may construct, acquire, own in whole or in part, operate, and sell and retain and spend the payment received from selling energy from a wind energy conversion system, as defined in section 216C.06, subdivision 19. The board's share of the installed capacity of the wind energy conversion systems authorized by this subdivision must not exceed 3.3 megawatts of nameplate capacity. A board owning, operating, or selling energy from a wind energy conversion system must integrate information about wind energy conversion systems in its educational programming. The board, or more than one board acting jointly under the authority granted by section 471.59, may be a limited partner in a partnership, a member of a limited liability company, or a shareholder in a corporation, established for the sole purpose of constructing, acquiring, owning in whole or in part, financing, or operating a wind energy conversion system for the benefit of the district or districts in accordance with this section.

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

19.2 Sec. 13. Minnesota Statutes 2007 Supplement, section 123B.143, subdivision 1,
19.3 is amended to read:

19.4 Subdivision 1. **Contract; duties.** All districts maintaining a classified secondary
19.5 school must employ a superintendent who shall be an ex officio nonvoting member of the
19.6 school board. The authority for selection and employment of a superintendent must be
19.7 vested in the board in all cases. An individual employed by a board as a superintendent
19.8 shall have an initial employment contract for a period of time no longer than three years
19.9 from the date of employment. Any subsequent employment contract must not exceed a
19.10 period of three years. A board, at its discretion, may or may not renew an employment
19.11 contract. A board must not, by action or inaction, extend the duration of an existing
19.12 employment contract. Beginning 365 days prior to the expiration date of an existing
19.13 employment contract, a board may negotiate and enter into a subsequent employment
19.14 contract to take effect upon the expiration of the existing contract. A subsequent contract
19.15 must be contingent upon the employee completing the terms of an existing contract. If a
19.16 contract between a board and a superintendent is terminated prior to the date specified in
19.17 the contract, the board may not enter into another superintendent contract with that same
19.18 individual that has a term that extends beyond the date specified in the terminated contract.
19.19 A board may terminate a superintendent during the term of an employment contract for any
19.20 of the grounds specified in section 122A.40, subdivision 9 or 13. A superintendent shall
19.21 not rely upon an employment contract with a board to assert any other continuing contract
19.22 rights in the position of superintendent under section 122A.40. Notwithstanding the
19.23 provisions of sections 122A.40, subdivision 10 or 11, 123A.32, 123A.75, or any other law
19.24 to the contrary, no individual shall have a right to employment as a superintendent based
19.25 on order of employment in any district. If two or more districts enter into an agreement for
19.26 the purchase or sharing of the services of a superintendent, the contracting districts have
19.27 the absolute right to select one of the individuals employed to serve as superintendent
19.28 in one of the contracting districts and no individual has a right to employment as the
19.29 superintendent to provide all or part of the services based on order of employment in a
19.30 contracting district. The superintendent of a district shall perform the following:

- 19.31 (1) visit and supervise the schools in the district, report and make recommendations
19.32 about their condition when advisable or on request by the board;
19.33 (2) recommend to the board employment and dismissal of teachers;
19.34 (3) superintend school grading practices and examinations for promotions;
19.35 (4) make reports required by the commissioner; and

~~(5) by January 10, submit an annual report to the commissioner in a manner prescribed by the commissioner, in consultation with school districts, identifying the expenditures that the district requires to ensure an 80 percent student passage rate on the MCA-IIs taken in the eighth grade, identifying the highest student passage rate the district expects it will be able to attain on the MCA-IIs by grade 12, and the amount of expenditures that the district requires to attain the targeted student passage rate; and~~
(6) perform other duties prescribed by the board.

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

Sec. 14. Minnesota Statutes 2006, section 123B.59, subdivision 1, is amended to read:

Subdivision 1. **To qualify.** (a) An independent or special school district qualifies to participate in the alternative facilities bonding and levy program if the district has:

(1) more than 66 students per grade;

(2) over 1,850,000 square feet of space and the average age of building space is 15 years or older or over 1,500,000 square feet and the average age of building space is 35 years or older;

(3) insufficient funds from projected health and safety revenue and capital facilities revenue to meet the requirements for deferred maintenance, to make accessibility improvements, or to make fire, safety, or health repairs; and

(4) a ten-year facility plan approved by the commissioner according to subdivision 2.

(b) An independent or special school district not eligible to participate in the alternative facilities bonding and levy program under paragraph (a) qualifies for limited participation in the program if the district has:

(1) one or more health and safety projects with an estimated cost of \$500,000 or more per site that would qualify for health and safety revenue except for the project size limitation in section 123B.57, subdivision 1, paragraph (b); and

(2) insufficient funds from capital facilities revenue to fund those projects.

(c) Notwithstanding the square footage limitation in paragraph (a), clause (2), a school district that qualified for eligibility under paragraph (a) as of July 1, 2007, remains eligible for funding under this section as long as the district continues to meet the requirements of paragraph (a), clauses (1), (3), and (4).

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

Sec. 15. Minnesota Statutes 2006, section 123B.62, is amended to read:

123B.62 BONDS FOR CERTAIN CAPITAL FACILITIES.

21.1 (a) In addition to other bonding authority, with approval of the commissioner, a
21.2 district may issue general obligation bonds for certain capital projects under this section.
21.3 The bonds must be used only to make capital improvements including:

21.4 (1) under section 126C.10, subdivision 14, total operating capital revenue uses
21.5 specified in clauses (4), (6), (7), (8), (9), and (10);

21.6 (2) the cost of energy modifications;

21.7 (3) improving disability accessibility to school buildings; and

21.8 (4) bringing school buildings into compliance with life and safety codes and fire
21.9 codes.

21.10 (b) Before a district issues bonds under this subdivision, it must publish notice
21.11 of the intended projects, the amount of the bond issue, and the total amount of district
21.12 indebtedness.

21.13 (c) A bond issue tentatively authorized by the board under this subdivision becomes
21.14 finally authorized unless a petition signed by more than 15 percent of the registered voters
21.15 of the district is filed with the school board within 30 days of the board's adoption of a
21.16 resolution stating the board's intention to issue bonds. The percentage is to be determined
21.17 with reference to the number of registered voters in the district on the last day before the
21.18 petition is filed with the board. The petition must call for a referendum on the question of
21.19 whether to issue the bonds for the projects under this section. The approval of 50 percent
21.20 plus one of those voting on the question is required to pass a referendum authorized
21.21 by this section.

21.22 (d) The bonds must be paid off within ~~ten~~ 15 years of issuance. The bonds must be
21.23 issued in compliance with chapter 475, except as otherwise provided in this section. A tax
21.24 levy must be made for the payment of principal and interest on the bonds in accordance
21.25 with section 475.61. The sum of the tax levies under this section and section 123B.61 for
21.26 each year must not exceed the limit specified in section 123B.61. The levy for each year
21.27 must be reduced as provided in section 123B.61. A district using an excess amount in the
21.28 debt redemption fund to retire the bonds shall report the amount used for this purpose to
21.29 the commissioner by July 15 of the following fiscal year. A district having an outstanding
21.30 capital loan under section 126C.69 or an outstanding debt service loan under section
21.31 126C.68 must not use an excess amount in the debt redemption fund to retire the bonds.

21.32 (e) Notwithstanding paragraph (d), bonds issued by a district within the first
21.33 five years following voter approval of a combination according to section 123A.37,
21.34 subdivision 2, must be paid off within 20 years of issuance. All the other provisions and
21.35 limitation of paragraph (d) apply.

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

22.1 Sec. 16. Minnesota Statutes 2006, section 124D.04, subdivision 3, is amended to read:

22.2 Subd. 3. **Pupils in adjoining states.** Except as provided under an agreement with
22.3 an adjoining state under section 124D.041, a non-Minnesota pupil who resides in an
22.4 adjoining state in a district that borders Minnesota may enroll in a Minnesota district if
22.5 either the board of the district in which the pupil resides or state in which the pupil resides
22.6 pays tuition to the district in which the pupil is enrolled.

22.7 Sec. 17. Minnesota Statutes 2006, section 124D.04, subdivision 6, is amended to read:

22.8 Subd. 6. **Tuition payments.** (a) In each odd-numbered year, before March 1, the
22.9 commissioner must agree to rates of tuition for Minnesota elementary and secondary
22.10 pupils attending in other states for the next two fiscal years when the other state agrees to
22.11 negotiate tuition rates. The commissioner must negotiate equal, reciprocal rates with the
22.12 designated authority in each state for pupils who reside in an adjoining state and enroll in
22.13 a Minnesota district. The rates must be at least equal to the tuition specified in section
22.14 124D.05, subdivision 1. If the other state does not agree to negotiate a general tuition rate,
22.15 a Minnesota school district may negotiate a tuition rate with the school district in the other
22.16 state that sends a pupil to or receives a pupil from the Minnesota school district. The
22.17 tuition rate for a pupil with a disability must be equal to the actual cost of instruction and
22.18 services provided. The resident district of a Minnesota pupil attending in another state
22.19 under this section must pay the amount of tuition agreed upon in this section to the district
22.20 of attendance, prorated on the basis of the proportion of the school year attended.

22.21 (b) Notwithstanding paragraph (a) and subdivision 9, if an agreement is reached
22.22 between the state of Minnesota and an adjoining state pursuant to section 124D.041,
22.23 the provisions of section 124D.041 and the agreement shall apply to all enrollment
22.24 transfers between Minnesota and the adjoining state, and provisions of paragraph (a)
22.25 and subdivision 9 shall not apply.

22.26 Sec. 18. Minnesota Statutes 2006, section 124D.04, subdivision 8, is amended to read:

22.27 Subd. 8. **Effective if reciprocal.** This section is effective with respect to ~~South~~
22.28 ~~Dakota upon enactment of provisions by South Dakota that the commissioner determines~~
22.29 ~~are essentially similar to the provisions for Minnesota pupils in this section. This section~~
22.30 ~~is effective with respect to any other~~ bordering state upon enactment of provisions by the
22.31 bordering state that the commissioner determines are essentially similar to the provisions
22.32 for Minnesota pupils in this section.

22.33 Sec. 19. Minnesota Statutes 2006, section 124D.04, subdivision 9, is amended to read:

23.1 Subd. 9. **Appeal to the commissioner.** If a Minnesota school district cannot agree
23.2 with an adjoining state on a tuition rate for a Minnesota student attending school in that
23.3 state and that state has met the requirements in subdivision 8, then the student's parent or
23.4 guardian may request that the commissioner ~~agree on~~ set a tuition rate for the student. The
23.5 Minnesota district must pay the amount of tuition the commissioner ~~agrees upon~~ sets.

23.6 Sec. 20. **[124D.041] RECIPROCITY WITH ADJOINING STATES.**

23.7 Subdivision 1. **Agreements.** (a) The commissioner may enter into an agreement
23.8 with the designated authority from an adjoining state to establish an enrollment options
23.9 program between Minnesota and the adjoining state. Any agreement entered into pursuant
23.10 to this section must specify the following:

23.11 (1) for students who are not residents of Minnesota, the enrollment options program
23.12 applies only to a student whose resident school district borders Minnesota;

23.13 (2) the commissioner must negotiate equal, reciprocal rates with the designated
23.14 authority from the adjoining state;

23.15 (3) if the adjoining state sends more students to Minnesota than Minnesota sends to
23.16 the adjoining state, the adjoining state must pay the state of Minnesota the rate agreed
23.17 upon under clause (2) for the excess number of students sent to Minnesota;

23.18 (4) if Minnesota sends more students to the adjoining state than the adjoining state
23.19 sends to Minnesota, the state of Minnesota will pay the adjoining state the rate agreed
23.20 upon under clause (2) for the excess number of students sent to the adjoining state;

23.21 (5) the application procedures for the enrollment options program between
23.22 Minnesota and the adjoining state;

23.23 (6) the reasons for which an application for the enrollment options program between
23.24 Minnesota and the adjoining may be denied; and

23.25 (7) that a Minnesota school district is not responsible for transportation for any
23.26 resident student attending school in an adjoining state under the provisions of this section.
23.27 A Minnesota school district may, at its discretion, provide transportation services for
23.28 such a student.

23.29 (b) Any agreement entered into pursuant to this section may specify additional terms
23.30 relating to any student in need of special education and related services pursuant to chapter
23.31 125A. Any additional terms must apply equally to both states.

23.32 Subd. 2. **Pupil accounting.** (a) Any student from an adjoining state enrolled in
23.33 Minnesota pursuant to this section is included in the receiving school district's average
23.34 daily membership and pupil units according to section 126C.05 as if the student were

24.1 a resident of another Minnesota school district attending the receiving school district
24.2 under section 124D.03.

24.3 (b) Any Minnesota resident student enrolled in an adjoining state pursuant to this
24.4 section is included in the resident school district's average daily membership and pupil
24.5 units according to section 126C.05 as if the student were a resident of the district attending
24.6 another Minnesota school district under section 124D.03.

24.7 Subd. 3. **Procedures.** (a) The Department of Education must establish procedures
24.8 relating to the application process, the collection or payment of funds under the provisions
24.9 of any agreement established pursuant to this section, and the collection of data necessary
24.10 to implement any agreement established pursuant to this section.

24.11 (b) Notwithstanding sections 124D.04 and 124D.05, if an agreement is established
24.12 between Minnesota and an adjoining state pursuant to this section, the provisions of this
24.13 section and the agreement shall apply to all enrollment transfers between Minnesota and
24.14 the adjoining state, and provisions of sections 124D.04 and 124D.05 to the contrary,
24.15 including provisions relating to tuition payments, shall not apply.

24.16 (c) Notwithstanding paragraph (a), any payments to adjoining states under this
24.17 section shall be made according to section 127A.45, subdivision 16.

24.18 (d) Notwithstanding paragraph (b), sections 124D.04, subdivision 6, paragraph (b),
24.19 and 124D.05, subdivision 2a, the provisions of this section and the agreement shall not
24.20 apply to enrollment transfers between Minnesota and a school district in an adjoining state
24.21 enrolling fewer than 150 pupils that is exempted from participation in the program under
24.22 the laws of the adjoining state.

24.23 Sec. 21. Minnesota Statutes 2006, section 124D.05, is amended by adding a
24.24 subdivision to read:

24.25 Subd. 2a. **Exception.** Notwithstanding subdivisions 1 and 2, if an agreement
24.26 is reached between the state of Minnesota and an adjoining state pursuant to section
24.27 124D.041, the provisions of section 124D.041 and the agreement shall apply to all
24.28 enrollment transfers between Minnesota and the adjoining state, and provisions of
24.29 subdivisions 1 and 2 to the contrary, including provisions relating to tuition payments,
24.30 shall not apply.

24.31 Sec. 22. Minnesota Statutes 2006, section 124D.10, subdivision 20, is amended to read:

24.32 **Subd. 20. Leave to teach in a charter school.** If a teacher employed by a district
24.33 makes a written request for an extended leave of absence to teach at a charter school,
24.34 the district must grant the leave. The district must grant a leave not to exceed a total of

five years. Any request to extend the leave shall be granted only at the discretion of the school board. The district may require that the request for a leave or extension of leave be made ~~up to 90 days before the teacher would otherwise have to report for duty before~~ February 1 in the school year preceding the school year in which the teacher wishes to return, or before February 1 of the calendar year in which the teacher's leave is scheduled to terminate. Except as otherwise provided in this subdivision and except for section 122A.46, subdivision 7, the leave is governed by section 122A.46, including, but not limited to, reinstatement, notice of intention to return, seniority, salary, and insurance.

During a leave, the teacher may continue to aggregate benefits and credits in the Teachers' Retirement Association account by paying both the employer and employee contributions based upon the annual salary of the teacher for the last full pay period before the leave began. The retirement association may impose reasonable requirements to efficiently administer this subdivision.

EFFECTIVE DATE. This section is effective for the 2008-2009 school year and later.

Sec. 23. Minnesota Statutes 2007 Supplement, section 124D.531, subdivision 1, is amended to read:

Subdivision 1. **State total adult basic education aid.** (a) The state total adult basic education aid for fiscal year 2005 is \$36,509,000. The state total adult basic education aid for fiscal year 2006 equals \$36,587,000 plus any amount that is not paid for during the previous fiscal year, as a result of adjustments under subdivision 4, paragraph (a), or section 124D.52, subdivision 3. The state total adult basic education aid for fiscal year 2007 equals \$37,673,000 plus any amount that is not paid for during the previous fiscal year, as a result of adjustments under subdivision 4, paragraph (a), or section 124D.52, subdivision 3. The state total adult basic education aid for fiscal year 2008 equals \$40,650,000, plus any amount that is not paid during the previous fiscal year as a result of adjustments under subdivision 4, paragraph (a), or section 124D.52, subdivision 3. The state total adult basic education aid for later fiscal years equals:

(1) the state total adult basic education aid for the preceding fiscal year plus any amount that is not paid for during the previous fiscal year, as a result of adjustments under subdivision 4, paragraph (a), or section 124D.52, subdivision 3; times

(2) the lesser of:

(i) 1.03; or

(ii) ~~the greater of 1.00 or the ratio of the state total contact hours in the first prior program year to the state total contact hours in the second prior program year~~ the average growth in state total contact hours over the prior ten program years.

Beginning in fiscal year 2002, two percent of the state total adult basic education aid must be set aside for adult basic education supplemental service grants under section 124D.522.

(b) The state total adult basic education aid, excluding basic population aid, equals the difference between the amount computed in paragraph (a), and the state total basic population aid under subdivision 2.

Sec. 24. Minnesota Statutes 2006, section 124D.55, is amended to read:

124D.55 GENERAL EDUCATION DEVELOPMENT (GED) TEST FEES.

The commissioner shall pay 60 percent of the fee that is charged to an eligible individual for the full battery of a general education development (GED) test, but not more than ~~\$20~~ \$40 for an eligible individual.

Sec. 25. Minnesota Statutes 2006, section 125A.65, is amended by adding a subdivision to read:

Subd. 11. **Third-party reimbursement.** The Minnesota State Academies must seek reimbursement under section 125A.21 from third parties for the cost of services provided by the Minnesota State Academies whenever the services provided are otherwise covered by a child's public or private health plan.

EFFECTIVE DATE. This section is effective the day following final enactment for revenue in fiscal years 2008 and later.

Sec. 26. Minnesota Statutes 2006, section 125A.76, is amended by adding a subdivision to read:

Subd. 4a. **Adjustments for tuition reciprocity with adjoining states.** (a) If an agreement is reached between the state of Minnesota and an adjoining state pursuant to section 124D.041 that requires a special education tuition payment from the state of Minnesota to the adjoining state, the tuition payment shall be made from the special education aid appropriation for that year, and the state total special education aid under subdivision 4 shall be reduced by the amount of the payment.

(b) If an agreement is reached between the state of Minnesota and an adjoining state pursuant to section 124D.041 that requires a special education tuition payment from

27.1 an adjoining state to the state of Minnesota, the special education aid appropriation for
27.2 that year and the state total special education aid under subdivision 4 shall be increased
27.3 by the amount of the payment.

27.4 (c) If an agreement is reached between the state of Minnesota and an adjoining state
27.5 pursuant to section 124D.041 that requires special education tuition payments to be made
27.6 between the two states and not between districts in the two states, the special education aid
27.7 for a Minnesota school district serving a student with a disability from the adjoining state
27.8 shall be calculated according to section 127A.47, subdivision 7, except that no reduction
27.9 shall be made in the special education aid paid to the resident district.

27.10 Sec. 27. Minnesota Statutes 2006, section 126C.10, subdivision 31, is amended to read:

27.11 Subd. 31. **Transition revenue.** (a) A district's transition allowance equals the
27.12 greater of zero or the product of the ratio of the number of adjusted marginal cost pupil
27.13 units the district would have counted for fiscal year 2004 under Minnesota Statutes 2002
27.14 to the district's adjusted marginal cost pupil units for fiscal year 2004, times the difference
27.15 between: (1) the lesser of the district's general education revenue per adjusted marginal
27.16 cost pupil unit for fiscal year 2003 or the amount of general education revenue the district
27.17 would have received per adjusted marginal cost pupil unit for fiscal year 2004 according
27.18 to Minnesota Statutes 2002, and (2) the district's general education revenue for fiscal year
27.19 2004 excluding transition revenue divided by the number of adjusted marginal cost pupil
27.20 units the district would have counted for fiscal year 2004 under Minnesota Statutes 2002.

27.21 (b) A district's transition revenue for fiscal ~~year~~ years 2006 and later through 2009
27.22 equals the sum of the product of the district's transition allowance times the district's
27.23 adjusted marginal cost pupil units plus the district's transition for prekindergarten revenue
27.24 under subdivision 31a.

27.25 (c) A district's transition revenue for fiscal year 2010 and later equals the sum of
27.26 the product of the district's transition allowance times the district's adjusted marginal cost
27.27 pupil units plus the district's transition for prekindergarten revenue under subdivision 31a
27.28 plus the district's transition for tuition reciprocity revenue under subdivision 31c.

27.29 Sec. 28. Minnesota Statutes 2006, section 126C.10, is amended by adding a
27.30 subdivision to read:

27.31 Subd. 31c. **Transition for tuition reciprocity revenue.** For the first year that a
27.32 tuition reciprocity agreement with an adjoining state is in effect under section 124D.041
27.33 and later, a school district's transition for tuition reciprocity revenue equals the greater of
27.34 zero or the difference between the sum of the general education revenue and net tuition

28.1 revenue the district would have received for pupils enrolled under section 124D.041 for
28.2 the first year the agreement is in effect if the agreement had not been in effect, and the
28.3 sum of the district's general education revenue and net tuition revenue for the first year
28.4 the agreement is in effect.

28.5 Sec. 29. Minnesota Statutes 2006, section 126C.17, subdivision 9, is amended to read:

28.6 Subd. 9. **Referendum revenue.** (a) The revenue authorized by section 126C.10,
28.7 subdivision 1, may be increased in the amount approved by the voters of the district at a
28.8 referendum called for the purpose. The referendum may be called by the board or shall be
28.9 called by the board upon written petition of qualified voters of the district. The referendum
28.10 must be conducted one or two calendar years before the increased levy authority, if
28.11 approved, first becomes payable. Only one election to approve an increase may be held
28.12 in a calendar year. Unless the referendum is conducted by mail under paragraph (g), the
28.13 referendum must be held on the first Tuesday after the first Monday in November. The
28.14 ballot must state the maximum amount of the increased revenue per resident marginal cost
28.15 pupil unit. The ballot may state a schedule, determined by the board, of increased revenue
28.16 per resident marginal cost pupil unit that differs from year to year over the number of
28.17 years for which the increased revenue is authorized or may state that the amount shall
28.18 increase annually by the rate of inflation. For this purpose, the rate of inflation shall be
28.19 the annual inflationary increase calculated under subdivision 2, paragraph (b). The ballot
28.20 may state that existing referendum levy authority is expiring. In this case, the ballot may
28.21 also compare the proposed levy authority to the existing expiring levy authority, and
28.22 express the proposed increase as the amount, if any, over the expiring referendum levy
28.23 authority. The ballot must designate the specific number of years, not to exceed ten, for
28.24 which the referendum authorization applies. The ballot, including a ballot on the question
28.25 to revoke or reduce the increased revenue amount under paragraph (c), must abbreviate
28.26 the term "per resident marginal cost pupil unit" as "per pupil." The notice required under
28.27 section 275.60 may be modified to read, in cases of renewing existing levies at the same
28.28 amount per pupil as in the previous year:

28.29 "BY VOTING "YES" ON THIS BALLOT QUESTION, YOU ~~MAY BE VOTING~~
28.30 ~~FOR A PROPERTY TAX INCREASE~~ ARE RENEWING AN EXISTING
28.31 PROPERTY TAX REFERENDUM. YOU ARE NOT CHANGING YOUR
28.32 OPERATING REFERENDUM AMOUNT PER PUPIL FROM ITS LEVEL IN
28.33 THE PREVIOUS YEAR."

28.34 The ballot may contain a textual portion with the information required in this
28.35 subdivision and a question stating substantially the following:

29.1 "Shall the increase in the revenue proposed by (petition to) the board of,
29.2 School District No. .., be approved?"

29.3 If approved, an amount equal to the approved revenue per resident marginal cost
29.4 pupil unit times the resident marginal cost pupil units for the school year beginning in
29.5 the year after the levy is certified shall be authorized for certification for the number of
29.6 years approved, if applicable, or until revoked or reduced by the voters of the district at a
29.7 subsequent referendum.

29.8 (b) The board must prepare and deliver by first class mail at least 15 days but no more
29.9 than 30 days before the day of the referendum to each taxpayer a notice of the referendum
29.10 and the proposed revenue increase. The board need not mail more than one notice to any
29.11 taxpayer. For the purpose of giving mailed notice under this subdivision, owners must be
29.12 those shown to be owners on the records of the county auditor or, in any county where
29.13 tax statements are mailed by the county treasurer, on the records of the county treasurer.
29.14 Every property owner whose name does not appear on the records of the county auditor
29.15 or the county treasurer is deemed to have waived this mailed notice unless the owner
29.16 has requested in writing that the county auditor or county treasurer, as the case may be,
29.17 include the name on the records for this purpose. The notice must project the anticipated
29.18 amount of tax increase in annual dollars for typical residential homesteads, agricultural
29.19 homesteads, apartments, and commercial-industrial property within the school district.

29.20 The notice for a referendum may state that an existing referendum levy is expiring
29.21 and project the anticipated amount of increase over the existing referendum levy in
29.22 the first year, if any, in annual dollars for typical residential homesteads, agricultural
29.23 homesteads, apartments, and commercial-industrial property within the district.

29.24 The notice must include the following statement: "Passage of this referendum will
29.25 result in an increase in your property taxes." However, in cases of renewing existing
29.26 levies, the notice may include the following statement: "Passage of this referendum ~~may~~
29.27 ~~result in an increase in your property taxes.~~" renews an existing operating referendum at
29.28 the same amount per pupil as in the previous year."

29.29 (c) A referendum on the question of revoking or reducing the increased revenue
29.30 amount authorized pursuant to paragraph (a) may be called by the board and shall be called
29.31 by the board upon the written petition of qualified voters of the district. A referendum to
29.32 revoke or reduce the revenue amount must state the amount per resident marginal cost
29.33 pupil unit by which the authority is to be reduced. Revenue authority approved by the
29.34 voters of the district pursuant to paragraph (a) must be available to the school district at
29.35 least once before it is subject to a referendum on its revocation or reduction for subsequent

H.F. No. 1812, 2nd Engrossment - 2007-2008th Legislative Session (2007-2008)

years. Only one revocation or reduction referendum may be held to revoke or reduce referendum revenue for any specific year and for years thereafter.

(d) A petition authorized by paragraph (a) or (c) is effective if signed by a number of qualified voters in excess of 15 percent of the registered voters of the district on the day the petition is filed with the board. A referendum invoked by petition must be held on the date specified in paragraph (a).

(e) The approval of 50 percent plus one of those voting on the question is required to pass a referendum authorized by this subdivision.

(f) At least 15 days before the day of the referendum, the district must submit a copy of the notice required under paragraph (b) to the commissioner and to the county auditor of each county in which the district is located. Within 15 days after the results of the referendum have been certified by the board, or in the case of a recount, the certification of the results of the recount by the canvassing board, the district must notify the commissioner of the results of the referendum.

EFFECTIVE DATE. This section is effective for elections conducted on or after July 1, 2008.

Sec. 30. Minnesota Statutes 2006, section 126C.21, subdivision 1, is amended to read:

Subdivision 1. **Permanent school fund.** ~~The~~ An amount of money equal to \$36 times the district's pupils in average daily membership received by a district as income from the permanent school fund for any year must be deducted from the general education aid earned by the district for the same year or from aid earned from other state sources.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2010.

Sec. 31. Minnesota Statutes 2007 Supplement, section 126C.21, subdivision 3, is amended to read:

Subd. 3. **County apportionment deduction.** Each year the amount of money apportioned to a district for that year pursuant to ~~sections~~ section 127A.34, subdivision 2, ~~and 272.029, subdivision 6,~~ must be deducted from the general education aid earned by that district for the same year or from aid earned from other state sources.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2009.

Sec. 32. Minnesota Statutes 2007 Supplement, section 126C.44, is amended to read:

126C.44 SAFE SCHOOLS LEVY.

(a) Each district may make a levy on all taxable property located within the district for the purposes specified in this section. The maximum amount which may be levied for all costs under this section shall be equal to \$30 multiplied by the district's adjusted marginal cost pupil units for the school year. The proceeds of the levy must be reserved and used for directly funding the following purposes or for reimbursing the cities and counties who contract with the district for the following purposes: (1) to pay the costs incurred for the salaries, benefits, and transportation costs of peace officers and sheriffs for liaison in services in the district's schools; (2) to pay the costs for a drug abuse prevention program as defined in section 609.101, subdivision 3, paragraph (e), in the elementary schools; (3) to pay the costs for a gang resistance education training curriculum in the district's schools; (4) to pay the costs for security in the district's schools and on school property; (5) to pay the costs for other crime prevention, drug abuse, student and staff safety, voluntary opt-in suicide prevention tools, and violence prevention measures taken by the school district; or (6) to pay costs for licensed school counselors, licensed school nurses, licensed school social workers, licensed school psychologists, and licensed alcohol and chemical dependency counselors to help provide early responses to problems. For expenditures under clause (1), the district must initially attempt to contract for services to be provided by peace officers or sheriffs with the police department of each city or the sheriff's department of the county within the district containing the school receiving the services. If a local police department or a county sheriff's department does not wish to provide the necessary services, the district may contract for these services with any other police or sheriff's department located entirely or partially within the school district's boundaries.

(b) A school district that is a member of an intermediate school district may include in its authority under this section the costs associated with safe schools activities authorized under paragraph (a) for intermediate school district programs. This authority must not exceed \$10 times the adjusted marginal cost pupil units of the member districts. This authority is in addition to any other authority authorized under this section. Revenue raised under this paragraph must be transferred to the intermediate school district.

(c) ~~If~~ A school district ~~spends~~ must set aside at least \$3 per adjusted marginal cost pupil unit of the safe schools levy proceeds for the purposes authorized under paragraph (a), clause (6). The district must annually certify that its total spending on services provided by the employees listed in paragraph (a), clause (6), is not less than the sum of its expenditures for these purposes, excluding amounts spent under this section, in the previous year plus the amount spent under this section.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2010.

32.1 Sec. 33. Minnesota Statutes 2006, section 126C.51, is amended to read:

32.2 **126C.51 APPLICATION OF LIMITING TAX LEGISLATION.**

32.3 Notwithstanding the provisions of section 471.69 or 471.75, or of any other
32.4 provision of law which by per capita limitation, local tax rate limitation, or otherwise,
32.5 limits the power of a district to incur any debt or to issue any warrant or order, a school
32.6 district or intermediate school district has the powers in sections 126C.50 to 126C.56
32.7 specifically conferred upon it and all powers incident and necessary to carrying out the
32.8 purposes of sections 126C.50 to 126C.56.

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

32.10 Sec. 34. Minnesota Statutes 2006, section 126C.52, subdivision 2, is amended to read:

32.11 Subd. 2. **Limitations.** The board of any school district may also borrow money
32.12 in the manner and subject to the limitations set forth in sections 126C.50 to 126C.56 in
32.13 anticipation of receipt of state aids for schools as defined in Minnesota Statutes and of
32.14 federal school aids to be distributed by or through the department. The aggregate of such
32.15 borrowings under this subdivision shall never exceed 75 percent of such aids which are
32.16 receivable by said school district in the school fiscal year (~~from July 1 to June 30~~) in which
32.17 the money is borrowed, as estimated and certified by the commissioner.

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

32.19 Sec. 35. Minnesota Statutes 2006, section 126C.52, is amended by adding a
32.20 subdivision to read:

32.21 Subd. 3. **Intermediate school districts.** (a) The board of an intermediate school
32.22 district may borrow money in the manner and subject to the limitations set forth in
32.23 sections 126C.50 to 126C.56 in anticipation of the receipt of:

32.24 (1) state aids for schools as defined in Minnesota Statutes;

32.25 (2) federal school aids to be distributed by or through the department; and

32.26 (3) membership fees and tuition payments from its member school districts.

32.27 The aggregate of such borrowings under this subdivision shall never exceed 75
32.28 percent of such aids, fees, and tuition payments which are receivable by the intermediate
32.29 school district in the fiscal year in which the money is borrowed, as estimated and certified
32.30 by the commissioner.

32.31 (b) The board of an intermediate school district may, upon receipt of a written
32.32 resolution by each of its member school districts, pledge the member district's full faith
32.33 and credit and unlimited taxing powers to repay its pro rata share of any certificates issued

33.1 or the amount paid by the state under section 126C.55, subdivision 2, plus interest, if the
33.2 revenues specified in paragraph (a) and any other revenues of the intermediate school
33.3 district are insufficient to do so.

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

33.5 Sec. 36. Minnesota Statutes 2006, section 126C.53, is amended to read:

33.6 **126C.53 ENABLING RESOLUTION; FORM OF CERTIFICATES OF**
33.7 **INDEBTEDNESS.**

33.8 The board of a school district or intermediate school district may authorize and
33.9 effect such borrowing, and may issue such certificates of indebtedness upon passage of
33.10 a resolution specifying the amount and purposes for which it deems such borrowing is
33.11 necessary. The resolution must be adopted by a vote of at least two-thirds of its members.
33.12 The board must fix the amount, date, maturity, form, denomination, and other details of
33.13 the certificates of indebtedness, not inconsistent with this chapter. The board must fix the
33.14 date and place for receipt of bids for the purchase of the certificates when bids are required
33.15 and direct the clerk to give notice of the date and place for bidding.

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

33.17 Sec. 37. Minnesota Statutes 2006, section 126C.55, is amended to read:

33.18 **126C.55 STATE PAYMENT OF DEBT OBLIGATION UPON POTENTIAL**
33.19 **DEFAULT; REPAYMENT; STATE OBLIGATION NOT DEBT.**

33.20 Subdivision 1. **Definitions.** For the purposes of this section, the term "debt
33.21 obligation" means:

- 33.22 (1) ~~a tax or aid anticipation~~ certificate of indebtedness issued under section 126C.52;
33.23 (2) a certificate of participation issued under section 126C.40, subdivision 6; or
33.24 (3) a general obligation bond.

33.25 Subd. 2. **Notifications; payment; appropriation.** (a) If a school district or
33.26 intermediate school district believes that it may be unable to make a principal or interest
33.27 payment on any outstanding debt obligation on the date that payment is due, it must
33.28 notify the commissioner as soon as possible, but not less than 15 working days before the
33.29 date that principal or interest payment is due. The notice must include the name of the
33.30 school district or intermediate school district, an identification of the debt obligation issue
33.31 in question, the date the payment is due, the amount of principal and interest due on the
33.32 payment date, the amount of principal or interest that the school district or intermediate
33.33 school district will be unable to repay on that date, the paying agent for the debt obligation,

the wire transfer instructions to transfer funds to that paying agent, and an indication as to whether a payment is being requested by the school district or intermediate school district under this section. If a paying agent becomes aware of a potential default, it shall inform the commissioner of that fact. After receipt of a notice which requests a payment under this section, after consultation with the school district or intermediate school district and the paying agent, and after verification of the accuracy of the information provided, the commissioner shall notify the commissioner of finance of the potential default. The notice must include a final figure as to the amount due that the school district or intermediate school district will be unable to repay on the date due.

(b) Except as provided in subdivision 9, upon receipt of this notice from the commissioner, the commissioner of finance shall issue a warrant and authorize the commissioner of education to pay to the paying agent for the debt obligation the specified amount on or before the date due. The amounts needed for the purposes of this subdivision are annually appropriated to the department from the state general fund.

(c) The Departments of Education and Finance must jointly develop detailed procedures for school districts and intermediate school districts to notify the state that they have obligated themselves to be bound by the provisions of this section, procedures for school districts or intermediate school districts and paying agents to notify the state of potential defaults and to request state payment under this section, and procedures for the state to expedite payments to prevent defaults. The procedures are not subject to chapter 14.

Subd. 3. **School district bound; interest rate on state paid amount.** If, at the request of a school district or intermediate school district, the state has paid part or all of the principal or interest due on a district's debt obligation on a specific date, the school district or the intermediate school district is bound by all provisions of this section and the amount paid shall bear taxable interest from the date paid until the date of repayment at the invested cash rate as it is certified by the commissioner of finance. Interest shall only accrue on the amounts paid and outstanding less the reduction in aid under subdivision 4 and other payments received from the school district or intermediate school district.

Subd. 4. **Pledge of district's full faith and credit.** If, at the request of a school district or intermediate school district, the state has paid part or all of the principal or interest due on a district's debt obligation on a specific date, the pledge of the full faith and credit and unlimited taxing powers of the school district or the intermediate school district to repay the principal and interest due on those debt obligations shall also, without an election or the requirement of a further authorization, become a pledge of the full faith and credit and unlimited taxing powers of the school district or the intermediate school

35.1 district to repay to the state the amount paid, with interest. Amounts paid by the state must
35.2 be repaid in the order in which the state payments were made.

35.3 Subd. 4a. **Aid reduction for repayment.** (a) Except as provided in this subdivision,
35.4 the state must reduce the state aid payable to the school district or intermediate school
35.5 district under this chapter and chapters 122A, 123A, 123B, 124D, 125A, 126C, and 273
35.6 by the amount paid by the state under this section on behalf of the district, plus the interest
35.7 due on it, and the amount reduced must revert from the appropriate account to the state
35.8 general fund. Payments from the school district endowment fund or any federal aid
35.9 payments shall not be reduced.

35.10 (b) For an intermediate school district, the state aid payable to the intermediate
35.11 school district must first be reduced, before any reduction is made to the state aids payable
35.12 to the member districts. If the state aid payable to the intermediate school district is
35.13 not sufficient to repay the state, state aid payable to member districts may be reduced
35.14 proportionately based on the ratio of each member district's adjusted net tax capacity to
35.15 the total adjusted net tax capacity of all member districts.

35.16 (c) If, after review of the financial situation of the school district or intermediate
35.17 school district, the commissioner advises the commissioner of finance that a total reduction
35.18 of aids would cause an undue hardship on or an undue disruption of the educational
35.19 program of the district, the commissioner, with the approval of the commissioner of
35.20 finance, may establish a different schedule for reduction of aids to repay the state. The
35.21 amount of aids to be reduced is decreased by any amounts repaid to the state by the district
35.22 from other revenue sources.

35.23 Subd. 6. **Tax levy for repayment.** (a) With the approval of the commissioner, a
35.24 district may levy in the year the state makes a payment under this section an amount up to
35.25 the amount necessary to provide funds for the repayment of the amount paid by the state
35.26 plus interest through the date of estimated repayment by the district. The proceeds of this
35.27 levy may be used only for this purpose unless they are in excess of the amount actually
35.28 due, in which case the excess shall be used to repay other state payments made under this
35.29 section or shall be deposited in the debt redemption fund of the school district. This levy
35.30 shall be an increase in the levy limits of the district for purposes of section 275.065,
35.31 subdivision 6. The amount of aids to be reduced to repay the state shall be decreased by
35.32 the amount levied. This levy by the district is not eligible for debt service equalization
35.33 under section 123B.53.

35.34 (b) If the state is not repaid in full for a payment made under this section by
35.35 November 30 of the calendar year following the year in which the state makes the
35.36 payment, the commissioner shall require the district to certify a property tax levy in an

amount up to the amount necessary to provide funds for repayment of the amount paid by the state plus interest through the date of estimated repayment by the school district. To prevent undue hardship, the commissioner may allow the district to certify the levy over a five-year period. The proceeds of the levy may be used only for this purpose unless they are in excess of the amount actually due, in which case the excess shall be used to repay other state payments made under this section or shall be deposited in the debt redemption fund of the district. This levy shall be an increase in the levy limits of the school district for purposes of section 275.065, subdivision 6. If the commissioner orders the district to levy, the amount of aids reduced to repay the state shall be decreased by the amount levied. This levy by the district is not eligible for debt service equalization under section 123B.53 or any successor provision. A levy under this subdivision must be explained as a specific increase at the meeting required under section 275.065, subdivision 6.

(c) For an intermediate school district, a levy made by a member school district under paragraph (a) or (b) to repay its pro rata share must be spread by the commissioner as a tax rate based on the total adjusted net tax capacity of the member school districts. The proceeds of the levy must be remitted by the member school district to the intermediate school district and must be used by the intermediate school district only to repay the state amounts owed. Any amount in excess of the amount owed to the state must be repaid to the member school districts and the commissioner shall adjust each member school district's property tax levy in the next year.

Subd. 7. Election as to mandatory application. A school district or intermediate school district may covenant and obligate itself, prior to the issuance of an issue of debt obligations, to notify the commissioner of a potential default and to use the provisions of this section to guarantee payment of the principal and interest on those debt obligations when due. If the school district or intermediate school district obligates itself to be bound by this section, it must covenant in the resolution that authorizes the issuance of the debt obligations to deposit with the paying agent three business days prior to the date on which a payment is due an amount sufficient to make that payment or to notify the commissioner under subdivision 1 that it will be unable to make all or a portion of that payment. A school district or intermediate school district that has obligated itself must include a provision in its agreement with the paying agent for that issue that requires the paying agent to inform the commissioner if it becomes aware of a potential default in the payment of principal or interest on that issue or if, on the day two business days prior to the date a payment is due on that issue, there are insufficient funds to make the payment on deposit with the paying agent. Funds invested in a refunding escrow account established under section 475.67 that are to become available to the paying agent on a principal or interest payment date are

deemed to be on deposit with the paying agent three business days before the payment date. If a school district or intermediate school district either covenants to be bound by this section or accepts state payments under this section to prevent a default of a particular issue of debt obligations, the provisions of this section shall be binding as to that issue as long as any debt obligation of that issue remain outstanding. If the provisions of this section are or become binding for more than one issue of debt obligations and a school district or intermediate school district is unable to make payments on one or more of those issues, the district must continue to make payments on the remaining issues.

Subd. 8. **Mandatory plan; technical assistance.** If the state makes payments on behalf of a school district or intermediate school district under this section or the district defaults in the payment of principal or interest on an outstanding debt obligation, it must submit a plan to the commissioner for approval specifying the measures it intends to implement to resolve the issues which led to its inability to make the payment and to prevent further defaults. The department must provide technical assistance to the school district or intermediate school district in preparing its plan. If the commissioner determines that a district's plan is not adequate, the commissioner shall notify the school district or intermediate school district that the plan has been disapproved, the reasons for the disapproval, and that the state shall not make future payments under this section for debt obligations issued after the date specified in that notice until its plan is approved. The commissioner may also notify the school district or intermediate school district that until its plan is approved, other aids due the district will be withheld after a date specified in the notice.

Subd. 9. **State bond rating.** If the commissioner of finance determines that the credit rating of the state would be adversely affected thereby, the commissioner of finance shall not issue warrants under subdivision 2 for the payment of principal or interest on any debt obligations for which a district did not, prior to their issuance, obligate itself to be bound by the provisions of this section.

Subd. 10. **Continuing disclosure agreements.** The commissioner of finance may enter into written agreements or contracts relating to the continuing disclosure of information needed to facilitate the ability of school districts or intermediate school districts to issue debt obligations according to federal securities laws, rules, and regulations, including securities and exchange commission rules and regulations, section 240.15c2-12. Such agreements or contracts may be in any form the commissioner of finance deems reasonable and in the state's best interests.

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

Sec. 38. [127A.331] SCHOOL ENDOWMENT FUND; USE OF REVENUE.

A school that receives school endowment fund revenue under section 127A.33 in excess of \$36 per pupil in average daily membership may use that revenue only for the following purposes:

(1) to purchase or lease computers and related materials, copying machines, telecommunications equipment, and other noninstructional equipment;

(2) to purchase or lease assistive technology or equipment for instructional programs;

(3) to purchase new and replacement library media resources or technology;

(4) to pay for ongoing or recurring telecommunications/Internet access costs associated with Internet access, data lines, and video links; and

(5) to pay for service provider installation fees for installation of new telecommunications lines or increased bandwidth.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2010.

Sec. 39. Minnesota Statutes 2006, section 127A.45, subdivision 16, is amended to read:

Subd. 16. **Payments to third parties.** Notwithstanding subdivision 3, the current year aid payment percentage of the amounts under section 123A.26, subdivision 3 and section 124D.041, shall be paid in equal installments on August 30, December 30, and March 30, with a final adjustment payment on October 30 of the next fiscal year of the remaining amount.

Sec. 40. Laws 2007, chapter 146, article 2, section 46, subdivision 13, is amended to read:

Subd. 13. **Preadvanced placement, advanced placement, international baccalaureate, and concurrent enrollment programs.** For preadvanced placement, advanced placement, international baccalaureate, and concurrent enrollment programs under Minnesota Statutes, sections 120B.132 and 124D.091:

\$ 6,500,000 2008

\$ 6,500,000 2009

Of this amount, \$2,500,000 each year is for concurrent enrollment program aid under Minnesota Statutes, section 124D.091. If the appropriation is insufficient, the commissioner must proportionately reduce the aid payment to each district. Any balance in the first year does not cancel but is available in the second year.

The base appropriation for fiscal year 2010 and later is \$2,000,000.

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

Sec. 41. Laws 2007, chapter 146, article 3, section 23, subdivision 2, is amended to read:

Subd. 2. **Report.** (a) The task force must submit to the education policy and finance committees of the legislature by February 15, 2009, a report that identifies and clearly and concisely explains each provision in state law or rule that exceeds or expands upon a minimum federal requirement contained in law or regulation for providing special education programs and services to eligible students. The report also must recommend which state provisions statutes and rules that exceed or expand upon a minimum federal requirement may be amended to conform with minimum federal requirements or made more effective as determined by a majority of the task force members. The task force must recommend rules governing the use of aversive and deprivation procedures by school district employees or persons under contract with a school district. The task force expires when it submits its report to the legislature.

(b) Consistent with subdivision 1, the Department of Education member of the task force representing regulators shall be replaced with a parent advocate selected by a statewide organization that advocates on behalf of families with children with disabilities.

(c) The Department of Education must provide technical assistance at the request of the task force.

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

Sec. 42. Laws 2007, chapter 146, article 3, section 24, subdivision 9, is amended to read:

Subd. 9. **Special Education Task Force.** For the task force to compare federal and state special education requirements:

\$ ~~20,000~~ 40,000 2008

Any balance in the first year does not cancel but is available in the second year.

This is a onetime appropriation.

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

Sec. 43. Laws 2007, chapter 146, article 5, section 13, subdivision 5, is amended to read:

Subd. 5. **Plainview-Elgin-Millville fund balance replacement aid.**

For fund balance replacement aid for Independent School District No. 2899, Plainview-Elgin-Millville:

\$ ~~17,000~~ 24,000 2008

40.1 This is a onetime appropriation.

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

40.3 Sec. 44. Laws 2007, chapter 146, article 7, section 4, is amended to read:

40.4 Sec. 4. **APPROPRIATIONS; DEPARTMENT OF EDUCATION.**

40.5 Subdivision 1. **Department of Education.** Unless otherwise indicated, the sums
40.6 indicated in this section are appropriated from the general fund to the Department of
40.7 Education for the fiscal years designated.

40.8 Subd. 2. **Department.** (a) For the Department of Education:

40.9 \$ 22,169,000 2008

40.10 ~~22,653,000~~

40.11 \$ 21,791,000 2009

40.12 Any balance in the first year does not cancel but is available in the second year.

40.13 (b) \$7,000 in fiscal year 2008 is for GRAD test rulemaking.

40.14 (c) \$7,000 in fiscal year 2008 is for rulemaking under section 3.

40.15 (d) \$40,000 each year is for an early hearing loss intervention coordinator under
40.16 Minnesota Statutes, section 125A.63, subdivision 5. If the department expends federal
40.17 funds to employ a hearing loss coordinator under Minnesota Statutes, section 125.63,
40.18 subdivision 5, then the appropriation under this paragraph is reallocated for purposes of
40.19 employing a world languages coordinator.

40.20 (e) \$260,000 each year is for the Minnesota Children's Museum.

40.21 (f) \$41,000 each year is for the Minnesota Academy of Science.

40.22 (g) \$619,000 in fiscal year 2008 and \$632,000 in fiscal year 2009 are for the Board
40.23 of Teaching.

40.24 (h) \$163,000 in fiscal year 2008 and \$171,000 in fiscal year 2009 are for the Board
40.25 of School Administrators.

40.26 (i) \$50,000 each year is for the Duluth Children's Museum.

40.27 (j) The expenditures of federal grants and aids as shown in the biennial budget
40.28 document and its supplements are approved and appropriated and shall be spent as
40.29 indicated.

40.30 (k) None of the amounts appropriated under this subdivision may be used for
40.31 Minnesota's Washington, D.C., office.

40.32 (1) \$30,000 in fiscal year 2009 is for determining how the educational achievement
40.33 of low-income students and students of color is impacted by education issues related
40.34 to rigorous preparation and coursework, educators' professional development, English
40.35 language learners, special education, GRAD tests, and the use of valid and reliable data on

41.1 student preparation for postsecondary academic and career opportunities under sections 57
41.2 and 58. This amount is not added to the base appropriation for fiscal year 2010 and later.

41.3 Sec. 45. Laws 2007, First Special Session chapter 2, article 1, section 11, subdivision
41.4 1, is amended to read:

41.5 Subdivision 1. **Total Appropriation** \$ ~~584,000~~ 268,000

41.6 The appropriations in this section are from
41.7 the general fund. The amounts that may be
41.8 spent for each purpose are specified in the
41.9 following subdivisions.

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

41.11 Sec. 46. Laws 2007, First Special Session chapter 2, article 1, section 11, subdivision
41.12 2, is amended to read:

41.13 Subd. 2. **Independent School District No. 239,**
41.14 **Rushford-Peterson**

41.15 (a) **Flood Enrollment Impact Aid** 89,000

41.16 The commissioner of education shall pay to
41.17 the school district flood enrollment impact
41.18 aid equal to \$5,394 times the number of
41.19 pupils lost as a result of the floods of August
41.20 2007. The district must provide to the
41.21 commissioner of education documentation
41.22 of the number of pupils in average daily
41.23 membership lost as a result of the flood.

41.24 (b) **Disaster Relief Facilities Grant** ~~250,000~~ 120,000

41.25 For facilities cleanup, repair, and replacement
41.26 costs related to the floods of August 2007 not
41.27 covered by the district's insurance settlement
41.28 or through Federal Emergency Management
41.29 Agency payments. The commissioner of
41.30 education may request the school district
41.31 to provide necessary information before
41.32 awarding a grant.

- 42.1 (c) **Pupil Transportation Aid** 40,000
- 42.2 For increased costs associated with
- 42.3 transporting students as a result of the floods
- 42.4 of August 2007.
- 42.5 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 42.6 Sec. 47. Laws 2007, First Special Session chapter 2, article 1, section 11, subdivision
- 42.7 6, is amended to read:
- 42.8 Subd. 6. **Disaster Relief Facilities Grants to**
- 42.9 **Other Districts** ~~90,000~~ 14,000
- 42.10 For facilities cleanup, repair, and replacement
- 42.11 costs related to the floods of August 2007 not
- 42.12 covered by the district's insurance settlement
- 42.13 or through Federal Emergency Management
- 42.14 Agency payments. The commissioner of
- 42.15 education may request the school district
- 42.16 to provide necessary information before
- 42.17 awarding a grant. School districts not
- 42.18 included in subdivisions 2 to 5 must be given
- 42.19 priority in the allocation of this appropriation.
- 42.20 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 42.21 Sec. 48. **FUND TRANSFERS.**
- 42.22 Subdivision 1. **Capital account transfers.** Notwithstanding any law to the contrary,
- 42.23 on June 30, 2008, a school district may transfer money from its reserved for operating
- 42.24 capital account to its undesignated balance in the general fund. The amount transferred
- 42.25 by any school district must not exceed \$51 times the district's adjusted marginal cost
- 42.26 pupil units for fiscal year 2007. This transfer may occur only after the school board has
- 42.27 adopted a written resolution stating the amount of the transfer and declaring that the
- 42.28 school district's operating capital needs are being met.
- 42.29 Subd. 2. **Reserved for operating capital account transfer; Balaton school**
- 42.30 **district.** Notwithstanding Minnesota Statutes, section 123B.79 or 123B.80, or subdivision
- 42.31 1, on June 30, 2008, Independent School District No. 411, Balaton, may transfer up to

43.1 \$70,000 from its reserved for operating capital account to its undesignated general fund
43.2 balance.

43.3 Subd. 3. **Reserved for operating capital account transfer; East Central school**
43.4 **district.** Notwithstanding Minnesota Statutes, section 123B.79 or 123B.80, or subdivision
43.5 1, on June 30, 2008, Independent School District No. 2580, East Central, may transfer up
43.6 to \$300,000 from its reserved for operating capital account to its undesignated general
43.7 fund balance.

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

43.9 Sec. 49. **ONETIME GENERAL EDUCATION REVENUE INCREASE; FISCAL**
43.10 **YEAR 2009 ONLY.**

43.11 A school district's general education revenue under Minnesota Statutes, section
43.12 126C.10, is increased for fiscal year 2009 only by an amount equal to \$51 times the
43.13 district's adjusted marginal cost pupil units for that year.

43.14 Sec. 50. **ALTERNATIVE TEACHER COMPENSATION AID.**

43.15 A school district that has not applied for alternative teacher compensation aid under
43.16 Minnesota Statutes, section 126C.10, subdivision 34, by March 20, 2008, is not eligible
43.17 for aid under that subdivision for fiscal year 2009. Nothing in this section limits a district's
43.18 eligibility for alternative teacher compensation aid in subsequent fiscal years.

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

43.20 Sec. 51. **IMPLEMENTING A STUDENT GROWTH-BASED VALUE-ADDED**
43.21 **SYSTEM.**

43.22 (a) To implement the requirements of Minnesota Statutes, section 120B.35,
43.23 subdivision 3, paragraph (b), and to help parents and members of the public compare the
43.24 reported data, the commissioner must convene a group of expert school district assessment
43.25 and evaluation staff, including a recognized Minnesota assessment group composed
43.26 of assessment and evaluation directors and staff and researchers under Minnesota
43.27 Statutes, section 120B.299, subdivision 6, and interested stakeholders, including school
43.28 superintendents, school principals, school teachers, and parents to examine the actual
43.29 statewide performance of students using Minnesota's growth-based value-added system
43.30 and establish criteria for identifying schools and school districts that demonstrate
43.31 accelerated growth in order to advance educators' professional development and replicate
43.32 programs that succeed in meeting students' diverse learning needs.

44.1 (b) The commissioner must submit a written report to the education committees of
44.2 the house of representatives and senate by February 15, 2009, describing the criteria for
44.3 identifying schools and school districts that demonstrate accelerated growth. The group
44.4 convened under this section expires on June 30, 2009.

44.5 **EFFECTIVE DATE.** This section is effective the day following final enactment
44.6 and applies to school report cards in the 2008-2009 school year and later.

44.7 Sec. 52. **IMPLEMENTING RIGOROUS COURSEWORK MEASURES**
44.8 **RELATED TO STUDENT PERFORMANCE.**

44.9 (a) To implement the requirements of Minnesota Statutes, section 120B.35,
44.10 subdivision 3, paragraph (c), clauses (1) and (2), and to help parents and members of the
44.11 public compare the reported data, the commissioner of education must convene a group of
44.12 recognized and qualified experts and interested stakeholders, including parents among
44.13 other stakeholders, to develop a model projecting anticipated performance of each high
44.14 school on preparation and rigorous coursework measures that compares the school with
44.15 similar schools. The model must use information about entering high school students
44.16 based on particular background characteristics that are predictive of differing rates of
44.17 college readiness. These characteristics include grade 8 achievement levels, high school
44.18 student mobility, high school student attendance, and the size of each entering ninth grade
44.19 class. The group of experts and stakeholders may examine other characteristics not part
44.20 of the prediction model including the nine student categories identified under the federal
44.21 2001 No Child Left Behind Act, and two student gender categories of male and female,
44.22 respectively. The commissioner annually must use the predicted level of entering students'
44.23 performance to provide a context for interpreting graduating students' actual performance.
44.24 The group convened under this section expires June 30, 2011.

44.25 (b) Consistent with paragraph (a), the commissioner also must propose an expanded
44.26 high school student data system to report preparation and rigorous coursework measures
44.27 and facilitate additional research on college readiness. This proposed data system must
44.28 expect school districts and charter schools to report data to the state education department
44.29 on each course a high school student takes and completes. The commissioner must link
44.30 the course data file to the department's existing student reporting system. The proposed
44.31 data system must enable the commissioner to prepare detailed reports, consistent with the
44.32 requirements in Minnesota Statutes, section 120B.35, subdivision 3, paragraph (d), clauses
44.33 (1) and (2), and support the development of a state P-16 longitudinal data system.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to school report cards beginning July 1, 2011.

Sec. 53. **IMPLEMENTING MEASURES FOR ASSESSING STUDENTS' SELF-REPORTED SENSE OF SCHOOL SAFETY, ENGAGEMENT IN SCHOOL, AND THE QUALITY OF RELATIONSHIPS WITH TEACHERS, ADMINISTRATORS, AND OTHER STUDENTS.**

(a) To implement the requirements of Minnesota Statutes, section 120B.35, subdivision 3, paragraph (d), and to help parents and members of the public compare the reported data, the commissioner of education, in consultation with interested stakeholders, including parents among other stakeholders, must convene a group of recognized and qualified experts to:

(1) analyze the University of Minnesota student safety and engagement survey instrument and other commonly recognized survey instruments to select the survey instrument that best meets state accountability requirements;

(2) ensure that the selected survey instrument has sound psychometric properties and is useful for intervention planning;

(3) determine at what grade levels to administer the survey instrument and ensure that the survey instrument can be used at those grade levels; and

(4) determine through disaggregated use of survey indicators or other means how to report "safety" in order to comply with federal law.

(b) The commissioner must submit a written report to the education committees of the house of representatives and senate by February 15, 2009, presenting the experts' responses to paragraph (a), clauses (1) to (4). The group convened under this section expires June 30, 2009.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to school report cards beginning July 1, 2011.

Sec. 54. **GROWTH-BASED VALUE-ADDED SYSTEM.**

The growth-based value-added system used by the commissioner of education to comply with Minnesota Statutes, section 120B.35, subdivision 3, paragraph (b), must be consistent with the growth-based value-added model contained in the document labeled "Educational Report Card Growth Model" developed in partnership with the Minnesota Department of Education. The document must be deposited with the Office of the Revisor of Statutes, the Legislative Reference Library, and the State Law Library, where the document shall be maintained until the commissioner implements the

growth-based value-added system under Minnesota Statutes, section 120B.35, subdivision 3, paragraph (b). The recognized Minnesota assessment group composed of assessment and evaluation directors and staff and researchers under Minnesota Statutes, section 120B.299, subdivision 6, must determine whether the growth-based value-added model the commissioner uses to comply with Minnesota Statutes, section 120B.35, subdivision 3, paragraph (b), is consistent with the deposited document and report its determination to the education committees of the house of representatives and senate by February 15, 2009.

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

Sec. 55. **EXPEDITED PROCESS; SPECIFIC LEARNING DISABILITIES RULE.**

The commissioner of education may use the expedited process under Minnesota Statutes, section 14.389, to conform Minnesota Rules, part 3525.1341, to new federal requirements on specific learning disabilities under Public Law 108-446, sections 602(30) and 614(b)(6), the Individuals with Disabilities Education Improvement Act of 2004, and its implementing regulations.

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

Sec. 56. **ENDING PARTICIPATION IN NO CHILD LEFT BEHIND.**

The commissioner of education must nullify and revoke by August 1, 2009, the consolidated state plan that the state of Minnesota submitted to the federal Department of Education on implementing the No Child Left Behind Act of 2001, and any other Minnesota state contract or agreement entered into under the provisions of the No Child Left Behind Act of 2001.

Sec. 57. **SCHOOL DISTRICT PLANS TO IMPROVE STUDENTS' ACADEMIC ACHIEVEMENT.**

Subdivision 1. **District academic achievement plan; priorities.** (a) A school district experiencing disparities in academic achievement is encouraged to develop a short and long-term plan encompassing one through four years to significantly improve students' academic achievement that uses concrete measures to eliminate differences in academic performance among groups of students defined by race, ethnicity, and income. The plan must:

(1) reflect a research-based understanding of high-performing educational systems and best educational practices;

(2) include innovative and practical strategies and programs, whether existing or new, that supplement district initiatives to increase students' academic achievement under state and federal educational accountability requirements; and

(3) contain valid and reliable measures of student achievement that the district uses to demonstrate the efficacy of the district plan to the commissioner of education.

(b) A district must address the elements under section 58, paragraph (a), to the extent those elements are implicated in the district's plan.

(c) A district must identify in its plan the strategies and programs the district has implemented and found effective in improving students' academic achievement.

(d) The district must include with the plan the amount of expenditures necessary to implement the plan. The district must indicate how current resources are used to implement the plan, including, but not limited to, state-limited English proficiency aid under Minnesota Statutes, section 124D.65; integration revenue under Minnesota Statutes, section 124D.86; early childhood family education revenue under Minnesota Statutes, section 124D.135; school readiness aid under Minnesota Statutes, section 124D.16; basic skills revenue under Minnesota Statutes, section 126C.10, subdivision 4; extended time revenue under Minnesota Statutes, section 126C.10, subdivision 2a; and alternative compensation revenue under Minnesota Statutes, section 122A.415.

Subd. 2. **Plan.** (a) A school district by October 1, 2008, must submit its plan in electronic format to the commissioner of education, consistent with subdivision 1.

(b) The commissioner of education must analyze the commonalities and differences of the district plans and the effective strategies and programs districts have implemented to improve students' academic achievement, and submit the analysis and underlying data to the advisory task force on improving students' academic achievement under section 58 by November 1, 2008, and also report the substance of the analyses to the education policy and finance committees of the legislature by January 1, 2009.

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

Sec. 58. ADVISORY TASK FORCE ON IMPROVING STUDENTS' ACADEMIC ACHIEVEMENT.

(a) An advisory task force on improving students' academic achievement is established to review the plans submitted to the commissioner of education under section 57 and recommend to the education committees of the legislature a proposal for improving students' academic achievement and eliminating differences in academic performance among groups of students defined by race, ethnicity, and income. The task force members

48.1 must at least consider how the following education-related issues impact the educational
48.2 achievement of low-income students and students of color:

48.3 (1) rigorous preparation and coursework and how to (i) effectively invest in early
48.4 childhood and parent education, (ii) increase academic rigor and high expectations on
48.5 elementary and secondary students in schools serving a majority of low-income students
48.6 and students of color, and (iii) provide parents, educators, and community members with
48.7 meaningful opportunities to collaborate in educating students in schools serving a majority
48.8 of low-income students and students of color;

48.9 (2) professional development for educators and how to (i) provide stronger financial
48.10 and professional incentives to attract and retain experienced, bilingual, and culturally
48.11 competent teachers and administrators in schools serving a majority of low-income
48.12 students and students of color, (ii) recruit and retain teachers of color, and (iii) develop and
48.13 include cultural sensitivity and interpersonal and pedagogical skills training that teachers
48.14 need for effective intercultural teaching;

48.15 (3) English language learners and how to (i) use well-designed tests, curricula,
48.16 and English as a second language programs and services as diagnostic tools to develop
48.17 effective student interventions, (ii) monitor students' language capabilities, (iii) provide
48.18 academic instruction in English that supports students' learning and is appropriate
48.19 for students' level of language proficiency, and (iv) incorporate the perspectives and
48.20 contributions of ethnic and racial groups, consistent with Minnesota Statutes, section
48.21 120B.022, subdivision 1, paragraph (b);

48.22 (4) special education and how to (i) incorporate linguistic and cultural sensitivity
48.23 into special education diagnosis and referral, (ii) increase the frequency and quality of
48.24 prereferral interventions, and (iii) decrease the number of minority and nonnative English
48.25 speaking students inappropriately placed in special education;

48.26 (5) GRAD tests and how to (i) incorporate linguistic and cultural sensitivity into the
48.27 reading and math GRAD tests, and (ii) develop interventions to meet students' learning
48.28 needs; and

48.29 (6) valid and reliable data and how to use data on student on-time graduation rates,
48.30 student dropout rates, documented disciplinary actions, and completed and rigorous course
48.31 work indicators to determine how well-prepared, low-income students and students of
48.32 color are for postsecondary academic and career opportunities.

48.33 The task force also must examine the findings of a 2008 report by Minnesota
48.34 superintendents on strategies for creating a world-class educational system to establish
48.35 priorities for improving students' academic achievement. The task force may consider
48.36 other related matters at its discretion.

49.1 (b) The commissioner of education must convene the first meeting of the advisory
49.2 task force on improving students' academic achievement by July 1, 2008. The task force
49.3 members must adopt internal procedures and standards for subsequent meetings. The task
49.4 force is composed of the following members:

49.5 (1) a representative from a Twin Cities metropolitan area school district, a suburban
49.6 school district, a school district located in a regional center, and a rural school district, all
49.7 four representatives appointed by the state demographer based on identified concentrations
49.8 of low-performing, low-income students and students of color;

49.9 (2) a faculty member of a teacher preparation program at the University of
49.10 Minnesota's College of Education and Human Development, appointed by the college
49.11 dean or the dean's designee;

49.12 (3) a faculty member from the urban teachers program at Metropolitan State
49.13 University appointed by the university president or the president's designee;

49.14 (4) a faculty member from a Minnesota State Colleges and Universities teacher
49.15 preparation program located outside the Twin Cities metropolitan area, appointed by
49.16 the chancellor or the chancellor's designee;

49.17 (5) a classroom teacher appointed by Education Minnesota;

49.18 (6) an expert in early childhood care and education appointed by a state early
49.19 childhood organization;

49.20 (7) a member from each state council representing a community of color, appointed
49.21 by the respective council;

49.22 (8) a curriculum specialist with expertise in providing language instruction for
49.23 nonnative English speakers, appointed by a state curriculum organization;

49.24 (9) a special education teacher, appointed by a state organization of special education
49.25 educators;

49.26 (10) a parent of color, appointed by a state parent-teacher organization;

49.27 (11) a district testing director appointed by a recognized Minnesota assessment
49.28 group composed of assessment and evaluation directors and staff and researchers; and

49.29 (12) a Department of Education staff person with expertise in school desegregation
49.30 matters appointed by the commissioner of education or the commissioner's designee.

49.31 A majority of task force members, at their discretion, may invite other representatives
49.32 of interested public or nonpublic organizations, Minnesota's communities of color, and
49.33 stakeholders in local and state educational equity to become task force members. A
49.34 majority of task force members must be persons of color.

49.35 (c) Members of the task force serve without compensation. By February 15,
49.36 2009, the task force must submit a written proposal to the education policy and finance

50.1 committees of the legislature on how to significantly improve students' academic
50.2 achievement.

50.3 (d) The advisory task force expires on February 16, 2009.

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

50.5 Sec. 59. **APPROPRIATIONS.**

50.6 Subdivision 1. **Department of Education.** The sums indicated in this section are
50.7 appropriated from the general fund, unless otherwise indicated, to the Department of
50.8 Education for the fiscal years designated.

50.9 Subd. 2. **Additional general education revenue.** For additional general education
50.10 aid according to section 49:

50.11 \$ 23,262,000 2009

50.12 This appropriation is in addition to any other appropriation for this purpose.

50.13 This 2009 appropriation includes \$0 for 2008 and \$18,926,000 for 2009.

50.14 Subd. 3. **Rushford-Peterson.** For a grant to Independent School District No.
50.15 239, Rushford-Peterson, for school district flood enrollment impact aid and aid for the
50.16 increased costs of transporting students as a result of the floods of August 2007.

50.17 \$ 158,000 2009

50.18 The base appropriation for fiscal year 2010 is \$158,000. The base appropriation for
50.19 later years is zero.

50.20 Subd. 4. **Virginia.** For a grant to Independent School District No. 701, Virginia, for
50.21 emergency school facility repairs:

50.22 \$ 100,000 2009

50.23 This is a onetime appropriation.

50.24 Subd. 5. **Lancaster.** For a grant to Independent School District No. 356, Lancaster,
50.25 to replace the loss of sparsity revenue:

50.26 \$ 100,000 2009

50.27 The base appropriation for fiscal years 2010 and 2011 is \$100,000 per year. The
50.28 base appropriation for later fiscal years is zero.

50.29 Subd. 6. **Principal's Leadership Institute.** For a grant to the Principal's Leadership
50.30 Institute under Minnesota Statutes, section 122A.74:

H.F. No. 1812, 2nd Engrossment - 2007-2008th Legislative Session (2007-2008)

51.1 \$ 400,000 2009

51.2 The base appropriation for this program for fiscal year 2010 and later is \$400,000.

51.3 Subd. 7. **Board of Teaching; licensure by portfolio.** For the Board of Teaching
51.4 for licensure by portfolio:

51.5 \$ 17,000 2009

51.6 This appropriation is from the educator licensure portfolio account of the special
51.7 revenue fund.

51.8 Sec. 60. **REPEALER.**

51.9 (a) Minnesota Statutes 2006, sections 121A.67; 125A.16; 125A.19; 125A.20; and
51.10 125A.57, are repealed.

51.11 (b) Laws 2006, chapter 263, article 3, section 16; and Laws 2007, First Special
51.12 Session chapter 2, article 1, section 11, subdivisions 3, and 4, are repealed.

51.13 **ARTICLE 2**

51.14 **FORECAST ADJUSTMENTS**

51.15 Section 1. Laws 2007, chapter 146, article 1, section 24, subdivision 2, is amended to
51.16 read:

51.17 Subd. 2. **General education aid.** For general education aid under Minnesota
51.18 Statutes, section 126C.13, subdivision 4:

51.19 ~~5,618,342,000~~
51.20 \$ 5,600,647,000 2008

51.21 ~~5,618,342,000~~
51.22 \$ 5,649,098,000 2009

51.23 The 2008 appropriation includes ~~\$531,733,000~~ \$536,251,000 for 2007 and
51.24 ~~\$5,073,250,000~~ \$5,064,396,000 for 2008.

51.25 The 2009 appropriation includes ~~\$546,314,000~~ \$543,752,000 for 2008 and
51.26 ~~\$5,072,028,000~~ \$5,105,346,000 for 2009.

51.27 Sec. 2. Laws 2007, chapter 146, article 1, section 24, subdivision 3, is amended to read:

51.28 Subd. 3. **Referendum tax base replacement aid.** For referendum tax base
51.29 replacement aid under Minnesota Statutes, section 126C.17, subdivision 7a:

51.30 ~~\$ 870,000~~ 861,000 2008

51.31 The 2008 appropriation includes ~~\$870,000~~ \$861,000 for 2007 and \$0 for 2008.

H.F. No. 1812, 2nd Engrossment - 2007-2008th Legislative Session (2007-2008)

52.1 Sec. 3. Laws 2007, chapter 146, article 1, section 24, subdivision 4, is amended to read:

52.2 Subd. 4. **Enrollment options transportation.** For transportation of pupils attending
52.3 postsecondary institutions under Minnesota Statutes, section 124D.09, or for transportation
52.4 of pupils attending nonresident districts under Minnesota Statutes, section 124D.03:

52.5 \$ ~~95,000~~ 48,000 2008

52.6 \$ ~~97,000~~ 50,000 2009

52.7 Sec. 4. Laws 2007, chapter 146, article 1, section 24, subdivision 5, is amended to read:

52.8 Subd. 5. **Abatement revenue.** For abatement aid under Minnesota Statutes, section
52.9 127A.49:

52.10 ~~1,343,000~~
52.11 \$ 1,333,000 2008

52.12 ~~1,347,000~~
52.13 \$ 1,629,000 2009

52.14 The 2008 appropriation includes \$76,000 for 2007 and ~~\$1,267,000~~ \$1,257,000
52.15 for 2008.

52.16 The 2009 appropriation includes ~~\$140,000~~ \$139,000 for 2008 and ~~\$1,207,000~~
52.17 \$1,490,000 for 2009.

52.18 Sec. 5. Laws 2007, chapter 146, article 1, section 24, subdivision 6, is amended to read:

52.19 Subd. 6. **Consolidation transition.** For districts consolidating under Minnesota
52.20 Statutes, section 123A.485:

52.21 \$ ~~565,000~~ 240,000 2008

52.22 \$ ~~212,000~~ 339,000 2009

52.23 The 2008 appropriation includes \$43,000 for 2007 and ~~\$522,000~~ \$197,000 for 2008.

52.24 The 2009 appropriation includes ~~\$57,000~~ \$21,000 for 2008 and ~~\$155,000~~ \$318,000
52.25 for 2009.

52.26 Sec. 6. Laws 2007, chapter 146, article 1, section 24, subdivision 7, is amended to read:

52.27 Subd. 7. **Nonpublic pupil education aid.** For nonpublic pupil education aid under
52.28 Minnesota Statutes, sections 123B.40 to 123B.43, and 123B.87:

52.29 ~~16,290,000~~
52.30 \$ 15,601,000 2008

52.31 ~~16,620,000~~
52.32 \$ 16,608,000 2009

52.33 The 2008 appropriation includes ~~\$1,606,000~~ \$1,214,000 for 2007 and ~~\$14,684,000~~
52.34 \$14,387,000 for 2008.

H.F. No. 1812, 2nd Engrossment - 2007-2008th Legislative Session (2007-2008)

53.1 The 2009 appropriation includes ~~\$1,631,000~~ \$1,598,000 for 2008 and ~~\$14,989,000~~

53.2 \$15,010,000 for 2009.

53.3 Sec. 7. Laws 2007, chapter 146, article 1, section 24, subdivision 8, is amended to read:

53.4 Subd. 8. **Nonpublic pupil transportation.** For nonpublic pupil transportation aid
53.5 under Minnesota Statutes, section 123B.92, subdivision 9:

53.6		~~21,551,000~~		
53.7	\$	<u>20,755,000</u>	.....	2008
53.8		~~21,392,000~~		
53.9	\$	<u>21,007,000</u>	.....	2009

53.10 The 2008 appropriation includes \$2,124,000 for 2007 and ~~\$19,427,000~~ \$18,631,000

53.11 for 2008.

53.12 The 2009 appropriation includes ~~\$2,158,000~~ \$2,070,000 for 2008 and ~~\$19,234,000~~
53.13 \$18,937,000 for 2009.

53.14 **B. EDUCATION EXCELLENCE**

53.15 Sec. 8. Laws 2007, chapter 146, article 2, section 46, subdivision 2, is amended to read:

53.16 Subd. 2. **Charter school building lease aid.** For building lease aid under Minnesota
53.17 Statutes, section 124D.11, subdivision 4:

53.18		~~31,875,000~~		
53.19	\$	<u>32,817,000</u>	.....	2008
53.20		~~36,193,000~~		
53.21	\$	37,527,000	.....	2009

53.22 The 2008 appropriation includes \$2,814,000 for 2007 and ~~\$29,061,000~~ \$30,003,000

53.23 for 2008.

53.24 The 2009 appropriation includes ~~\$3,229,000~~ \$3,333,000 for 2008 and ~~\$32,964,000~~
53.25 \$34,194,000 for 2009.

53.26 Sec. 9. Laws 2007, chapter 146, article 2, section 46, subdivision 3, is amended to read:

53.27 Subd. 3. **Charter school startup cost aid.** For charter school startup cost aid
53.28 under Minnesota Statutes, section 124D.11:

53.29		~~1,896,000~~		
53.30	\$	<u>1,801,000</u>	.....	2008
53.31		~~2,161,000~~		
53.32	\$	1,987,000	.....	2009

53.33 The 2008 appropriation includes ~~\$241,000~~ \$239,000 for 2007 and ~~\$1,655,000~~
53.34 ~~\$1,562,000~~ for 2008.

H.F. No. 1812, 2nd Engrossment - 2007-2008th Legislative Session (2007-2008)

54.1 The 2009 appropriation includes ~~\$183,000~~ \$173,000 for 2008 and ~~\$1,978,000~~
54.2 \$1,814,000 for 2009.

54.3 Sec. 10. Laws 2007, chapter 146, article 2, section 46, subdivision 4, is amended to
54.4 read:

54.5 Subd. 4. **Integration aid.** For integration aid under Minnesota Statutes, section
54.6 124D.86, subdivision 5:

54.7		~~61,769,000~~		
54.8	\$	<u>59,036,000</u>	.....	2008
54.9		~~61,000,000~~		
54.10	\$	<u>62,448,000</u>	.....	2009

54.11 The 2008 appropriation includes \$5,824,000 for 2007 and ~~\$55,945,000~~ \$53,212,000
54.12 for 2008.

54.13 The 2009 appropriation includes ~~\$6,216,000~~ \$5,912,000 for 2008 and ~~\$54,784,000~~
54.14 \$56,536,000 for 2009.

54.15 Sec. 11. Laws 2007, chapter 146, article 2, section 46, subdivision 6, is amended to
54.16 read:

54.17 Subd. 6. **Interdistrict desegregation or integration transportation grants.** For
54.18 interdistrict desegregation or integration transportation grants under Minnesota Statutes,
54.19 section 124D.87:

54.20		~~9,639,000~~		
54.21	\$	<u>9,901,000</u>	.....	2008
54.22		~~11,567,000~~		
54.23	\$	<u>11,881,000</u>	.....	2009

54.24 Sec. 12. Laws 2007, chapter 146, article 2, section 46, subdivision 9, is amended to
54.25 read:

54.26 Subd. 9. **Tribal contract schools.** For tribal contract school aid under Minnesota
54.27 Statutes, section 124D.83:

54.28		~~2,238,000~~		
54.29	\$	<u>2,207,000</u>	.....	2008
54.30		~~2,422,000~~		
54.31	\$	<u>2,392,000</u>	.....	2009

54.32 The 2008 appropriation includes \$204,000 for 2007 and ~~\$2,034,000~~ \$2,003,000
54.33 for 2008.

54.34 The 2009 appropriation includes ~~\$226,000~~ \$222,000 for 2008 and ~~\$2,196,000~~
54.35 \$2,170,000 for 2009.

55.1 C. SPECIAL PROGRAMS

55.2 Sec. 13. Laws 2007, chapter 146, article 3, section 24, subdivision 3, is amended to
55.3 read:

55.4 Subd. 3. **Aid for children with disabilities.** For aid under Minnesota Statutes,
55.5 section 125A.75, subdivision 3, for children with disabilities placed in residential facilities
55.6 within the district boundaries for whom no district of residence can be determined:

55.7		~~1,538,000~~	
55.8	\$	<u>2,086,000</u>	 2008
55.9		~~1,729,000~~	
55.10	\$	<u>2,282,000</u>	 2009

55.11 If the appropriation for either year is insufficient, the appropriation for the other
55.12 year is available.

55.13 Sec. 14. Laws 2007, chapter 146, article 3, section 24, subdivision 4, is amended to
55.14 read:

55.15 Subd. 4. **Travel for home-based services.** For aid for teacher travel for home-based
55.16 services under Minnesota Statutes, section 125A.75, subdivision 1:

55.17	\$	~~254,000~~ <u>207,000</u>	 2008
55.18	\$	~~284,000~~ <u>227,000</u>	 2009

55.19 The 2008 appropriation includes \$22,000 for 2007 and ~~\$232,000~~ \$185,000 for 2008.
55.20 The 2009 appropriation includes ~~\$25,000~~ \$20,000 for 2008 and ~~\$259,000~~ \$207,000
55.21 for 2009.

55.22 D. FACILITIES AND TECHNOLOGY

55.23 Sec. 15. Laws 2007, chapter 146, article 4, section 16, subdivision 2, is amended to
55.24 read:

55.25 Subd. 2. **Health and safety revenue.** For health and safety aid according to
55.26 Minnesota Statutes, section 123B.57, subdivision 5:

55.27	\$	~~190,000~~ <u>254,000</u>	 2008
55.28	\$	~~179,000~~ <u>103,000</u>	 2009

55.29 The 2008 appropriation includes \$20,000 for 2007 and ~~\$170,000~~ \$234,000 for 2008.
55.30 The 2009 appropriation includes ~~\$18,000~~ \$26,000 for 2008 and ~~\$161,000~~ \$77,000
55.31 for 2009.

Sec. 16. Laws 2007, chapter 146, article 4, section 16, subdivision 3, is amended to read:

Subd. 3. **Debt service equalization.** For debt service aid according to Minnesota Statutes, section 123B.53, subdivision 6:

	~~14,813,000~~		
\$	<u>14,814,000</u>	.....	2008
	~~11,124,000~~		
\$	<u>9,109,000</u>	.....	2009

The 2008 appropriation includes ~~\$1,767,000~~ \$1,766,000 for 2007 and ~~\$13,046,000~~ \$13,048,000 for 2008.

The 2009 appropriation includes ~~\$1,450,000~~ \$1,449,000 for 2008 and ~~\$9,674,000~~ \$7,660,000 for 2009.

Sec. 17. Laws 2007, chapter 146, article 4, section 16, subdivision 6, is amended to read:

Subd. 6. **Deferred maintenance aid.** For deferred maintenance aid, according to Minnesota Statutes, section 123B.591, subdivision 4:

	~~3,290,000~~		
\$	<u>3,232,000</u>	.....	2008
	~~2,667,000~~		
\$	<u>2,627,000</u>	.....	2009

The 2008 appropriation includes \$0 for 2007 and ~~\$3,290,000~~ \$3,232,000 for 2008.

The 2009 appropriation includes ~~\$365,000~~ \$359,000 for 2008 and ~~\$2,302,000~~ \$2,268,000 for 2009.

Sec. 18. Laws 2007, chapter 146, article 4, section 16, subdivision 8, is amended to read:

Subd. 8. **School technology and operating capital aid grants.** For school technology and operating capital grants under section 11:

	~~38,145,000~~		
\$	<u>38,236,000</u>	.....	2008
	~~52,676,000~~		
\$	<u>52,454,000</u>	.....	2009

This is a onetime appropriation.

E. NUTRITION AND ACCOUNTING

Sec. 19. Laws 2007, chapter 146, article 5, section 13, subdivision 2, is amended to read:

57.1 Subd. 2. **School lunch.** For school lunch aid according to Minnesota Statutes,
57.2 section 124D.111, and Code of Federal Regulations, title 7, section 210.17:

57.3		~~12,022,000~~		
57.4	\$	<u>12,094,000</u>	.....	2008
57.5		~~12,166,000~~		
57.6	\$	<u>12,394,000</u>	.....	2009

57.7 Sec. 20. Laws 2007, chapter 146, article 5, section 13, subdivision 3, is amended to
57.8 read:

57.9 Subd. 3. **Traditional school breakfast; kindergarten milk.** For traditional school
57.10 breakfast aid and kindergarten milk under Minnesota Statutes, sections 124D.1158 and
57.11 124D.118:

57.12		~~5,460,000~~		
57.13	\$	<u>5,583,000</u>	.....	2008
57.14		~~5,695,000~~		
57.15	\$	<u>5,994,000</u>	.....	2009

57.16 Sec. 21. Laws 2007, chapter 146, article 5, section 13, subdivision 4, is amended to
57.17 read:

57.18 Subd. 4. **Summer food service replacement aid.** For summer food service
57.19 replacement aid under Minnesota Statutes, section 124D.119:

57.20	\$	~~150,000~~ <u>127,000</u>	.....	2008
57.21	\$	150,000	.....	2009

57.22 **F. EARLY CHILDHOOD AND ADULT PROGRAMS**

57.23 Sec. 22. Laws 2007, chapter 146, article 9, section 17, subdivision 2, is amended to
57.24 read:

57.25 Subd. 2. **Early childhood family education aid.** For early childhood family
57.26 education aid under Minnesota Statutes, section 124D.135:

57.27		~~21,106,000~~		
57.28	\$	<u>21,092,000</u>	.....	2008
57.29		~~29,601,000~~		
57.30	\$	<u>29,324,000</u>	.....	2009

57.31 The 2008 appropriation includes \$1,796,000 for 2007 and ~~\$19,310,000~~ \$19,296,000
57.32 for 2008.

57.33 The 2009 appropriation includes ~~\$2,145,000~~ \$2,144,000 for 2008 and ~~\$27,456,000~~
57.34 \$27,180,000 for 2009.

H.F. No. 1812, 2nd Engrossment - 2007-2008th Legislative Session (2007-2008)

58.1 Sec. 23. Laws 2007, chapter 146, article 9, section 17, subdivision 3, is amended to
58.2 read:

58.3 Subd. 3. **School readiness.** For revenue for school readiness programs under
58.4 Minnesota Statutes, sections 124D.15 and 124D.16:

58.5		~~9,995,000~~		
58.6	\$	<u>9,987,000</u>	.....	2008
58.7	\$	10,095,000	.....	2009

58.8 The 2008 appropriation includes ~~\$909,000~~ \$901,000 for 2007 and \$9,086,000 for
58.9 2008.

58.10 The 2009 appropriation includes \$1,009,000 for 2008 and \$9,086,000 for 2009.

58.11 Sec. 24. Laws 2007, chapter 146, article 9, section 17, subdivision 4, is amended to
58.12 read:

58.13 Subd. 4. **Health and developmental screening aid.** For health and developmental
58.14 screening aid under Minnesota Statutes, sections 121A.17 and 121A.19:

58.15		~~3,159,000~~		
58.16	\$	<u>2,624,000</u>	.....	2008
58.17		~~3,330,000~~		
58.18	\$	<u>2,656,000</u>	.....	2009

58.19 The 2008 appropriation includes \$288,000 for 2007 and ~~\$2,871,000~~ \$2,336,000
58.20 for 2008.

58.21 The 2009 appropriation includes ~~\$319,000~~ \$259,000 for 2008 and ~~\$3,011,000~~
58.22 \$2,397,000 for 2009.

58.23 Sec. 25. Laws 2007, chapter 146, article 9, section 17, subdivision 8, is amended to
58.24 read:

58.25 Subd. 8. **Community education aid.** For community education aid under
58.26 Minnesota Statutes, section 124D.20:

58.27		~~1,307,000~~		
58.28	\$	<u>1,299,000</u>	.....	2008
58.29	\$	~~816,000~~ <u>796,000</u>	.....	2009

58.30 The 2008 appropriation includes \$195,000 for 2007 and ~~\$1,112,000~~ \$1,104,000
58.31 for 2008.

58.32 The 2009 appropriation includes ~~\$123,000~~ \$122,000 for 2008 and ~~\$693,000~~
58.33 \$674,000 for 2009.

Sec. 26. Laws 2007, chapter 146, article 9, section 17, subdivision 9, is amended to read:

Subd. 9. **Adults with disabilities program aid.** For adults with disabilities programs under Minnesota Statutes, section 124D.56:

\$ ~~710,000~~ <u>709,000</u>	.....	2008
\$ 710,000	.....	2009

The 2008 appropriation includes ~~\$71,000~~ \$70,000 for 2007 and \$639,000 for 2008.
The 2009 appropriation includes \$71,000 for 2008 and \$639,000 for 2009.

School districts operating existing adults with disabilities programs that are not fully funded shall receive full funding for the program beginning in fiscal year 2008 before the commissioner awards grants to other districts.

Sec. 27. Laws 2007, chapter 146, article 9, section 17, subdivision 13, is amended to read:

Subd. 13. **Adult basic education aid.** For adult basic education aid under Minnesota Statutes, section 124D.531:

~~40,347,000~~		
\$ <u>40,344,000</u>	.....	2008
~~41,745,000~~		
\$ <u>41,712,000</u>	.....	2009

The 2008 appropriation includes \$3,759,000 for 2007 and ~~\$36,588,000~~ \$36,585,000 for 2008.

The 2009 appropriation includes \$4,065,000 for 2008 and ~~\$37,680,000~~ \$37,647,000 for 2009.

ARTICLE 3
HIGHER EDUCATION

Section 1. SUMMARY OF APPROPRIATIONS

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2007, chapter 144, 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 "2008" and "2009" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively. Supplemental appropriations and

reductions to appropriations for the fiscal year ending June 30, 2008, are effective the day following final enactment.

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

	<u>2008</u>		<u>2009</u>	<u>Total</u>
<u>General</u>	\$	<u>0</u> \$	<u>(19,456,000)</u> \$	<u>(19,456,000)</u>
<u>Total</u>	\$	<u>0</u> \$	<u>(19,456,000)</u> \$	<u>(19,456,000)</u>

APPROPRIATIONS
Available for the Year
Ending June 30
2008 2009

Sec. 2. MINNESOTA OFFICE OF HIGHER EDUCATION \$ -0- \$ (7,111,000)

\$111,000 in the second year is an operating base reduction.

\$7,000,000 in the second year is a reduction to the Achieve scholarship program under Minnesota Statutes, section 136A.127.

Sec. 3. BOARD OF TRUSTEES OF THE MINNESOTA STATE COLLEGES AND UNIVERSITIES \$ -0- \$ (6,173,000)

Of this reduction, \$5,000,000 is from the appropriations for technology. The remainder is from the Office of the Chancellor budget.

The reductions in this subdivision must not result in reductions to any of the campuses of the Minnesota State Colleges and Universities, must not reduce the technology expenditures or grants to the campuses, and must not increase any assessments to the campuses from the Office of the Chancellor.

The Board of Trustees of the Minnesota State Colleges and Universities must reallocate \$9,000,000 of state appropriations for fiscal year 2009 to reduce student tuition increases

61.1 to two percent at state colleges and three
61.2 percent at state universities and must not
61.3 increase student fees beyond the amount that
61.4 is currently planned for the next academic
61.5 year.

61.6 The legislature intends that by reducing
61.7 tuition increases, the student's share of
61.8 educational costs are decreased and the
61.9 state's share of educational costs are
61.10 increased, consistent with the funding policy
61.11 in Minnesota Statutes, section 135A.01. The
61.12 legislature's goal is to begin progress over the
61.13 next eight years to achieve a two-thirds state
61.14 share of educational costs and a one-third
61.15 student share as specified in Minnesota
61.16 Statutes, section 135A.01.

61.17 The system base is reduced by \$8,664,000
61.18 in fiscal year 2010 and \$8,665,000 in fiscal
61.19 year 2011.

61.20 Sec. 4. **BOARD OF REGENTS OF THE**
61.21 **UNIVERSITY OF MINNESOTA** \$ -0- \$ (6,172,000)

61.22 The Board of Regents must not increase
61.23 student tuition or fees beyond the amount
61.24 currently planned for the next academic year.

61.25 The system base is reduced by \$8,666,000
61.26 in fiscal year 2010 and \$8,665,000 in fiscal
61.27 year 2011.

61.28 Sec. 5. Minnesota Statutes 2006, section 13.32, subdivision 3, is amended to read:

61.29 Subd. 3. **Private data; when disclosure is permitted.** Except as provided in
61.30 subdivision 5, educational data is private data on individuals and shall not be disclosed
61.31 except as follows:

- 61.32 (a) pursuant to section 13.05;
- 61.33 (b) pursuant to a valid court order;
- 61.34 (c) pursuant to a statute specifically authorizing access to the private data;

(d) to disclose information in health and safety emergencies pursuant to the provisions of United States Code, title 20, section 1232g(b)(1)(I) and Code of Federal Regulations, title 34, section 99.36;

(e) pursuant to the provisions of United States Code, title 20, sections 1232g(b)(1), (b)(4)(A), (b)(4)(B), (b)(1)(B), (b)(3), (b)(6), (b)(7), and (i), and Code of Federal Regulations, title 34, sections 99.31, 99.32, 99.33, 99.34, ~~and 99.35~~, and 99.39;

(f) to appropriate health authorities to the extent necessary to administer immunization programs and for bona fide epidemiologic investigations which the commissioner of health determines are necessary to prevent disease or disability to individuals in the public educational agency or institution in which the investigation is being conducted;

(g) when disclosure is required for institutions that participate in a program under title IV of the Higher Education Act, United States Code, title 20, section 1092;

(h) to the appropriate school district officials to the extent necessary under subdivision 6, annually to indicate the extent and content of remedial instruction, including the results of assessment testing and academic performance at a postsecondary institution during the previous academic year by a student who graduated from a Minnesota school district within two years before receiving the remedial instruction;

(i) to appropriate authorities as provided in United States Code, title 20, section 1232g(b)(1)(E)(ii), if the data concern the juvenile justice system and the ability of the system to effectively serve, prior to adjudication, the student whose records are released; provided that the authorities to whom the data are released submit a written request for the data that certifies that the data will not be disclosed to any other person except as authorized by law without the written consent of the parent of the student and the request and a record of the release are maintained in the student's file;

(j) to volunteers who are determined to have a legitimate educational interest in the data and who are conducting activities and events sponsored by or endorsed by the educational agency or institution for students or former students;

(k) to provide student recruiting information, from educational data held by colleges and universities, as required by and subject to Code of Federal Regulations, title 32, section 216;

(l) to the juvenile justice system if information about the behavior of a student who poses a risk of harm is reasonably necessary to protect the health or safety of the student or other individuals;

(m) with respect to Social Security numbers of students in the adult basic education system, to Minnesota State Colleges and Universities and the Department of Employment

and Economic Development for the purpose and in the manner described in section 124D.52, subdivision 7; ~~or~~

(n) to the commissioner of education for purposes of an assessment or investigation of a report of alleged maltreatment of a student as mandated by section 626.556. Upon request by the commissioner of education, data that are relevant to a report of maltreatment and are from charter school and school district investigations of alleged maltreatment of a student must be disclosed to the commissioner, including, but not limited to, the following:

(1) information regarding the student alleged to have been maltreated;

(2) information regarding student and employee witnesses;

(3) information regarding the alleged perpetrator; and

(4) what corrective or protective action was taken, if any, by the school facility in response to a report of maltreatment by an employee or agent of the school or school district;

(o) when the disclosure is of the final results of a disciplinary proceeding on a charge of a crime of violence or nonforcible sex offense to the extent authorized under United States Code, title 20, section 1232g(b)(6)(A) and (B) and Code of Federal Regulations, title 34, sections 99.31(a)(13) and (14);

(p) when the disclosure is information provided to the institution under United States Code, title 42, section 14071, concerning registered sex offenders to the extent authorized under United States Code, title 20, section 1232g(b)(7); or

(q) when the disclosure is to a parent of a student at an institution of postsecondary education regarding the student's violation of any federal, state, or local law or of any rule or policy of the institution, governing the use or possession of alcohol or of a controlled substance, to the extent authorized under United States Code, title 20, section 1232g(i), and Code of Federal Regulations, title 34, section 99.31(a)(15), and provided the institution has an information release form signed by the student authorizing disclosure to a parent. The institution must notify parents about the purpose and availability of the information release forms. At a minimum, the institution must distribute the information release forms at parent orientation meetings.

Sec. 6. Minnesota Statutes 2006, section 13.32, is amended by adding a subdivision to read:

Subd. 11. Data to improve instruction. The Department of Education and the Office of Higher Education may each share educational data with the other agency for the purpose of analyzing and improving school district instruction, consistent with Code of

64.1 Federal Regulations, title 34, section 99.31, paragraph (a)(6). The educational data that
64.2 may be shared between the two agencies under this subdivision must be limited to:

64.3 (1) student attendance data that include the name of the school or institution, school
64.4 district, the year or term of attendance, and term type;

64.5 (2) student demographic and enrollment data;

64.6 (3) student academic performance and testing data; and

64.7 (4) any special academic services provided to a student.

64.8 Any analysis of or report on these data must contain only summary data.

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

64.10 **Sec. 7. [127A.70] MINNESOTA P-20 EDUCATION PARTNERSHIP.**

64.11 **Subdivision 1. Establishment; membership.** (a) A P-20 education partnership
64.12 is established to create a seamless education system that maximizes achievements of
64.13 all students, from early childhood through elementary, secondary, and postsecondary
64.14 education, while promoting the effective and efficient use of financial and human
64.15 resources. The partnership shall consist of major statewide educational groups or
64.16 constituencies or noneducational statewide organizations with a stated interest in P-20
64.17 education. Upon enactment of this legislation, the partnership members shall be those
64.18 currently serving on the Minnesota P-16 Education Partnership plus four legislators as
64.19 follows:

64.20 (1) one senator from the majority party and one senator from the minority party,
64.21 appointed by the Subcommittee on Committees of the Committee on Rules and
64.22 Administration; and

64.23 (2) one member of the house of representatives appointed by the speaker of the
64.24 house and one member of the house of representatives appointed by the minority leader
64.25 of the house.

64.26 Prospective members may be nominated by any partnership member and new
64.27 members must be added with the approval of a two-thirds majority of the partnership
64.28 members.

64.29 The partnership must seek input from nonmember organizations having expertise to
64.30 help inform the partnership's work.

64.31 (b) Each partnership member must be represented by its formally designated leader
64.32 or the leader's designee. The partnership must meet at least three times each calendar year.

64.33 **Subd. 2. Powers and duties; report.** (a) The partnership must develop and submit
64.34 to the governor and the legislative committees with jurisdiction over education policy and
64.35 finance recommendations for maximizing the achievement of all P-20 students while

65.1 promoting the effective and efficient use of state resources, and maximizing the value of
65.2 the state's educational investment. Partnership recommendations must at least include a
65.3 focus on strategies, policies, and actions that:

65.4 (1) improve the quality of and access to education for all students from preschool
65.5 through graduate education;

65.6 (2) improve preparation for and transitions to postsecondary education and work; and

65.7 (3) ensure educator quality by creating rigorous standards for teacher recruitment,
65.8 teacher preparation, induction and mentoring of beginning teachers, and continuous
65.9 professional development for career teachers.

65.10 (b) Annually, by January 15, the partnership must submit a report to the governor
65.11 and the legislative committees with jurisdiction over education policy and finance
65.12 summarizing the partnership's progress in meeting its goals and recommending any
65.13 legislation needed to further partnership goals related to maximizing student achievement
65.14 and promoting effective and efficient use of resources.

65.15 Subd. 3. **Expiration.** The partnership expires on June 30, 2019.

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

65.17 Sec. 8. Minnesota Statutes 2006, section 136A.101, subdivision 8, is amended to read:

65.18 Subd. 8. **Resident student.** "Resident student" means a student who meets one of
65.19 the following conditions:

65.20 (1) a student who has resided in Minnesota for purposes other than postsecondary
65.21 education for at least 12 months without being enrolled at a postsecondary educational
65.22 institution for more than five credits in any term;

65.23 (2) a dependent student whose parent or legal guardian resides in Minnesota at the
65.24 time the student applies;

65.25 (3) a student who graduated from a Minnesota high school, if the student was a
65.26 resident of Minnesota during the student's period of attendance at the Minnesota high
65.27 school and the student is physically attending a Minnesota postsecondary educational
65.28 institution;

65.29 (4) a student who, after residing in the state for a minimum of one year, earned a
65.30 high school equivalency certificate in Minnesota;

65.31 (5) a member, spouse, or dependent of a member of the armed forces of the United
65.32 States stationed in Minnesota on active federal military service as defined in section
65.33 190.05, subdivision 5c;

65.34 (6) a spouse or dependent of a veteran, as defined in section 197.447, if the veteran
65.35 is a Minnesota resident;

(7) a person or spouse of a person who relocated to Minnesota from an area that is declared a presidential disaster area within the preceding 12 months if the disaster interrupted the person's postsecondary education; or

~~(7)~~ (8) a person defined as a refugee under United States Code, title 8, section 1101(a)(42), who, upon arrival in the United States, moved to Minnesota and has continued to reside in Minnesota.

Sec. 9. Minnesota Statutes 2006, section 136A.121, subdivision 5, is amended to read:

Subd. 5. **Grant stipends.** The grant stipend shall be based on a sharing of responsibility for covering the recognized cost of attendance by the applicant, the applicant's family, and the government. The amount of a financial stipend must not exceed a grant applicant's recognized cost of attendance, as defined in subdivision 6, after deducting the following:

(1) the assigned student responsibility of at least ~~46~~ 44.5 percent of the cost of attending the institution of the applicant's choosing;

(2) the assigned family responsibility as defined in section 136A.101; and

(3) the amount of a federal Pell grant award for which the grant applicant is eligible.

The minimum financial stipend is \$100 per academic year.

Sec. 10. Minnesota Statutes 2007 Supplement, section 136A.121, subdivision 7a, is amended to read:

Subd. 7a. **Surplus appropriation.** If the amount appropriated is determined by the office to be more than sufficient to fund projected grant demand in the second year of the biennium, the office may increase the living and miscellaneous expense allowance in the second year of the biennium by up to an amount that retains sufficient appropriations to fund the projected grant demand. The adjustment may be made one or more times. In making the determination that there are more than sufficient funds, the office shall balance the need for sufficient resources to meet the projected demand for grants with the goal of fully allocating the appropriation for state grants. An increase in the living and miscellaneous expense allowance under this subdivision does not carry forward into a subsequent biennium. ~~This subdivision expires June 30, 2009.~~

Sec. 11. Minnesota Statutes 2007 Supplement, section 136A.126, is amended to read:

136A.126 INDIAN SCHOLARSHIPS.

Subdivision 1. **Student eligibility.** The director of the Office of Higher Education shall establish procedures for the distribution of scholarships to ~~any~~ a Minnesota resident student who:

(1) is of one-fourth or more Indian ancestry, ~~who~~

(2) has applied for other existing state and federal scholarship and grant programs, ~~and who~~

(3) if enrolled in an undergraduate program, is eligible or would be eligible to receive a federal Pell Grant or a state grant based on the federal needs analysis;

(4) is an undergraduate enrolled for nine semester credits per term or more, or the equivalent, or a graduate student enrolled on a half-time basis or more according to the postsecondary institution; and

(5) in the opinion of the director of the Office of Higher Education, based upon postsecondary institution recommendations, has the capabilities to benefit from further education.

Subd. 2. **Eligible programs.** Scholarships must be for accredited degree programs in accredited Minnesota colleges or universities or for courses in accredited Minnesota business, technical, or vocational schools. Scholarships may also be given to students attending Minnesota colleges that are in candidacy status for obtaining full accreditation, and are eligible for and receiving federal financial aid programs. Students are also eligible for scholarships when enrolled as students in Minnesota higher education institutions that have joint programs with other accredited higher education institutions. ~~Scholarships shall be used to defray the total cost of education including tuition, incidental fees, books, supplies, transportation, other related school costs and the cost of board and room and shall be paid directly to the college or school concerned where the student receives federal financial aid.~~

Subd. 3. **Cost of attendance.** The total cost of ~~education includes all~~ attendance shall include tuition and required fees for each student enrolling in a public institution ~~and the portion of tuition and fees for each student enrolling in a private institution that does not exceed the tuition and fees at a comparable public institution. Each student shall be awarded a scholarship based on a federal standardized need analysis. Applicants are encouraged to apply for all other sources of financial aid charged by the institution and the campus-based budget used for federal financial aid for food and shelter, books, supplies, transportation, and miscellaneous expenses.~~

~~When an Indian student satisfactorily completes the work required by a certain college or school in a school year the student is eligible for additional scholarships, if additional training is necessary to reach the student's educational and vocational objective.~~

Subd. 4. **Award amount.** (a) Each student shall be awarded a scholarship based on the federal need analysis. Applicants are encouraged to apply for all other sources of financial aid. The amount of the award must not exceed the applicant's cost of attendance, as defined in subdivision 3, after deducting:

(1) the expected family contribution as calculated by the federal need analysis;

(2) the amount of a federal Pell Grant award for which the applicant is eligible;

(3) the amount of the state grant;

(4) the sum of all federal Supplemental Educational Opportunity Grant, federal Academic Competitiveness Grant, and federal Science and Mathematics Access to Retain Talent Grant (SMART Grant) awards;

(5) the sum of all institutional grants, scholarships, tuition waivers, and tuition remission amounts;

(6) the sum of all tribal scholarships;

(7) the amount of any other state and federal gift aid; and

(8) the amount of any private grants or scholarships.

(b) The award shall be paid directly to the postsecondary institution where the student receives federal financial aid.

(c) Awards are limited as follows:

(1) the maximum award for an undergraduate is \$4,000 per academic year;

(2) the maximum award for a graduate student is \$6,000 per academic year; and

(3) the minimum award for all students is \$100 per academic year.

(d) Scholarships may not be given to any Indian student for more than ~~five~~ three years of study for a two-year degree, certificate, or diploma program or five years of study for a four-year degree program at the undergraduate level and for more than five years at the graduate level. Students may acquire only one degree per level and one terminal graduate degree. Scholarships may not be given to any student for more than ten years including five years of undergraduate study and five years of graduate study.

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

Sec. 12. Minnesota Statutes 2007 Supplement, section 136A.127, is amended to read:

136A.127 ACHIEVE SCHOLARSHIP PROGRAM.

Subdivision 1. **Establishment.** The Achieve Scholarship Program is established to provide scholarships to eligible students within the limits of appropriations for the program.

Subd. 2. **Definition; qualifying program.** For the purposes of this section, a "qualifying program" means a rigorous secondary school program of study defined by the Department of Education under agreement with the Secretary of Education for the purposes of determining eligibility for the federal Academic Competitiveness Grant Program under Title IV of the Higher Education Act of 1965, as amended.

Subd. 3. **Documentation of qualifying programs.** The student shall request a transcript from the high school. The high school shall provide a transcript to the Office of Higher Education or to the eligible institution in which the student is enrolling, documenting the qualifying program. The student may be required to provide additional documentation such as:

(1) official postsecondary transcript; and

(2) official IB/AP test scores.

Subd. 4. **Student eligibility.** To be eligible to receive a scholarship under this section, in addition to the requirements listed under section 136A.121, a student must:

(1) submit a Free Application for Federal Student Aid (FAFSA);

(2) take and receive at least a grade of C for courses that comprise a rigorous secondary school program of study in a high school or in a home-school setting under section 120A.22, and graduate from a Minnesota high school;

(3) have a family adjusted gross income of less than \$75,000 in the last complete calendar year prior to the academic year of postsecondary attendance ~~of less than \$75,000 in which the scholarship is used;~~

(4) be a United States citizen or eligible noncitizen, as defined in section 484 of the Higher Education Act, United States Code, title 20, sections 1091 et seq., as amended, and Code of Federal Regulations, title 34, section 668.33; ~~and~~

(5) be a Minnesota resident, as defined in section 136A.101, subdivision 8; and

(6) be enrolled for at least three credits per quarter or semester or the equivalent at an eligible institution as defined under section 136A.101, subdivision 4.

Subd. 5. **Administration.** The Achieve Scholarship Program shall be administered by the Minnesota Office of Higher Education. The director shall develop forms and procedures necessary to administer the program.

Subd. 6. **Application.** A student must complete and submit an application for the Achieve scholarship.

Subd. 7. **Deadline.** The deadline for the office to accept applications for Achieve scholarships is ~~30 days after the beginning of the academic term for which the application is submitted~~ the same as that used for the state grant in section 136A.121, subdivision 13.

70.1 Subd. 8. **Documentation of qualifying household income.** Achieve Scholarship
70.2 Program applicants must certify on the application that they meet the income eligibility
70.3 requirement in subdivision ~~5~~ 4, clause ~~(2)~~ (3). The Office of Higher Education or the
70.4 postsecondary institution may request documentation needed to confirm income eligibility.

70.5 Subd. 9. **Scholarship awards.** Minnesota Achieve scholarships shall consist of
70.6 \$1,200 for a student who takes and receives at least a grade of C for courses required
70.7 under a qualifying program. The scholarships may be used to pay for qualifying expenses
70.8 at eligible institutions.

70.9 Subd. 10. **Qualifying expenses.** Qualifying expenses are components included
70.10 under the cost of attendance used for federal student financial aid programs, as defined in
70.11 section 472 of the Higher Education Act, United States Code, title 20, sections 1091 et
70.12 seq., as amended.

70.13 Subd. 11. **Eligible institutions.** The Achieve scholarship may only be used to
70.14 pay qualifying expenses at an eligible institution as defined under section 136A.101,
70.15 subdivision 4.

70.16 Subd. 12. **Availability of scholarship funds.** A scholarship earned by a student
70.17 is available for four years immediately following high school graduation. The office
70.18 must certify to the commissioner of finance by October 1 of each year the amounts to be
70.19 canceled from scholarship eligibility that have expired.

70.20 Subd. 13. **Disbursement of scholarships.** The office shall make two equal
70.21 payments to a postsecondary institution on behalf of the student. ~~The second payment~~
70.22 ~~must be made~~ After the student successfully completes the first term of enrollment, the
70.23 second payment must be made during the student's next term of enrollment at an eligible
70.24 institution. If the second disbursement is not within the same academic year as the first
70.25 disbursement, the student must request the second disbursement.

70.26 Subd. 14. **Evaluation report.** By January 15 of each odd-numbered year, the
70.27 Office of Higher Education shall submit a report, to the committees of the legislature with
70.28 jurisdiction over higher education finance and policy, regarding the success of the program
70.29 in increasing the enrollment of students in rigorous high school courses, including, at a
70.30 minimum, the following information:

70.31 (1) the demographics of individuals participating in the program;

70.32 (2) the grades scholarship recipients received for courses in the qualifying program
70.33 under subdivision 2;

70.34 (3) the number of scholarship recipients who persisted at a postsecondary institution
70.35 for a second year;

70.36 (4) the high schools attended by the program participants;

- 71.1 (5) the postsecondary institutions attended by the program participants;
71.2 (6) the academic performance of the students after enrolling in a postsecondary
71.3 institution; and
71.4 (7) other information as identified by the director.

71.5 **EFFECTIVE DATE.** This section is effective the day following final enactment
71.6 and within the limits of appropriations applies to students who graduate from high school
71.7 after January 1, 2008.

71.8 Sec. 13. Minnesota Statutes 2007 Supplement, section 136A.128, is amended by
71.9 adding a subdivision to read:

71.10 Subd. 4. **Administration.** A nonprofit organization that receives a grant under this
71.11 section may use five percent of the grant amount to administer the program.

71.12 **EFFECTIVE DATE.** This section is effective the day following final enactment for
71.13 grants under Minnesota Statutes, section 136A.128, beginning in fiscal year 2008.

71.14 Sec. 14. Minnesota Statutes 2007 Supplement, section 136A.65, subdivision 1, is
71.15 amended to read:

71.16 Subdivision 1. **Prohibition.** No school subject to registration shall grant a degree
71.17 unless such degree and its underlying curriculum are approved by the office, nor shall
71.18 any school subject to registration use the name "college," ~~"academy,"~~ ~~"institute"~~ or
71.19 "university" in its name without approval by the office.

71.20 Sec. 15. Minnesota Statutes 2007 Supplement, section 136A.65, subdivision 3, is
71.21 amended to read:

71.22 Subd. 3. **Application.** A school subject to registration shall be granted approval
71.23 to use the term "college," ~~"academy,"~~ ~~"institute,"~~ or "university" in its name if it was
71.24 organized, operating, and using such term in its name on or before August 1, 2007, and if
71.25 it meets the other policies and standards for approval established by the office.

71.26 Sec. 16. Minnesota Statutes 2007 Supplement, section 136A.65, subdivision 5, is
71.27 amended to read:

71.28 Subd. 5. **Requirements for degree and nondegree program approval.** For each
71.29 degree and nondegree program a school offers to a student, where the student does not
71.30 leave Minnesota for the major portion of the program or course leading to the degree or
71.31 nondegree award, the school must have:

72.1 (1) for degree programs:

72.2 (i) qualified teaching personnel to provide the educational programs for each degree
72.3 for which approval is sought;

72.4 ~~(2)~~ (ii) appropriate educational programs leading to each degree for which approval
72.5 is sought;

72.6 ~~(3)~~ (iii) appropriate and accessible library, laboratory, and other physical facilities to
72.7 support the educational program for each degree for which approval is sought; and

72.8 ~~(4)~~ (iv) a rationale showing that degree programs are consistent with the school's
72.9 mission and goals; and

72.10 (2) for nondegree programs:

72.11 (i) qualified teaching personnel to provide the educational programs for which
72.12 approval is sought;

72.13 (ii) appropriate educational programs leading to each award for which approval
72.14 is sought;

72.15 (iii) appropriate and accessible library, laboratory, and other physical facilities to
72.16 support the educational program for which approval is sought; and

72.17 (iv) a rationale showing that programs are consistent with the school's mission
72.18 and goals.

72.19 Nondegree programs that are a part of an approved degree shall not require
72.20 additional review or approval; they shall be considered approved as a part of the degree
72.21 approval. Any nondegree program offered by a degree-granting school that is not a part of
72.22 an approved degree shall be subject to clause (2), items (i) to (iv).

72.23 Sec. 17. Minnesota Statutes 2007 Supplement, section 136A.65, subdivision 6, is
72.24 amended to read:

72.25 Subd. 6. **Name.** A degree-granting school may use the term "academy" or "institute"
72.26 in its name without meeting any additional requirements. A school may use the term
72.27 "college" in its name if it offers at least one program leading to an associate degree. A
72.28 school may use the term "university" in its name if it offers at least one program leading
72.29 to a master's or doctorate degree.

72.30 Sec. 18. Minnesota Statutes 2007 Supplement, section 136A.65, subdivision 7, is
72.31 amended to read:

72.32 Subd. 7. **Conditional approval.** The office may grant conditional approval for a
72.33 degree or use of a term in its name for a period of less than one year if doing so would be
72.34 in the best interests of currently enrolled students or prospective students. New schools

73.1 may be granted conditional approval for degrees or names annually for a period not to
73.2 exceed five years to allow them the opportunity to apply for and receive accreditation as
73.3 required in subdivision 1a.

73.4 Sec. 19. Minnesota Statutes 2007 Supplement, section 136A.66, is amended to read:

73.5 **136A.66 LIST.**

73.6 The office shall maintain a list of registered institutions authorized to grant degrees
73.7 and schools authorized to use the name "college," "academy," "institute" or "university,"
73.8 and shall make such list available to the public.

73.9 Sec. 20. Minnesota Statutes 2007 Supplement, section 136A.67, is amended to read:

73.10 **136A.67 UNAUTHORIZED REPRESENTATIONS.**

73.11 No school and none of its officials or employees shall advertise or represent in
73.12 any manner that such school is approved or accredited by the office or the state of
73.13 Minnesota, except a school which is duly registered with the office, or any of its officials
73.14 or employees, may represent in advertising and shall disclose in catalogues, applications,
73.15 and enrollment materials that the school is registered with the office by prominently
73.16 displaying the following statement: "(Name of school) is registered as a private institution
73.17 with the Minnesota Office of Higher Education pursuant to sections 136A.61 to 136A.71.
73.18 Registration is not an endorsement of the institution. Credits earned at the institution
73.19 may not transfer to all other institutions."

73.20 Sec. 21. Minnesota Statutes 2007 Supplement, section 136A.69, is amended to read:

73.21 **136A.69 FEES.**

73.22 Subdivision 1. **Registration fees.** The office shall collect reasonable registration
73.23 fees that are sufficient to recover, but do not exceed, its costs of administering the
73.24 registration program. The office shall charge \$1,100 for initial registration fees and \$950
73.25 for annual renewal fees.

73.26 Subd. 2. **Degree level addition fee.** The office processing fee for adding a degree
73.27 level to an existing program is \$2,000 per ~~program~~ degree.

73.28 Subd. 3. **Degree or nondegree program addition fee.** The office processing fee
73.29 for adding a degree or nondegree program that represents a significant departure in the
73.30 objectives, content, or method of delivery of degree or nondegree programs that are
73.31 currently offered by the school is \$500 per degree or nondegree program.

74.1 Subd. 4. **Visit or consulting fee.** If the office determines that a fact-finding visit
74.2 or outside consultant is necessary to review or evaluate any new or revised degree or
74.3 nondegree program, the office shall be reimbursed for the expenses incurred related to the
74.4 review as follows:

74.5 (1) \$300 for the team base fee or for a paper review conducted by a consultant if the
74.6 office determines that a fact-finding visit is not required;

74.7 (2) \$300 for each day or part thereof on site per team member; and

74.8 (3) the actual cost of customary meals, lodging, and related travel expenses incurred
74.9 by team members.

74.10 Subd. 5. **Modification fee.** The fee for modification of any existing degree or
74.11 nondegree program is \$100 and is due if there is:

74.12 (1) an increase or decrease of 25 percent or more from the original date of program
74.13 approval, in clock hours, credit hours, or calendar length of an existing degree or
74.14 nondegree program;

74.15 (2) a change in academic measurement from clock hours to credit hours or vice
74.16 versa; or

74.17 (3) an addition or alteration of courses that represent a 25 percent change or more in
74.18 the objectives, content, or methods of delivery.

74.19 Sec. 22. Minnesota Statutes 2007 Supplement, section 136F.02, subdivision 1, is
74.20 amended to read:

74.21 Subdivision 1. **Membership.** The board consists of 15 members appointed
74.22 according to this subdivision. Eleven members are appointed by the governor including
74.23 three members who are students who have attended an institution for at least one year
74.24 and are currently enrolled at least half time in a degree, diploma, or certificate program
74.25 or have graduated from an institution governed by the board within one year of the date
74.26 of appointment. The student members shall include: one member from a community
74.27 college, one member from a state university, and one member from a technical college.
74.28 The remaining four members are appointed by labor organizations. The Inter Faculty
74.29 Organization (IFO), the Minnesota State College Faculty (MSCF), the Minnesota
74.30 Association of Professional Employees (MAPE), and the American Federation of
74.31 State, County and Municipal Employees (AFSCME) shall each appoint one member.
74.32 Appointments by the governor and the labor organizations are made with the advice
74.33 and consent of the senate. At least one member of the board must be a resident of each
74.34 congressional district. The remaining members must be appointed to represent the state at
74.35 large. In selecting appointees, the governor and each appointing authority must consider

75.1 the needs of the board of trustees and the balance of the board membership with respect to
75.2 labor and business representation and racial, gender, geographic, and ethnic composition.
75.3 ~~Three members must be students who are enrolled at least half time in a degree, diploma,~~
75.4 ~~or certificate program or have graduated from an institution governed by the board within~~
75.5 ~~one year of the date of appointment. The student members shall include: one member~~
75.6 ~~from a community college, one member from a state university, and one member from a~~
75.7 ~~technical college. The remaining members must be appointed to represent the state at large.~~

75.8 Sec. 23. Minnesota Statutes 2007 Supplement, section 136F.03, subdivision 4, is
75.9 amended to read:

75.10 Subd. 4. **Recommendations.** Except for seats filled under ~~section~~ sections 136F.04
75.11 and 136F.045, the advisory council shall recommend at least two and not more than four
75.12 candidates for each seat. By April 15 of each even-numbered year in which the governor
75.13 makes appointments to the board, the advisory council shall submit its recommendations
75.14 to the governor. The governor is not bound by these recommendations.

75.15 Sec. 24. **[136F.045] LABOR ORGANIZATION BOARD MEMBER SELECTION**
75.16 **PROCESS.**

75.17 The labor organizations under section 136F.02, subdivision 1, are responsible
75.18 for recruiting, screening, and selecting qualified candidates for their appointments to
75.19 the board. The organizations must develop a statement of selection criteria for board
75.20 membership and a process for selecting candidates to meet the board needs and balance
75.21 required under section 136F.02, subdivision 1.

75.22 Sec. 25. **[136F.19] POWER OF YOU PROGRAM.**

75.23 Subdivision 1. **Establishment.** The power of you program is established at
75.24 Metropolitan State University, Minneapolis Community and Technical College, and St.
75.25 Paul College to promote the preparation and enrollment of students in postsecondary
75.26 education through partnerships with high schools and school districts.

75.27 Subd. 2. **Allocations.** (a) Minnesota State Colleges and Universities shall allocate
75.28 the power of you funds at Metropolitan State University, Minneapolis Community and
75.29 Technical College, and St. Paul College.

75.30 (b) The funds must be used to increase student financial aid to fill the gap between
75.31 costs and federal and state grants to students who:

75.32 (1) graduate from a public Minneapolis or St. Paul high school;

75.33 (2) enroll full time immediately after graduation; and

76.1 (3) are participants in the power of you.

76.2 Sec. 26. Minnesota Statutes 2006, section 136F.90, subdivision 1, is amended to read:

76.3 Subdivision 1. **Duties.** For ~~the state~~ colleges and universities, the Board of Trustees
76.4 of the Minnesota State Colleges and Universities may:

76.5 (1) acquire by purchase or otherwise, construct, complete, remodel, equip, operate,
76.6 control, and manage residence halls, dormitories, dining halls, student union buildings,
76.7 parking facilities, and any other similar revenue-producing buildings of such type and
76.8 character as the board finds necessary for the good and benefit of ~~the state~~ colleges and
76.9 universities, and may acquire property whether real, personal, or mixed, by gift, purchase,
76.10 or otherwise; provided that no contract for the construction of any building shall be
76.11 entered into until financing has been approved by the legislature;

76.12 (2) maintain and operate any buildings or structures and charge for their use, and
76.13 conduct any activities that are commonly conducted in connection with the buildings
76.14 or structures;

76.15 (3) enter into contracts for the purposes of sections 136F.90 to 136F.98;

76.16 (4) acquire building sites and buildings or structures by gift, purchase, or otherwise
76.17 and pledge the revenues from them for the payment of any bonds issued for that purpose
76.18 as provided in sections 136F.90 to 136F.98;

76.19 (5) borrow money and issue and sell bonds in an amount or amounts the legislature
76.20 authorizes for the purpose of acquiring, constructing, completing, remodeling, or
76.21 equipping any buildings or structures, and acquiring sites, and refund and refinance the
76.22 bonds by the issuance and sale of refunding bonds when the board finds that it is in
76.23 the public interest. The bonds shall be sold and issued by the board in the manner and
76.24 upon the terms and conditions provided by chapter 475, except as otherwise provided in
76.25 this section. The bonds are payable only from and secured by an irrevocable pledge of
76.26 the revenues to be derived from the operation of any buildings or structures acquired,
76.27 constructed, completed, remodeled, or equipped in whole or in part with the proceeds of
76.28 the bonds and from other income and revenues described in section 136F.92, clause (1),
76.29 the board by resolution specifies, and notwithstanding this limitation all bonds issued
76.30 under sections 136F.90 to 136F.98 shall have the qualities of negotiable instruments under
76.31 the laws of this state. The legislature shall not appropriate money from the general fund to
76.32 pay for these bonds.

76.33 Sec. 27. Minnesota Statutes 2007 Supplement, section 141.25, subdivision 5, is
76.34 amended to read:

Subd. 5. **Bond.** (a) No license shall be issued to any school which maintains, conducts, solicits for, or advertises within the state of Minnesota any program, unless the applicant files with the office a continuous corporate surety bond written by a company authorized to do business in Minnesota conditioned upon the faithful performance of all contracts and agreements with students made by the applicant.

(b)(1) The amount of the surety bond shall be ten percent of the preceding year's gross income from student tuition, fees, and other required institutional charges, but in no event less than \$10,000 nor greater than \$250,000, except that a school may deposit a greater amount at its own discretion. A school in each annual application for licensure must compute the amount of the surety bond and verify that the amount of the surety bond complies with this subdivision, unless the school maintains a surety bond equal to at least \$250,000. A school that operates at two or more locations may combine gross income from student tuition, fees, and other required institutional charges for all locations for the purpose of determining the annual surety bond requirement. The gross tuition and fees used to determine the amount of the surety bond required for a school having a license for the sole purpose of recruiting students in Minnesota shall be only that paid to the school by the students recruited from Minnesota.

(2) A school required to obtain a private career school license due to the use of "academy," "institute," "college," or "university" in its name and which is also licensed by another state agency or board shall be required to provide a school bond of \$10,000.

(c) The bond shall run to the state of Minnesota and to any person who may have a cause of action against the applicant arising at any time after the bond is filed and before it is canceled for breach of any contract or agreement made by the applicant with any student. The aggregate liability of the surety for all breaches of the conditions of the bond shall not exceed the principal sum deposited by the school under paragraph (b). The surety of any bond may cancel it upon giving 60 days' notice in writing to the office and shall be relieved of liability for any breach of condition occurring after the effective date of cancellation.

(d) In lieu of bond, the applicant may deposit with the commissioner of finance a sum equal to the amount of the required surety bond in cash, or securities as may be legally purchased by savings banks or for trust funds in an aggregate market value equal to the amount of the required surety bond.

(e) Failure of a school to post and maintain the required surety bond or deposit under paragraph (d) shall result in denial, suspension, or revocation of the school's license.

Sec. 28. Minnesota Statutes 2006, section 141.25, is amended by adding a subdivision to read:

78.1 Subd. 13. **Schools licensed by another state agency or board.** A school required to
78.2 obtain a private career school license due to the use of "academy," "institute," "college," or
78.3 "university" in its name and which is also licensed by another state agency or board shall
78.4 be required to satisfy only the requirements of subdivisions 3, clauses (1), (2), (3), (5), (7),
78.5 and (10); 4; 5, paragraph (b), clause (2); 7, clauses (1) and (10); 8; 9, clause (13); and 12.

78.6 Sec. 29. Minnesota Statutes 2007 Supplement, section 141.28, subdivision 1, is
78.7 amended to read:

78.8 Subdivision 1. **Disclosure required; advertisement restricted.** ~~A~~ Schools, agents
78.9 of schools, and solicitors may not advertise or represent in writing or orally that such
78.10 school is approved or accredited by the state of Minnesota, except that any school, agent,
78.11 or solicitor may represent in advertisements and shall disclose in catalogues, applications,
78.12 and enrollment materials that the school is duly licensed by the state by prominently
78.13 displaying the following statement:

78.14 "(Name of school) is licensed as a private career school with the Minnesota Office of
78.15 Higher Education pursuant to Minnesota Statutes, sections 141.21 to 141.32. Licensure is
78.16 not an endorsement of the institution. Credits earned at the institution may not transfer
78.17 to all other institutions."

78.18 Sec. 30. Minnesota Statutes 2007 Supplement, section 141.35, is amended to read:

78.19 **141.35 EXEMPTIONS.**

78.20 Sections 141.21 to 141.32 shall not apply to the following:

78.21 (1) public postsecondary institutions;

78.22 (2) postsecondary institutions registered under sections ~~136A.615~~ 136A.61 to
78.23 136A.71;

78.24 (3) schools of nursing accredited by the state Board of Nursing or an equivalent
78.25 public board of another state or foreign country;

78.26 (4) private schools complying with the requirements of section 120A.22, subdivision
78.27 4;

78.28 (5) courses taught to students in a valid apprenticeship program taught by or
78.29 required by a trade union;

78.30 (6) schools exclusively engaged in training physically or mentally disabled persons
78.31 for the state of Minnesota;

78.32 (7) schools licensed by boards authorized under Minnesota law to issue licenses
78.33 except schools required to obtain a private career school license due to the use of
78.34 "academy," "institute," "college," or "university" in their names;

79.1 (8) schools and educational programs, or training programs, contracted for by
79.2 persons, firms, corporations, government agencies, or associations, for the training of their
79.3 own employees, for which no fee is charged the employee;

79.4 (9) schools engaged exclusively in the teaching of purely avocational, recreational,
79.5 or remedial subjects as determined by the office except schools required to obtain a private
79.6 career school license due to the use of "academy," "institute," "college," or "university"
79.7 in their names;

79.8 (10) classes, courses, or programs conducted by a bona fide trade, professional, or
79.9 fraternal organization, solely for that organization's membership;

79.10 (11) programs in the fine arts provided by organizations exempt from taxation
79.11 under section 290.05 and registered with the attorney general under chapter 309. For
79.12 the purposes of this clause, "fine arts" means activities resulting in artistic creation or
79.13 artistic performance of works of the imagination which are engaged in for the primary
79.14 purpose of creative expression rather than commercial sale or employment. In making
79.15 this determination the office may seek the advice and recommendation of the Minnesota
79.16 Board of the Arts;

79.17 (12) classes, courses, or programs intended to fulfill the continuing education
79.18 requirements for licensure or certification in a profession, that have been approved by
79.19 a legislatively or judicially established board or agency responsible for regulating the
79.20 practice of the profession, and that are offered exclusively to an individual practicing
79.21 the profession;

79.22 (13) classes, courses, or programs intended to prepare students to sit for
79.23 undergraduate, graduate, postgraduate, or occupational licensing and occupational
79.24 entrance examinations;

79.25 (14) classes, courses, or programs providing 16 or fewer clock hours of instruction
79.26 that are not part of the curriculum for an occupation or entry level employment except
79.27 schools required to obtain a private career school license due to the use of "academy,"
79.28 "institute," "college," or "university" in their names;

79.29 (15) classes, courses, or programs providing instruction in personal development,
79.30 modeling, or acting;

79.31 (16) training or instructional programs, in which one instructor teaches an individual
79.32 student, that are not part of the curriculum for an occupation or are not intended to prepare
79.33 a person for entry level employment; and

79.34 (17) schools with no physical presence in Minnesota, as determined by the office,
79.35 engaged exclusively in offering distance instruction that are located in and regulated
79.36 by other states or jurisdictions.

Sec. 31. Minnesota Statutes 2006, section 144.1501, subdivision 2, is amended to read:

Subd. 2. **Creation of account.** (a) A health professional education loan forgiveness program account is established. The commissioner of health shall use money from the account to establish a loan forgiveness program:

- (1) for medical residents agreeing to practice in designated rural areas or underserved urban communities or specializing in the area of pediatric psychiatry;
- (2) for midlevel practitioners agreeing to practice in designated rural areas or to teach ~~for at least 20 hours~~ 12 credit hours, or 720 hours per week year in the nursing field in a postsecondary program at the undergraduate level or the equivalent at the graduate level;
- (3) for nurses who agree to practice in a Minnesota nursing home or intermediate care facility for persons with developmental disability or to teach ~~for at least 20 hours~~ 12 credit hours, or 720 hours per week year in the nursing field in a postsecondary program at the undergraduate level or the equivalent at the graduate level;
- (4) for other health care technicians agreeing to teach ~~for at least 20 hours~~ 12 credit hours, or 720 hours per week year in their designated field in a postsecondary program at the undergraduate level or the equivalent at the graduate level. The commissioner, in consultation with the Healthcare Education-Industry Partnership, shall determine the health care fields where the need is the greatest, including, but not limited to, respiratory therapy, clinical laboratory technology, radiologic technology, and surgical technology;
- (5) for pharmacists who agree to practice in designated rural areas; and
- (6) for dentists agreeing to deliver at least 25 percent of the dentist's yearly patient encounters to state public program enrollees or patients receiving sliding fee schedule discounts through a formal sliding fee schedule meeting the standards established by the United States Department of Health and Human Services under Code of Federal Regulations, title 42, section 51, chapter 303.

(b) Appropriations made to the account do not cancel and are available until expended, except that at the end of each biennium, any remaining balance in the account that is not committed by contract and not needed to fulfill existing commitments shall cancel to the fund.

Sec. 32. Laws 2007, chapter 144, article 1, section 3, subdivision 2, is amended to read:

Subd. 2. State Grants	147,400,000	144,138,000

If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available for it.

81.1 For the biennium, the tuition maximum for
81.2 students in four-year programs is \$9,838 in
81.3 each year for students in four-year programs,
81.4 and for students in two-year programs, is
81.5 \$6,114 in the first year and \$5,808 in the
81.6 second year.

81.7 This appropriation sets the living and
81.8 miscellaneous expense allowance at \$5,900
81.9 each year.

81.10 Of the appropriation in the second year,
81.11 \$3,800,000 must be transferred to the Board
81.12 of Trustees of the Minnesota State Colleges
81.13 and Universities for the power of you
81.14 program under section 136F.19. Up to half
81.15 this amount must be used for pilot programs
81.16 under section 36.

81.17 Of the appropriation in the second year,
81.18 \$200,000 is for the teachers of color financial
81.19 aid pilot program under section 37.

81.20 Sec. 33. Laws 2007, chapter 144, article 1, section 3, subdivision 18, is amended to
81.21 read:

81.22 Subd. 18. **Transfers**

81.23 The Minnesota Office of Higher Education
81.24 may transfer unencumbered balances from
81.25 the appropriations in this section to the
81.26 state grant appropriation, the interstate
81.27 tuition reciprocity appropriation, the
81.28 child care grant appropriation, the Indian
81.29 scholarship appropriation, the state work
81.30 study appropriation, the public safety officers'
81.31 survivors appropriation, and the Minnesota
81.32 college savings plan appropriation. Transfers
81.33 from the child care or state work study
81.34 appropriations may only be made to the

82.1 extent there is a projected surplus in the
82.2 appropriation. A transfer may be made
82.3 only with the prior written approval of the
82.4 commissioner of finance and prior written
82.5 notice to the chairs of the senate and house
82.6 committees with jurisdiction over higher
82.7 education finance.

82.8 Sec. 34. Laws 2007, chapter 144, article 1, section 5, subdivision 2, is amended to read:

82.9	Subd. 2. Operations and Maintenance	621,184,000	637,824,000

82.10 This appropriation includes funding for
82.11 operation and maintenance of the system
82.12 including amounts to advance the University
82.13 of Minnesota's efforts to sustain quality
82.14 and competitiveness; and funding for the
82.15 "Advancing Education" initiatives including
82.16 an Ojibwe Indian language program on the
82.17 Duluth campus.

82.18 This appropriation includes funding to
82.19 establish banded tuition at the Morris,
82.20 Crookston, and Duluth campuses to reduce
82.21 tuition costs for students.

82.22 This appropriation includes funding for
82.23 scholarships for undergraduate Minnesota
82.24 resident students with family income under
82.25 \$150,000 per year. This appropriation must
82.26 be matched with \$1.50 of nonstate money for
82.27 each \$1 of state money.

82.28 This appropriation includes funding for the
82.29 Center for Transportation Studies to complete
82.30 a study to assess public policy options for
82.31 reducing the volume of greenhouse gases
82.32 emitted from the transportation sector in
82.33 Minnesota. The Center for Transportation
82.34 Studies must report its preliminary findings

83.1 to the legislature by February 1, 2008, and
83.2 must issue its full report by June 1, 2008.

83.3 This is a onetime appropriation.

83.4 This appropriation includes funding to
83.5 establish an India Center to improve and
83.6 promote relations with India and Southeast
83.7 Asia. The center must partner with public
83.8 and private organizations in Minnesota to:

83.9 (1) foster an understanding of the history,
83.10 culture, and values of India;

83.11 (2) serve as a resource and catalyst to
83.12 promote economic, governmental, and
83.13 academic pursuits involving India; and

83.14 (3) facilitate educational and business
83.15 exchanges and partnerships, collaborative
83.16 research, and teaching and training activities
83.17 for Minnesota students and teachers.

83.18 The Board of Regents may establish an
83.19 advisory council to facilitate the mission
83.20 and objectives of the India Center and must
83.21 report on the progress of the India Center
83.22 by February 15, 2008, to the governor
83.23 and chairs of the legislative committees
83.24 responsible for higher education finance.

83.25 This appropriation must be matched by an
83.26 equal amount of nonstate money. This is a
83.27 onetime appropriation.

83.28 This appropriation includes funding to assist
83.29 in the formation of the neighborhood alliance
83.30 and for projects identified in section 10. The
83.31 alliance, the Board of Regents, and the city of
83.32 Minneapolis may cooperate on the projects
83.33 and may use public services of other entities
83.34 to complete all or a portion of a project. This
83.35 is a onetime appropriation.

84.1 This appropriation includes funding to
84.2 establish a Dakota language teacher training
84.3 immersion program on the Twin Cities
84.4 campus to prepare teachers to teach in
84.5 Dakota language immersion programs.

84.6 ~~One~~ Two percent of the appropriation in
84.7 this subdivision for the second year is
84.8 available when the Board of Regents of the
84.9 University of Minnesota demonstrates to
84.10 the commissioner of finance that the board
84.11 has met at least three of the five following
84.12 performance goals:

84.13 (1) increase financial support to pay the cost
84.14 of attendance for students demonstrating
84.15 financial need;

84.16 (2) maintain or improve the University of
84.17 Minnesota's rank in its national share of
84.18 total research and development expenditures
84.19 reported to the National Science Foundation
84.20 over the 2007 ranking;

84.21 (3) increase by at least five percent, compared
84.22 to fiscal year 2007, the number of degrees
84.23 awarded in science, technology, engineering,
84.24 mathematics, and health sciences disciplines;

84.25 (4) increase by at least five percent, compared
84.26 to fiscal year 2007, the amount of financial
84.27 support from key funding sources for
84.28 renewable energy research; and

84.29 (5) increase and improve interaction and
84.30 research activity beneficial to business and
84.31 industry.

84.32 By October 1, 2007, the Board of Regents
84.33 and the Office of Higher Education must
84.34 agree on specific numerical indicators and

85.1 definitions for each of the five goals that will
85.2 be used to demonstrate the University of
85.3 Minnesota's attainment of each goal.
85.4 On or before April 1, 2008, the Board
85.5 of Regents must report to the legislative
85.6 committees with primary jurisdiction over
85.7 higher education finance and policy the
85.8 progress of the University of Minnesota
85.9 toward attaining the goals.

85.10 Sec. 35. Laws 2007, chapter 144, article 1, section 5, subdivision 5, is amended to read:

85.11 Subd. 5. University of Minnesota and Mayo		
85.12 Foundation Partnership	25,000,000	-0-

85.13 For the direct and indirect expenses of the
85.14 collaborative research partnership between
85.15 the University of Minnesota and the Mayo
85.16 Foundation for research in biotechnology
85.17 and medical genomics. For fiscal years 2010
85.18 and 2011, the base shall be \$8,000,000 in
85.19 each year. This appropriation is available
85.20 until expended. An annual report on the
85.21 expenditure of these funds must be submitted
85.22 to the governor, the chair of the house
85.23 bioscience and emerging technologies
85.24 committee, and the chairs of the senate and
85.25 house committees responsible for higher
85.26 education and economic development by
85.27 June 30 of each fiscal year. At a minimum,
85.28 the report must include information on
85.29 the number of patents, disclosures, and
85.30 licensing agreements; the amount generated
85.31 in royalties and how the royalty money is
85.32 spent; and the number of companies created,
85.33 where they are located, how many jobs are
85.34 created, and the amount of venture capital
85.35 raised.

Sec. 36. **POWER OF YOU PILOT PROGRAMS.**

Subdivision 1. Power of you pilot programs. Pilots shall be established in suburban and rural sites to test the expansion of power of you. In addition to the requirements under Minnesota Statutes, section 136F.19, the power of you pilot programs must follow the model set forth by the power of you at Metropolitan State University, Minneapolis Community and Technical College, and St. Paul College, increasing financial aid to students enrolled in the program.

Subd. 2. Suburban pilot selection. By June 1, 2008, Metropolitan State University shall select one technical college and one community college or community-technical college to each partner with a high school in developing a power of you pilot program, to test expansion of the program established under Minnesota Statutes, section 136F.19, to students in Twin Cities' suburban areas. Metropolitan State University shall choose the colleges' high school partners.

Subd. 3. Rural pilot selection. By June 1, 2008, the chancellor of Minnesota State Colleges and Universities shall select two rural colleges, one being a multicampus institution in an agricultural part of the state and the other a multicampus institution in a nonagricultural part of the state dependent on natural resources, for power of you pilot programs. Each of the campus sites of the colleges shall work with a high school to test the application of the power of you pilot program established under Minnesota Statutes, section 136F.19, to nonmetropolitan students and colleges. The chancellor shall choose the campus' high school partners.

Sec. 37. **TEACHERS OF COLOR FINANCIAL AID PILOT PROGRAM.**

Subdivision 1. Establishment. The teachers of color financial aid pilot program is established under the supervision of the Minnesota Office of Higher Education to encourage academically talented postsecondary students of color to become teachers of early childhood, elementary, or secondary education; to increase the academic achievement of diverse student populations; to help close the existing student achievement gaps by creating a cadre of qualified new teachers; and to encourage students of color attending four-year institutions to enroll in a teacher preparation program and students attending two-year colleges to transfer to and enroll in a teacher preparation program at eligible institutions. Financial aid under this pilot program is to provide incentives for postsecondary students of color to enter teacher preparation programs and to teach in Minnesota school districts.

Subd. 2. Definitions. For the purposes of this section, the following terms have the meanings given them:

87.1 (1) "student of color" means a student who is African American, African immigrant,
87.2 American Indian, Alaskan native, Asian American or Pacific Islander, or Hispanic;

87.3 (2) "director" means the director of the Minnesota Office of Higher Education;

87.4 (3) "eligible institution" means a public four-year postsecondary institution with an
87.5 approved teacher preparation program that is participating in a pilot partnership under
87.6 subdivision 5; and

87.7 (4) "teacher preparation program" means a program at an institution that prepares
87.8 students to be teachers.

87.9 Subd. 3. **Grants.** (a) The director shall award grants under this section to eligible
87.10 students as an incentive to enter teacher preparation programs. An eligible student must
87.11 submit an application for a grant under this section for the student's junior and senior years
87.12 in a teacher preparation program. Applications must be submitted to the director in the
87.13 form and manner and with the information required by the director.

87.14 (b) An eligible student who is enrolled as a junior or senior in a teacher preparation
87.15 program at an eligible institution may receive a grant under this section of up to \$5,000
87.16 each year for a maximum of two academic years or the equivalent at an eligible institution
87.17 if the student continues to make satisfactory progress toward a baccalaureate degree
87.18 in education.

87.19 (c) Grants under this section are made within the limits of appropriations for the
87.20 pilot program. The director may prorate the grant awards and the length of time of the
87.21 award for students who attend part-time. The director must give priority for grants
87.22 under this section to students who are eligible for the Pell grant or for a state grant under
87.23 Minnesota Statutes, section 136A.121.

87.24 Subd. 4. **Student eligibility.** A student is eligible to receive a grant under this
87.25 section if the student:

87.26 (1) is an American citizen or eligible noncitizen residing in Minnesota;

87.27 (2) certifies that the student is a student of color;

87.28 (3) is enrolled in an eligible institution and making satisfactory academic progress;
87.29 and

87.30 (4) is admitted to an approved teacher preparation program at an eligible institution.

87.31 Subd. 5. **Pilot partnerships.** Up to four partnerships between a public four-year
87.32 institution in Minnesota with an approved teacher preparation program and at least one
87.33 Minnesota school district may participate in the teachers of color financial aid pilot
87.34 program. Of the four partnerships, one must be a partnership between Winona State
87.35 University and the Rochester school district and one must be a partnership between St.
87.36 Cloud State University and Robbinsdale public schools. The director must select the

other partnerships for the pilot program based on applications submitted according to the timeline established and with information required by the director. Each partnership must agree to devise a plan to recruit students of color for teacher preparation programs and assistance under this section. Recruitment of students must include recruiting and encouraging talented students of color who attend two-year colleges to transfer to teacher preparation programs at participating pilot institutions.

Subd. 6. **Teachers of color program promotion.** The director may use up to \$25,000 of the appropriation for the program under this section for the administration and promotion of the pilot program and to assist with the recruitment of students of color for teacher preparation programs. The director must consult with the commissioner of education, the University of Minnesota, Minnesota State Colleges and Universities, and private colleges to develop strategies to recruit, retain, and mentor students in pilot programs while the students attend a teacher preparation program. To the extent possible, existing state or private programs must be used to provide recruitment, retention, and mentoring services under this subdivision.

Subd. 7. **Report.** The director must report to the committees of the legislature with responsibility for higher education finance by February 1, 2009, on the teachers of color financial aid pilot project. The report must include an evaluation of participation with recommendations on the program design, including the potential to expand the program to graduate education programs. The report must also make recommendations on continued funding for the program.

Sec. 38. REPORT TO LEGISLATURE.

The staff of the Office of the Chancellor of Minnesota State Colleges and Universities shall evaluate the performance of the power of you pilot programs established at the locations chosen in section 36 and in Minnesota Statutes, section 136F.19, to determine the effects on participation rates, retention, and potential enhancement of the workforce, and shall evaluate the costs and benefits of the pilot programs. The Office of the Chancellor shall report the results of the evaluation to the committees in the senate and house of representatives with jurisdiction over higher education by January 15, 2010.

Sec. 39. 2008 APPOINTMENTS TO THE BOARD OF TRUSTEES.

Notwithstanding Minnesota Statutes, section 136F.02, the governor shall make no appointments to the Board of Trustees of the Minnesota State Colleges and Universities for board terms expiring in 2008 and all appointments for these seats must be made by the labor organizations under Minnesota Statutes, section 136F.02, subdivision 1. Beginning

in 2008 and every six years thereafter, the IFO, MSCF, MAPE, and AFSCME must each appoint one member to the board of trustees according to the requirements of Minnesota Statutes, sections 136F.02, subdivision 1, and 136F.045.

ARTICLE 4
JOBS AND ECONOMIC DEVELOPMENT APPROPRIATIONS

Section 1. SUMMARY OF APPROPRIATIONS.

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

		<u>2008</u>		<u>2009</u>		<u>Total</u>
<u>General</u>	\$	<u>(3,000,000)</u>	\$	<u>2,218,000</u>	\$	<u>(782,000)</u>
<u>Cancellations</u>		<u>-0-</u>		<u>2,758,000</u>		<u>2,758,000</u>
<u>Transfers From Other Funds</u>		<u>-0-</u>		<u>22,000,000</u>		<u>22,000,000</u>
<u>Total</u>	\$	<u>(3,000,000)</u>	\$	<u>(22,540,000)</u>	\$	<u>(25,540,000)</u>

Sec. 2. JOBS AND ECONOMIC DEVELOPMENT APPROPRIATIONS AND REDUCTIONS.

The dollar amounts in the columns under "Appropriations and Reductions" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2007, chapter 135, or other law to the specified agencies. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2008" and "2009" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively. "The first year" is fiscal year 2008. "The second year" is fiscal year 2009. "The biennium" is fiscal years 2008 and 2009. Appropriations for the fiscal year ending June 30, 2008, are effective the day following final enactment.

APPROPRIATIONS AND
REDUCTIONS
Available for the Year
Ending June 30
2008 2009

Sec. 3. EMPLOYMENT AND ECONOMIC DEVELOPMENT

<u>Subdivision 1. Total Appropriation</u>	\$	<u>(3,000,000)</u>	\$	<u>2,250,000</u>
<u>Appropriations by Fund</u>				
	<u>2008</u>	<u>2009</u>		
<u>General</u>	<u>(3,000,000)</u>	<u>2,250,000</u>		

90.1	<u>Cancellations</u>	<u>-0-</u>	<u>2,758,000</u>
90.2	<u>Transfers From</u>		
90.3	<u>Other Funds</u>	<u>-0-</u>	<u>8,000,000</u>
90.4	<u>The amounts that may be spent for each</u>		
90.5	<u>purpose are specified in the following</u>		
90.6	<u>subdivisions.</u>		
90.7	<u>Subd. 2. Employment and Economic</u>		
90.8	<u>Development</u>		
90.9	<u>\$550,000 in the second year is a base</u>		
90.10	<u>reduction to the department's operating</u>		
90.11	<u>budget.</u>		
90.12	<u>Subd. 3. Business and Community</u>		
90.13	<u>Development</u>		
		<u>(3,000,000)</u>	<u>2,800,000</u>
90.14	<u>Appropriations by Fund</u>		
90.15	<u>General</u>	<u>(3,000,000)</u>	<u>2,800,000</u>
90.16	<u>\$400,000 in the second year is for the</u>		
90.17	<u>establishment and operation of the Office of</u>		
90.18	<u>Science and Technology. This is a onetime</u>		
90.19	<u>appropriation and is available until expended.</u>		
90.20	<u>\$2,000,000 in the second year is for grants</u>		
90.21	<u>to the six Minnesota Initiative Foundations</u>		
90.22	<u>to expand existing small business revolving</u>		
90.23	<u>loans with a focus on lending to entrepreneurs</u>		
90.24	<u>and new businesses. The commissioner of</u>		
90.25	<u>employment and economic development</u>		
90.26	<u>must make equal grants to each Minnesota</u>		
90.27	<u>Initiative Foundation. This is a onetime</u>		
90.28	<u>appropriation.</u>		
90.29	<u>\$200,000 in the second year is for a grant to</u>		
90.30	<u>the Hennepin-Carver Workforce Investment</u>		
90.31	<u>Board (WIB) to coordinate with the Partners</u>		
90.32	<u>for Progress Regional Skills Consortium</u>		
90.33	<u>to provide employment and training as</u>		
90.34	<u>demonstrated by the Twin Cities regional</u>		

H.F. No. 1812, 2nd Engrossment - 2007-2008th Legislative Session (2007-2008)

91.1	<u>health care training partnership project. This</u>		
91.2	<u>is a onetime appropriation.</u>		
91.3	<u>\$125,000 in the second year is for a grant to</u>		
91.4	<u>HIRED to operate its industry sector training</u>		
91.5	<u>initiatives, which provide employee training</u>		
91.6	<u>developed in collaboration with employers in</u>		
91.7	<u>specific, high-demand industries. This is a</u>		
91.8	<u>onetime appropriation.</u>		
91.9	<u>\$75,000 in the second year is for a grant</u>		
91.10	<u>to Lifetrack Resources for a onetime pilot</u>		
91.11	<u>project in Rochester focusing on immigrant</u>		
91.12	<u>and refugee collaborative programs,</u>		
91.13	<u>including those related to job-seeking skills</u>		
91.14	<u>and workplace orientation, intensive job</u>		
91.15	<u>development, functional work English, and</u>		
91.16	<u>on-site job coaching. This is a onetime</u>		
91.17	<u>appropriation.</u>		
91.18	<u>Subd. 4. Cancellations</u>	<u>-0-</u>	<u>2,758,000</u>
91.19	<u>Prior to July 31, 2008, the unexpended</u>		
91.20	<u>balances from the following appropriations</u>		
91.21	<u>are canceled to the general fund:</u>		
91.22	<u>(1) the appropriation made in Laws 2005,</u>		
91.23	<u>First Special Session chapter 3, article</u>		
91.24	<u>10, section 23, to the foreign trade zone</u>		
91.25	<u>authority; and</u>		
91.26	<u>(2) the appropriation made in Laws</u>		
91.27	<u>2005, First Special Session chapter 1,</u>		
91.28	<u>article 3, section 2, subdivision 2, for</u>		
91.29	<u>the methamphetamine laboratory cleanup</u>		
91.30	<u>revolving loan fund.</u>		
91.31	<u>Prior to July 31, 2008, of the unexpended</u>		
91.32	<u>balance in the job skills partnership account,</u>		
91.33	<u>\$2,000,000 is canceled to the general fund.</u>		
91.34	<u>Subd. 5. Transfers</u>	<u>-0-</u>	<u>8,000,000</u>

92.1	<u>Prior to July 31, 2008, the amount specified</u>			
92.2	<u>from the unexpended balance of the</u>			
92.3	<u>workforce development fund must be</u>			
92.4	<u>transferred to the general fund.</u>			
92.5	<u>Subd. 6. Minnesota Minerals 21st Century</u>			
92.6	<u>Fund</u>			
92.7	<u>Notwithstanding Minnesota Statutes,</u>			
92.8	<u>section 116J.423, by June 30, 2009, the</u>			
92.9	<u>commissioner shall make a \$1,000,000 grant</u>			
92.10	<u>and a \$1,000,000 loan from the Minnesota</u>			
92.11	<u>Minerals 21st Century Fund to Magnetation,</u>			
92.12	<u>Inc. for reclamation of iron ore.</u>			
92.13	<u>Sec. 4. LABOR AND INDUSTRY</u>			
92.14	<u>Subdivision 1. Base Reduction</u>	<u>\$</u>	<u>-0-</u> <u>\$</u>	<u>(43,000)</u>
92.15	<u>\$43,000 in the second year is a base reduction</u>			
92.16	<u>to the municipal building permit reporting</u>			
92.17	<u>unit in the labor standards program. The</u>			
92.18	<u>commissioner must not reduce funding</u>			
92.19	<u>available for prevailing wage enforcement</u>			
92.20	<u>and must fill all positions when vacancies</u>			
92.21	<u>become available.</u>			
92.22	<u>Subd. 2. Transfers</u>		<u>-0-</u>	<u>14,000,000</u>
92.23	<u>Prior to July 31, 2008, the amount specified</u>			
92.24	<u>from the unexpended balance of the</u>			
92.25	<u>worker's compensation special fund must be</u>			
92.26	<u>transferred to the general fund.</u>			
92.27	<u>Sec. 5. BUREAU OF MEDIATION</u>			
92.28	<u>SERVICES</u>	<u>\$</u>	<u>-0-</u> <u>\$</u>	<u>(69,000)</u>
92.29	<u>This is a base reduction.</u>			
92.30	<u>Sec. 6. COMBATIVE SPORTS</u>			
92.31	<u>COMMISSION</u>	<u>\$</u>	<u>-0-</u> <u>\$</u>	<u>80,000</u>
92.32	<u>This amount is added to the commission's</u>			
92.33	<u>base budget.</u>			

93.1 Sec. 7. Minnesota Statutes 2006, section 116J.423, is amended by adding a subdivision
93.2 to read:

93.3 Subd. 2a. **Grants authorized.** Notwithstanding subdivision 2, the commissioner
93.4 may use money in the fund to make grants to a city, county, or to a county regional rail
93.5 authority as appropriate, for public infrastructure needed to support an eligible project
93.6 under this section. Grant money may be used by the city, county, or regional rail authority
93.7 to acquire right-of-way and mitigate loss of wetlands and runoff of storm water; to
93.8 predesign, design, construct, and equip roads and rail lines; and, in cooperation with
93.9 municipal utilities, to predesign, design, construct, and equip natural gas pipelines, electric
93.10 infrastructure, water supply systems, and wastewater collection and treatment systems.
93.11 Grants made under this subdivision are available until expended.

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

93.13 Sec. 8. **[116J.996] MILITARY RESERVIST ECONOMIC INJURY LOANS.**

93.14 Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this
93.15 section.

93.16 (b) "Active service" has the meaning given in section 190.05.

93.17 (c) "Commissioner" means the commissioner of employment and economic
93.18 development.

93.19 (d) "Eligible business" means a small business, as defined in section 645.445, that
93.20 was operating in Minnesota on the date a military reservist received orders for active
93.21 service.

93.22 (e) "Essential employee" means a military reservist who is an owner or employee
93.23 of an eligible business and whose managerial or technical expertise is critical to the
93.24 day-to-day operation of the eligible business.

93.25 (f) "Military reservist" means a member of the reserve component of the armed
93.26 forces.

93.27 (g) "Reserve component of the armed forces" has the meaning given it in United
93.28 States Code, title 10, section 101(c).

93.29 (h) "Substantial economic injury" means an economic harm to an eligible business
93.30 that results in the inability of the eligible business to:

93.31 (1) meet its obligations as they mature;

93.32 (2) pay its ordinary and necessary operating expenses; or

93.33 (3) manufacture, produce, market, or provide a product or service ordinarily
93.34 manufactured, produced, marketed, or provided by the eligible business.

94.1 Subd. 2. **Loan program.** The commissioner may make onetime, interest-free loans
94.2 of up to \$20,000 per borrower to eligible businesses that have sustained or are likely to
94.3 sustain substantial economic injury as a result of the call to active service for 180 days
94.4 or more of an essential employee. Loans must be made for the purpose of preventing,
94.5 remedying, or ameliorating the substantial economic injury.

94.6 Subd. 3. **Transfer.** The commissioner of veterans affairs shall transfer funds
94.7 as requested by the commissioner of employment and economic development for the
94.8 purposes of the loan program created in this section, including costs incurred by the
94.9 commissioner to establish and administer the program.

94.10 Subd. 4. **Rules.** Using the expedited rulemaking procedures of section 14.389, the
94.11 commissioner shall develop and publish expedited rules for loan applications, use of
94.12 funds, needed collateral, terms of loans, and other details of military reservist economic
94.13 injury loans.

94.14 Sec. 9. Minnesota Statutes 2007 Supplement, section 116L.17, subdivision 1, is
94.15 amended to read:

94.16 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms
94.17 have the meanings given them in this subdivision.

94.18 (b) "Commissioner" means the commissioner of employment and economic
94.19 development.

94.20 (c) "Dislocated worker" means an individual who is a resident of Minnesota at the
94.21 time employment ceased or was working in the state at the time employment ceased and:

94.22 (1) has been permanently separated or has received a notice of permanent separation
94.23 from public or private sector employment and is eligible for or has exhausted entitlement
94.24 to unemployment benefits, and is unlikely to return to the previous industry or occupation;

94.25 (2) has been long-term unemployed and has limited opportunities for employment
94.26 or reemployment in the same or a similar occupation in the area in which the individual
94.27 resides, including older individuals who may have substantial barriers to employment by
94.28 reason of age;

94.29 (3) has been terminated or has received a notice of termination of employment as a
94.30 result of a plant closing or a substantial layoff at a plant, facility, or enterprise;

94.31 (4) has been self-employed, including farmers and ranchers, and is unemployed as a
94.32 result of general economic conditions in the community in which the individual resides
94.33 or because of natural disasters;

95.1 (5) has been permanently separated from employment in a restaurant, bar, or
95.2 lawful gambling organization from October 1, 2007, to October 1, 2009, due to the
95.3 implementation of any state law prohibiting smoking; ~~or~~

95.4 (6) is a veteran as defined by section 197.447, has been discharged or released from
95.5 active duty under honorable conditions within the last 36 months, and (i) is unemployed or
95.6 (ii) is employed in a job which pays less than what the veteran could verifiably earn; or

95.7 ~~(6)~~ (7) is a displaced homemaker. A "displaced homemaker" is an individual who
95.8 has spent a substantial number of years in the home providing homemaking service and
95.9 (i) has been dependent upon the financial support of another; and now due to divorce,
95.10 separation, death, or disability of that person, must find employment to self support; or (ii)
95.11 derived the substantial share of support from public assistance on account of dependents
95.12 in the home and no longer receives such support.

95.13 To be eligible under this clause, the support must have ceased while the worker
95.14 resided in Minnesota.

95.15 (d) "Eligible organization" means a state or local government unit, nonprofit
95.16 organization, community action agency, business organization or association, or labor
95.17 organization.

95.18 (e) "Plant closing" means the announced or actual permanent shutdown of a single
95.19 site of employment, or one or more facilities or operating units within a single site of
95.20 employment.

95.21 (f) "Substantial layoff" means a permanent reduction in the workforce, which is
95.22 not a result of a plant closing, and which results in an employment loss at a single site
95.23 of employment during any 30-day period for at least 50 employees excluding those
95.24 employees that work less than 20 hours per week.

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

95.26 Sec. 10. Minnesota Statutes 2006, section 116L.17, is amended by adding a subdivision
95.27 to read:

95.28 **Subd. 11. Transfer from department of veterans affairs.** The commissioner of
95.29 veterans affairs shall transfer funds as requested by the commissioner of employment and
95.30 economic development to reimburse the workforce development fund for costs incurred
95.31 under section 116L.17, subdivision 1, paragraph (c), clause (6).

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

96.1 Sec. 11. Minnesota Statutes 2007 Supplement, section 214.04, subdivision 3, is
96.2 amended to read:

96.3 Subd. 3. **Officers; staff.** The executive director of each health-related board and
96.4 the executive secretary of each non-health-related board shall be the chief administrative
96.5 officer for the board but shall not be a member of the board. The executive director or
96.6 executive secretary shall maintain the records of the board, account for all fees received
96.7 by it, supervise and direct employees servicing the board, and perform other services as
96.8 directed by the board. The executive directors, executive secretaries, and other employees
96.9 of the following boards shall be hired by the board, and the executive directors or executive
96.10 secretaries shall be in the unclassified civil service, except as provided in this subdivision:

- 96.11 (1) Dentistry;
96.12 (2) Medical Practice;
96.13 (3) Nursing;
96.14 (4) Pharmacy;
96.15 (5) Accountancy;
96.16 (6) Architecture, Engineering, Land Surveying, Landscape Architecture,
96.17 Geoscience, and Interior Design;
96.18 (7) Barber Examiners;
96.19 (8) Cosmetology;
96.20 (9) Teaching;
96.21 (10) Peace Officer Standards and Training;
96.22 (11) Social Work;
96.23 (12) Marriage and Family Therapy;
96.24 (13) Dietetics and Nutrition Practice; ~~and~~
96.25 (14) Licensed Professional Counseling; and
96.26 (15) Combative Sports Commission.

96.27 The executive directors or executive secretaries serving the boards are hired by those
96.28 boards and are in the unclassified civil service, except for part-time executive directors
96.29 or executive secretaries, who are not required to be in the unclassified service. Boards
96.30 not requiring full-time executive directors or executive secretaries may employ them on
96.31 a part-time basis. To the extent practicable, the sharing of part-time executive directors
96.32 or executive secretaries by boards being serviced by the same department is encouraged.
96.33 Persons providing services to those boards not listed in this subdivision, except executive
96.34 directors or executive secretaries of the boards and employees of the attorney general, are
96.35 classified civil service employees of the department servicing the board. To the extent
96.36 practicable, the commissioner shall ensure that staff services are shared by the boards

97.1 being serviced by the department. If necessary, a board may hire part-time, temporary
97.2 employees to administer and grade examinations.

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

97.4 Sec. 12. Minnesota Statutes 2007 Supplement, section 268.047, subdivision 1, is
97.5 amended to read:

97.6 Subdivision 1. **General rule.** Unemployment benefits paid to an applicant,
97.7 including extended, ~~additional~~, and shared work benefits, will be used in computing
97.8 the future tax rate of a taxpaying base period employer or charged to the reimbursable
97.9 account of a base period nonprofit or government employer that has elected to be liable for
97.10 reimbursements except as provided in subdivisions 2 and 3. The amount of unemployment
97.11 benefits used in computing the future tax rate of taxpaying employers or charged to the
97.12 reimbursable account of a nonprofit or government employer that has elected to be liable
97.13 for reimbursements is the same percentage of the total amount of unemployment benefits
97.14 paid as the percentage of wage credits from the employer is of the total amount of wage
97.15 credits from all the applicant's base period employers.

97.16 In making computations under this subdivision, the amount of wage credits, if not a
97.17 whole dollar, must be computed to the nearest whole dollar.

97.18 Sec. 13. Minnesota Statutes 2007 Supplement, section 268.047, subdivision 2, is
97.19 amended to read:

97.20 Subd. 2. **Exceptions for all employers.** Unemployment benefits paid will not be
97.21 used in computing the future tax rate of a taxpaying base period employer or charged to
97.22 the reimbursable account of a base period nonprofit or government employer that has
97.23 elected to be liable for reimbursements when:

97.24 (1) the applicant was discharged from the employment because of aggravated
97.25 employment misconduct as determined under section 268.095. This exception applies
97.26 only to unemployment benefits paid for periods after the applicant's discharge from
97.27 employment;

97.28 (2) an applicant's discharge from that employment occurred because a law required
97.29 removal of the applicant from the position the applicant held;

97.30 (3) the employer is in the tourist or recreation industry and is in active operation of
97.31 business less than 15 calendar weeks each year and the applicant's wage credits from the
97.32 employer are less than 600 times the applicable state or federal minimum wage;

97.33 (4) the employer provided regularly scheduled part-time employment to the
97.34 applicant during the applicant's base period and continues to provide the applicant with

98.1 regularly scheduled part-time employment during the benefit year of at least 90 percent
98.2 of the part-time employment provided in the base period, and is an involved employer
98.3 because of the applicant's loss of other employment. This exception terminates effective
98.4 the first week that the employer fails to meet the benefit year employment requirements.
98.5 This exception applies to educational institutions without consideration of the period
98.6 between academic years or terms;

98.7 (5) the employer is a fire department or firefighting corporation or operator of
98.8 a life-support transportation service, and continues to provide employment for the
98.9 applicant as a volunteer firefighter or a volunteer ambulance service personnel during the
98.10 benefit year on the same basis that employment was provided in the base period. This
98.11 exception terminates effective the first week that the employer fails to meet the benefit
98.12 year employment requirements;

98.13 (6) the applicant's unemployment from this employer was a direct result of the
98.14 condemnation of property by a governmental agency, a fire, flood, or act of nature,
98.15 where 25 percent or more of the employees employed at the affected location, including
98.16 the applicant, became unemployed as a result. This exception does not apply where the
98.17 unemployment was a direct result of the intentional act of the employer or a person acting
98.18 on behalf of the employer;

98.19 (7) the unemployment benefits were paid by another state as a result of the
98.20 transferring of wage credits under a combined wage arrangement provided for in section
98.21 268.131;

98.22 (8) the applicant stopped working because of a labor dispute at the applicant's
98.23 primary place of employment if the employer was not a party to the labor dispute;

98.24 (9) the unemployment benefits were determined overpaid unemployment benefits
98.25 under section 268.18; ~~or~~

98.26 (10) the applicant was employed as a replacement worker, for a period of six months
98.27 or longer, for an employee who is in the military reserve and was called for active duty
98.28 during the time the applicant worked as a replacement, and the applicant was laid off
98.29 because the employee returned to employment after active duty; or

98.30 (11) the trust fund was reimbursed for the unemployment benefits by the federal
98.31 government.

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

98.33 Sec. 14. Minnesota Statutes 2007 Supplement, section 268.085, subdivision 3, is
98.34 amended to read:

99.1 Subd. 3. **Payments that delay unemployment benefits.** (a) An applicant is not
99.2 eligible to receive unemployment benefits for any week with respect to which the applicant
99.3 is receiving, has received, or has filed for payment, equal to or in excess of the applicant's
99.4 weekly unemployment benefit amount, in the form of:

99.5 (1) vacation pay paid upon temporary, indefinite, or seasonal separation. This clause
99.6 does not apply to (i) vacation pay paid upon a permanent separation from employment, or
99.7 (ii) vacation pay paid from a vacation fund administered by a union or a third party not
99.8 under the control of the employer;

99.9 (2) severance pay, bonus pay, sick pay, and any other payments, except earnings
99.10 under subdivision 5, and back pay under subdivision 6, paid by an employer because
99.11 of, upon, or after separation from employment, but only if the payment is considered
99.12 wages at the time of payment under section 268.035, subdivision 29. This clause does
99.13 not apply to the first \$5,000 of any amount of severance pay, bonus pay, sick pay, or any
99.14 other payments paid to an employee; or

99.15 (3) pension, retirement, or annuity payments from any plan contributed to by a base
99.16 period employer including the United States government, except Social Security benefits
99.17 that are provided for in subdivision 4. The base period employer is considered to have
99.18 contributed to the plan if the contribution is excluded from the definition of wages under
99.19 section 268.035, subdivision 29, clause (1).

99.20 An applicant is not considered to have received the lump sum payment if the
99.21 applicant immediately deposits that payment in a qualified pension plan or account.

99.22 (b) This subdivision applies to all the weeks of payment. Payments under paragraph
99.23 (a), clauses (1) and (2), are applied to the period immediately following the last day
99.24 of employment, ~~and The number of weeks of payment, for purposes of those clauses,~~
99.25 is determined as follows:

99.26 (1) if the payments are made periodically, the total of the payments to be received is
99.27 divided by the applicant's last level of regular weekly pay from the employer; or

99.28 (2) if the payment is made in a lump sum, that sum is divided by the applicant's last
99.29 level of regular weekly pay from the employer.

99.30 (c) If the payment is less than the applicant's weekly unemployment benefit amount,
99.31 unemployment benefits are reduced by the amount of the payment. If the computation
99.32 of reduced unemployment benefits is not a whole dollar, it is rounded down to the next
99.33 lower whole dollar.

99.34 **EFFECTIVE DATE.** This section, except for subdivision 3, paragraph (a), clause
99.35 (2), is effective the day following final enactment. Subdivision 3, paragraph (a), clause (2),

100.1 is effective for unemployment benefits paid on or after January 1, 2006, regardless of when
100.2 the continued request was filed or the week for which the unemployment benefits are paid.

100.3 Sec. 15. Minnesota Statutes 2007 Supplement, section 268.085, subdivision 9, is
100.4 amended to read:

100.5 Subd. 9. **Business owners.** Wage credits from an employer may not be used for
100.6 unemployment benefit purposes by any applicant who:

100.7 (1) individually, jointly, or in combination with the applicant's spouse, parent, or
100.8 child owns or controls directly or indirectly 25 percent or more interest in the employer;² or

100.9 (2) is the spouse, parent, or minor child of any individual who owns or controls
100.10 directly or indirectly 25 percent or more interest in the employer;~~and,~~

100.11 ~~(2) is temporarily, seasonally, or indefinitely unemployed and not permanently~~
100.12 ~~separated from the employment.~~

100.13 This subdivision only applies if the applicant has been paid unemployment benefits
100.14 based upon wage credits from this employer within the prior four years and is effective
100.15 when the applicant has been paid ~~four~~ five times the applicant's weekly unemployment
100.16 benefit amount in the current benefit year.

100.17 **EFFECTIVE DATE.** This section is effective July 6, 2008, and applies to
100.18 applications for unemployment benefits filed on or after that date.

100.19 Sec. 16. Minnesota Statutes 2007 Supplement, section 268.085, subdivision 16,
100.20 is amended to read:

100.21 Subd. 16. **Actively seeking suitable employment defined.** (a) "Actively seeking
100.22 suitable employment" means those reasonable, diligent efforts an individual in similar
100.23 circumstances would make if genuinely interested in obtaining suitable employment under
100.24 the existing conditions in the labor market area. Limiting the search to positions that are
100.25 not available or are above the applicant's training, experience, and qualifications is not
100.26 "actively seeking suitable employment."

100.27 (b) To be considered "actively seeking suitable employment" an applicant must,
100.28 when reasonable, contact those employers from whom the applicant was laid off because
100.29 of lack of work and request suitable employment.

100.30 (c) If reasonable prospects of suitable employment in the applicant's usual or
100.31 customary occupation do not exist, the applicant must actively seek other suitable
100.32 employment to be considered "actively seeking suitable employment." This applies to an
100.33 applicant who is seasonally unemployed.

101.1 (d) An applicant who is seeking employment only through a union is ~~not~~ considered
101.2 actively seeking suitable employment ~~unless~~ if the applicant is in an occupation where
101.3 ~~it is required by union rule that all the hiring in that locality is done through the~~
101.4 ~~union, or that all members are~~ If the applicant is a union member who is restricted
101.5 to obtaining employment among signatory contractors in the construction industry,
101.6 seeking employment only with those signatory contractors is considered actively seeking
101.7 employment. The applicant must be a union member in good standing, registered with
101.8 the union for employment, and in compliance with other union rules to be considered
101.9 "actively seeking suitable employment."

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

101.11 Sec. 17. Minnesota Statutes 2006, section 268.125, subdivision 1, is amended to read:

101.12 Subdivision 1. **Additional unemployment benefits; when available.** Additional
101.13 unemployment benefits are available if:

101.14 (1) a county had a total unemployment rate for the prior 12-calendar month period of
101.15 at least 1.8 times the state average unemployment rate for the prior 12-calendar month
101.16 period and the state average unemployment rate for the same 12-calendar month period
101.17 was at least 4.6 percent. The commissioner must calculate the applicable unemployment
101.18 rates within 30 calendar days following the end of the month. Once it has been calculated
101.19 that the total unemployment rate in a county equals or exceeds 1.8 times the state average
101.20 unemployment rate for the prior 12-calendar month period, the additional benefits are
101.21 available beginning the Sunday following the date of calculation and continuing for a
101.22 minimum of 13 calendar weeks; or

101.23 ~~(1)~~ (2) (i) at a facility that had 100 or more employees, the employer reduced
101.24 operations, resulting within a one-month period in the layoff of 50 percent or more of the
101.25 facility's work force, including reductions caused as a result of a major natural disaster
101.26 declared by the president;

101.27 ~~(2)~~ (ii) the employer has no expressed plan to resume operations that would lead to
101.28 the reemployment of those employees in the immediate future; and

101.29 ~~(3)~~ (iii) the seasonally adjusted unemployment rate in the county that the facility
101.30 is located was ten percent or more during the month of the reduction or any of the three
101.31 months before or after the month of the reduction.

101.32 **EFFECTIVE DATE.** This section is effective the day following final enactment
101.33 and applies retroactively from January 1, 2008.

102.1 Sec. 18. Minnesota Statutes 2006, section 268.125, subdivision 2, is amended to read:

102.2 Subd. 2. **Payment of unemployment benefits from trust fund; effect on**
102.3 **employer.** Additional unemployment benefits are payable from the trust fund. Additional
102.4 unemployment benefits paid will not be used in computing the experience rating of a
102.5 taxpaying employer nor charged to the reimbursing account of a nonprofit or government
102.6 employer.

102.7 Sec. 19. Minnesota Statutes 2007 Supplement, section 268.125, subdivision 3, is
102.8 amended to read:

102.9 Subd. 3. **Eligibility conditions.** An applicant is eligible to receive additional
102.10 unemployment benefits for any week during the applicant's benefit year if:

102.11 (1) for any week during which benefits are available under subdivision 1, clause (1):

102.12 (i) the applicant resides in a county that meets the requirements of subdivision 1,
102.13 clause (1), and resided in that county each week that regular unemployment benefits
102.14 were paid;

102.15 (ii) the applicant meets the same eligibility requirements that are required for regular
102.16 unemployment benefits under section 268.069; and

102.17 (iii) the applicant has exhausted regular unemployment benefits under section
102.18 268.07, is not entitled to receive extended unemployment benefits under section 268.115,
102.19 and is not entitled to receive unemployment benefits under any other state or federal
102.20 law for that week; or

102.21 ~~(1)~~ (2) the applicant was laid off from employment as a result of a reduction under
102.22 subdivision 1, clause (2), or was laid off because of lack of work from that employer
102.23 during the three-month period before, or the three-month period after, the month of the
102.24 reduction under subdivision 1, clause (2);

102.25 ~~(2)~~ (3) the applicant meets the same eligibility requirements that are required for
102.26 regular unemployment benefits under section ~~268.085~~ 268.069;

102.27 ~~(3) the applicant is not ineligible under section 268.095 because of a quit or a~~
102.28 ~~discharge;~~

102.29 (4) the applicant has exhausted regular unemployment benefits under section 268.07,
102.30 is not entitled to receive extended unemployment benefits under section 268.115, and
102.31 is not entitled to receive unemployment benefits under any other state or federal law
102.32 for that week; and

102.33 (5) a majority of the applicant's wage credits were from the employer that had a
102.34 reduction in operations under subdivision 1, clause (2).

103.1 **EFFECTIVE DATE.** This section is effective the day following final enactment
103.2 and applies retroactively from January 1, 2008.

103.3 Sec. 20. Minnesota Statutes 2006, section 268.125, is amended by adding a subdivision
103.4 to read:

103.5 Subd. 6. **Notice.** The commissioner must notify applicants of the availability
103.6 of additional unemployment benefits by contacting applicants by mail or electronic
103.7 transmission, by posting a notice on the department's official Web site, and by appropriate
103.8 announcement.

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

103.10 Sec. 21. **[268.232] UNEMPLOYMENT INSURANCE WORKER INITIATIVE.**

103.11 Subdivision 1. **Purpose; set aside.** The unemployment insurance workers initiative
103.12 is created to increase the number of staff at each workforce development center who are
103.13 available to provide services to unemployed workers seeking information, assistance, and
103.14 advice on applying for unemployment insurance benefits.

103.15 Subd. 2. **Tax reduction.** Beginning January 1, 2009, the base unemployment tax
103.16 calculated under section 268.051, subdivision 2, paragraph (b), is reduced by .01 percent.

103.17 Subd. 3. **Fee suspension.** Notwithstanding Minnesota Statutes, section 116L.20, the
103.18 special assessment under that section of .10 percent is suspended until December 31, 2011.

103.19 Subd. 4. **Workforce enhancement fee.** A workforce enhancement fee of .11
103.20 percent on taxable wages as defined in section 268.035 subdivision 24, is assessed in
103.21 addition to unemployment taxes under section 268.051. The workforce enhancement fee
103.22 shall be paid on the same schedule and in the same manner as unemployment taxes under
103.23 section 268.051. Late payment of fees under this section is subject to the same interest and
103.24 penalty provisions as those that apply to unemployment taxes.

103.25 Subd. 5. **Use of funds.** (a) Of the funds collected under this section an amount equal
103.26 to .01 percent on taxable wages must be deposited in the unemployment insurance worker
103.27 initiative account created under subdivision 6.

103.28 (b) The remaining funds collected under this section must be deposited in the
103.29 workforce development fund under section 116L.20 minus reimbursement for costs under
103.30 section 116L.20, subdivision 2, paragraph (c).

103.31 Subd. 6. **Account.** The unemployment insurance worker initiative account is
103.32 created as a special account in the special revenue fund in the state treasury. All funds
103.33 deposited under subdivision 5, paragraph (a), and any interest earnings on those funds
103.34 are appropriated to the commissioner to increase the amount of staff in the workforce

104.1 centers to provide assistance and support to applicants for unemployment insurance.
104.2 The commissioner shall give priority to providing sufficient staff in workforce centers
104.3 located outside of the seven county metropolitan area. Any funds that remain unexpended
104.4 in the first year are available for expenditure until December 31, 2011. Any unexpended
104.5 funds in this account after December 31, 2011 shall be transferred to the unemployment
104.6 insurance trust fund.

104.7 Subd. 7. **Report.** Beginning in 2010 and every two years thereafter, the
104.8 commissioner shall report by January 15 to the standing committees of the senate and
104.9 house of representatives having jurisdiction over unemployment insurance on the number
104.10 of staff providing unemployment insurance assistance to applicants at each workforce
104.11 center, the salaries paid to staff, and the amount of unemployment benefits paid to
104.12 applicants who received unemployment insurance assistance at the workforce centers.

104.13 Subd. 8. **Sunset.** Except for the reporting requirements under subdivision 7, this
104.14 section sunsets on December 31, 2011.

104.15 **EFFECTIVE DATE.** This section is effective January 1, 2009.

104.16 Sec. 22. Minnesota Statutes 2006, section 298.2214, subdivision 1, is amended to read:

104.17 Subdivision 1. **Creation of committee; purpose.** A committee is created to advise
104.18 ~~the commissioner of~~ Iron Range resources and rehabilitation board on providing higher
104.19 education programs in cooperation with the University of Minnesota, the Minnesota State
104.20 Colleges and Universities, and private colleges in the taconite assistance area defined in
104.21 section 273.1341. The committee is subject to section 15.059.

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

104.23 Sec. 23. Minnesota Statutes 2006, section 298.2214, subdivision 2, as amended by
104.24 Laws 2008, chapter 154, article 8, section 4, is amended to read:

104.25 Subd. 2. **Iron Range Higher Education Committee; membership.** The members
104.26 of the committee shall consist of:

104.27 (1) one member appointed by the governor;

104.28 (2) one member appointed by the president of the University of Minnesota;

104.29 (3) four members of the Iron Range Resources and Rehabilitation Board appointed
104.30 by the chair;

104.31 (4) ~~the commissioner of Iron Range resources and rehabilitation~~ one member
104.32 appointed by the chancellor of the Minnesota State Colleges and Universities; and

104.33 (5) the president of the Northeast Higher Education District or its successor.

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

105.2 Sec. 24. Minnesota Statutes 2006, section 298.223, subdivision 2, is amended to read:

105.3 Subd. 2. **Administration.** (a) The taconite area environmental protection fund shall
105.4 be administered by the commissioner of the Iron Range Resources and Rehabilitation
105.5 Board. The commissioner shall by September 1 of each year submit to the board a list
105.6 of projects to be funded from the taconite area environmental protection fund, with such
105.7 supporting information including description of the projects, plans, and cost estimates as
105.8 may be necessary.

105.9 (b) Each year no less than one-half of the amounts deposited into the taconite
105.10 environmental protection fund must be used for public works projects, including
105.11 construction of sewer and water systems, as specified under subdivision 1, paragraph (c).
105.12 The Iron Range Resources and Rehabilitation Board with a majority vote of the members,
105.13 may waive the requirements of this paragraph.

105.14 (c) Upon approval by a majority of the members of the Iron Range Resources and
105.15 Rehabilitation Board, ~~this~~ the list of projects approved under this subdivision shall be
105.16 submitted to the governor by November 1 of each year. By December 1 of each year, the
105.17 governor shall approve or disapprove, or return for further consideration, each project.
105.18 Funds for a project may be expended only upon approval of the project by the board and
105.19 governor. The commissioner may submit supplemental projects to the board and governor
105.20 for approval at any time.

105.21 **EFFECTIVE DATE.** This section is effective for distributions beginning in 2009.

105.22 Sec. 25. Minnesota Statutes 2007 Supplement, section 298.227, is amended to read:

105.23 **298.227 TACONITE ECONOMIC DEVELOPMENT FUND.**

105.24 For distributions prior to January 1, 2009, an amount equal to that distributed
105.25 pursuant to each taconite producer's taxable production and qualifying sales under section
105.26 298.28, subdivision 9a, shall be held by the Iron Range Resources and Rehabilitation
105.27 Board in a separate taconite economic development fund for each taconite and direct
105.28 reduced ore producer. Money from the fund for each producer shall be released by
105.29 the commissioner after review by a joint committee consisting of an equal number of
105.30 representatives of the salaried employees and the nonsalaried production and maintenance
105.31 employees of that producer. The District 11 director of the United States Steelworkers of
105.32 America, on advice of each local employee president, shall select the employee members.
105.33 In nonorganized operations, the employee committee shall be elected by the nonsalaried

106.1 production and maintenance employees. The review must be completed no later than
106.2 six months after the producer presents a proposal for expenditure of the funds to the
106.3 committee. The funds held pursuant to this section may be released only for acquisition
106.4 of plant and stationary mining equipment and facilities for the producer or for research
106.5 and development in Minnesota on new mining, or taconite, iron, or steel production
106.6 technology, but only if the producer provides a matching expenditure to be used for
106.7 the same purpose of at least 50 percent of the distribution based on 14.7 cents per ton
106.8 beginning with distributions in 2002. Effective for proposals for expenditures of money
106.9 from the fund beginning May 26, 2007, the commissioner may not release the funds before
106.10 the next scheduled meeting of the board. If the board rejects a proposed expenditure, the
106.11 funds must be deposited in the Taconite Environmental Protection Fund under sections
106.12 298.222 to 298.225. If a producer uses money which has been released from the fund
106.13 prior to May 26, 2007 to procure haulage trucks, mobile equipment, or mining shovels,
106.14 and the producer removes the piece of equipment from the taconite tax relief area defined
106.15 in section 273.134 within ten years from the date of receipt of the money from the fund,
106.16 a portion of the money granted from the fund must be repaid to the taconite economic
106.17 development fund. The portion of the money to be repaid is 100 percent of the grant if the
106.18 equipment is removed from the taconite tax relief area within 12 months after receipt of
106.19 the money from the fund, declining by ten percent for each of the subsequent nine years
106.20 during which the equipment remains within the taconite tax relief area. If a taconite
106.21 production facility is sold after operations at the facility had ceased, any money remaining
106.22 in the fund for the former producer may be released to the purchaser of the facility on
106.23 the terms otherwise applicable to the former producer under this section. If a producer
106.24 fails to provide matching funds for a proposed expenditure within six months after the
106.25 commissioner approves release of the funds, the funds are available for release to another
106.26 producer in proportion to the distribution provided and under the conditions of this section.
106.27 Any portion of the fund which is not released by the commissioner within two years of its
106.28 deposit in the fund shall be divided between the taconite environmental protection fund
106.29 created in section 298.223 and the Douglas J. Johnson economic protection trust fund
106.30 created in section 298.292 for placement in their respective special accounts. Two-thirds
106.31 of the unreleased funds shall be distributed to the taconite environmental protection fund
106.32 and one-third to the Douglas J. Johnson economic protection trust fund.

106.33 Sec. 26. Minnesota Statutes 2006, section 298.28, subdivision 9b, is amended to read:

106.34 Subd. 9b. **Taconite environmental fund.** ~~Five~~ Eight cents per ton must be paid to
106.35 the taconite environmental fund for use under section 298.2961, subdivision 4.

107.1 **EFFECTIVE DATE.** This section is effective for production in 2008, distributions
107.2 in 2009 and thereafter.

107.3 Sec. 27. Minnesota Statutes 2006, section 298.28, subdivision 9d, as added by Laws
107.4 2008, chapter 154, article 8, section 9, is amended to read:

107.5 Subd. 9d. **Iron Range higher education account.** ~~Two~~ Five cents per taxable ton
107.6 must be allocated to the Iron Range Resources and Rehabilitation Board to be deposited
107.7 in an Iron Range higher education account that is hereby created, to be used for higher
107.8 education programs conducted at educational institutions in the taconite assistance area
107.9 defined in section 273.1341. The Iron Range Higher Education committee under section
107.10 298.2214 and the Iron Range Resources and Rehabilitation Board must approve all
107.11 expenditures from the account.

107.12 Sec. 28. Minnesota Statutes 2006, section 298.292, subdivision 2, as amended by Laws
107.13 2008, chapter 154, article 8, section 11, is amended to read:

107.14 Subd. 2. **Use of money.** Money in the Douglas J. Johnson economic protection trust
107.15 fund may be used for the following purposes:

107.16 (1) to provide loans, loan guarantees, interest buy-downs and other forms of
107.17 participation with private sources of financing, but a loan to a private enterprise shall be
107.18 for a principal amount not to exceed one-half of the cost of the project for which financing
107.19 is sought, and the rate of interest on a loan to a private enterprise shall be no less than the
107.20 lesser of eight percent or an interest rate three percentage points less than a full faith
107.21 and credit obligation of the United States government of comparable maturity, at the
107.22 time that the loan is approved;

107.23 (2) to fund reserve accounts established to secure the payment when due of the
107.24 principal of and interest on bonds issued pursuant to section 298.2211;

107.25 (3) to pay in periodic payments or in a lump sum payment any or all of the interest
107.26 on bonds issued pursuant to chapter 474 for the purpose of constructing, converting,
107.27 or retrofitting heating facilities in connection with district heating systems or systems
107.28 utilizing alternative energy sources;

107.29 (4) to invest in a venture capital fund or enterprise that will provide capital to other
107.30 entities that are engaging in, or that will engage in, projects or programs that have the
107.31 purposes set forth in subdivision 1. No investments may be made in a venture capital fund
107.32 or enterprise unless at least two other unrelated investors make investments of at least
107.33 \$500,000 in the venture capital fund or enterprise, and the investment by the Douglas
107.34 J. Johnson economic protection trust fund may not exceed the amount of the largest

108.1 investment by an unrelated investor in the venture capital fund or enterprise. For purposes
108.2 of this subdivision, an "unrelated investor" is a person or entity that is not related to
108.3 the entity in which the investment is made or to any individual who owns more than 40
108.4 percent of the value of the entity, in any of the following relationships: spouse, parent,
108.5 child, sibling, employee, or owner of an interest in the entity that exceeds ten percent of
108.6 the value of all interests in it. For purposes of determining the limitations under this
108.7 clause, the amount of investments made by an investor other than the Douglas J. Johnson
108.8 economic protection trust fund is the sum of all investments made in the venture capital
108.9 fund or enterprise during the period beginning one year before the date of the investment
108.10 by the Douglas J. Johnson economic protection trust fund; and

108.11 (5) to purchase forest land in the taconite assistance area defined in section 273.1341
108.12 to be held and managed as a public trust for the benefit of the area for the purposes
108.13 authorized in section 298.22, subdivision 5a. Property purchased under this section may
108.14 be sold upon approval by a majority vote of the board. The net proceeds must be deposited
108.15 in the trust fund for the purposes and uses of this section.

108.16 Money from the trust fund shall be expended only in or for the benefit of the taconite
108.17 assistance area defined in section 273.1341.

108.18 Sec. 29. Minnesota Statutes 2006, section 298.2961, subdivision 2, is amended to read:

108.19 Subd. 2. **Projects; approval.** (a) Projects funded must be for:

108.20 (1) environmentally unique reclamation projects; or

108.21 (2) pit or plant repairs, expansions, or modernizations other than for a value added
108.22 iron products plant; ~~or~~

108.23 ~~(3) haulage trucks and equipment and mining shovels.~~

108.24 (b) To be proposed by the board, a project must be approved by at least eight Iron
108.25 Range Resources and Rehabilitation Board members. The money for a project may
108.26 be spent only upon approval of the project by the governor. The board may submit
108.27 supplemental projects for approval at any time.

108.28 (c) The board may require that it receive an equity percentage in any project to
108.29 which it contributes under this section.

108.30 Sec. 30. Minnesota Statutes 2006, section 341.21, as amended by Laws 2007, chapter
108.31 135, article 3, section 30, is amended to read:

108.32 **341.21 DEFINITIONS.**

108.33 Subdivision 1. **Applicability.** The definitions in this section apply to this chapter.

Subd. 2. **Boxing.** "Boxing" means the act of attack and defense with the fists, using padded gloves, that is practiced as a sport under the rules of the Association of Boxing Commissions, or equivalent. Where applicable, boxing includes tough person contests.

Subd. 2a. **Combatant.** "Combatant" means an individual who employs the act of attack and defense as a boxer, tough person, or mixed martial artist while engaged in a combative sport.

Subd. 2b. **Combative sport.** "Combative sport" means a sport that employs the act of attack and defense with the fists, with or without using padded gloves, or feet that is practiced as a sport under the rules of the Association of Boxing Commissions, unified rules for mixed martial arts, or their equivalent. Combative sports include professional boxing and professional and amateur tough person and professional and amateur mixed martial arts contests.

Subd. 3. **Commission.** "Commission" means the ~~Minnesota Boxing~~ Combative Sports Commission.

Subd. 4. **Combative sports contest.** "Combative sports contest" means ~~any a~~ professional boxing, a professional or amateur tough person, or a professional or amateur mixed martial art bout, competition ~~contest~~, match, or exhibition.

Subd. 4a. **Director.** "Director" means the executive director of the commission.

Subd. 4b. **HBV.** "HBV" means the hepatitis B virus with the e-antigen present in the most recent blood test.

Subd. 4c. **HCV.** "HCV" means the hepatitis C virus.

Subd. 4d. **HIV.** "HIV" means the human immunodeficiency virus.

Subd. 4e. **Individual.** "Individual" means a living human being.

Subd. 4f. **Mixed martial arts contest.** "Mixed martial arts contest" means a contest between two or more individuals consisting of any combination of full contact martial art including, but not limited to, Muay Thai and Karate, kickboxing, wrestling, grappling, or other recognized martial art.

Subd. 4g. **Person.** "Person" means an individual, corporation, partnership, limited liability company, organization, or other business entity organized and existing under law, its officers and directors, or a person holding 25 percent or more of the ownership of a corporation that is authorized to do business under the laws of this state.

Subd. 5. **Professional.** "Professional" means any person who competes for any money prize or a prize that exceeds the value of \$50 or teaches, pursues, or assists in the practice of ~~boxing a combative sport~~ as a means of obtaining a livelihood or pecuniary gain.

~~Subd. 6. **Director.** "Director" means the executive director of the commission.~~

110.1 Subd. 7. **Tough person contest.** "Tough person contest," including contests
110.2 marketed as tough man ~~and~~ or tough woman contests, means ~~any boxing match consisting~~
110.3 ~~a contest of one-minute rounds~~ two-minute rounds consisting of not more than four rounds
110.4 between two or more ~~persons~~ individuals who use their hands, or their feet, or both, in any
110.5 manner. Tough person contest does not include ~~kick boxing~~ kickboxing or any recognized
110.6 martial arts ~~competition~~ contest.

110.7 ~~Subd. 8. **Mixed martial arts.** "Mixed martial arts" means any combination of~~
110.8 ~~boxing, kick boxing, wrestling, grappling, or other recognized martial arts.~~

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

110.10 Sec. 31. Minnesota Statutes 2007 Supplement, section 341.22, is amended to read:

110.11 **341.22 ~~BOXING~~ COMBATIVE SPORTS COMMISSION.**

110.12 There is hereby created the Minnesota ~~Boxing~~ Combative Sports Commission
110.13 consisting of nine members who are citizens of this state. The members must be appointed
110.14 by the governor. One member of the commission must be a retired judge of the Minnesota
110.15 district court, Minnesota Court of Appeals, Minnesota Supreme Court, the United States
110.16 District Court for the District of Minnesota, or the Eighth Circuit Court of Appeals, and
110.17 at least ~~three~~ four members must have knowledge of the boxing industry. At least four
110.18 members must have knowledge of the mixed martial arts industry. The governor shall
110.19 make serious efforts to appoint qualified women to serve on the commission. Membership
110.20 terms, compensation of members, removal of members, the filling of membership
110.21 vacancies, and fiscal year and reporting requirements must be as provided in sections
110.22 214.07 to 214.09. Unless otherwise provided, the provision of staff, administrative
110.23 services, and office space; the review and processing of complaints; the setting of fees; and
110.24 other provisions relating to commission operations ~~must be~~ are as provided in chapter 214.
110.25 The purpose of the commission is to protect health, promote safety, and ensure fair events.

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

110.27 Sec. 32. Minnesota Statutes 2006, section 341.23, is amended to read:

110.28 **341.23 LIMITATIONS.**

110.29 No member of the ~~Boxing~~ commission may directly or indirectly promote a ~~boxing~~
110.30 contest, directly or indirectly engage in the managing of a ~~boxer~~ combatant, or have an
110.31 interest in any manner in the proceeds from a ~~boxing~~ combative sport contest.

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

111.1 Sec. 33. Minnesota Statutes 2007 Supplement, section 341.25, is amended to read:

111.2 **341.25 RULES.**

111.3 (a) The commission may adopt rules that include standards for the physical
111.4 examination and condition of ~~boxers~~ combatants and referees. Notwithstanding section
111.5 14.125, the commission shall publish a notice of intent to adopt rules or a notice of hearing
111.6 on or before September 1, 2008.

111.7 (b) The commission may adopt other rules necessary to carry out the purposes
111.8 of this chapter, including, but not limited to, the conduct of ~~boxing exhibitions, bouts,~~
111.9 ~~and fights,~~ all combative sport contests and their manner, supervision, time, and place.
111.10 Notwithstanding section 14.125, the commission shall publish a notice of intent to adopt
111.11 rules or a notice of hearing on or before September 1, 2008.

111.12 (c) The commission must adopt unified rules for mixed martial arts contests.

111.13 (d) The commission may adopt the rules of the Association of Boxing Commissions,
111.14 with amendments.

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

111.16 Sec. 34. Minnesota Statutes 2006, section 341.26, is amended to read:

111.17 **341.26 MEETINGS.**

111.18 The commission shall hold a regular meeting quarterly and may hold special
111.19 meetings. Except as otherwise provided in law, all meetings of the commission must be
111.20 open to the public and reasonable notice of the meetings must be given under chapter
111.21 13D. If compliance with section 13D.02 is impractical, the commission may conduct a
111.22 meeting of its members by telephone or other electronic means so long as the following
111.23 conditions are met:

111.24 (1) all members of the commission participating in the meeting, wherever their
111.25 physical location, can hear one another and can hear all discussion and testimony;

111.26 (2) members of the public present at the regular meeting location of the commission
111.27 can hear clearly all discussion and testimony and all votes of members of the commission
111.28 and, if needed, receive those services required by sections 15.44 and 15.441;

111.29 (3) at least one member of the commission is physically present at the regular
111.30 meeting location; and

111.31 (4) all votes are conducted by roll call, so each member's vote on each issue can be
111.32 identified and recorded.

112.1 Each member of the commission participating in a meeting by telephone or other
112.2 electronic means is considered present at the meeting for purposes of determining a
112.3 quorum and participating in all proceedings.

112.4 If a telephone or other electronic means is used to conduct a regular, special, or
112.5 emergency meeting, the commission, to the extent practical, shall allow a person to
112.6 monitor the meeting electronically from a remote location. The commission may require
112.7 the person making such a connection to pay for documented costs that the commission
112.8 incurs as a result of the additional connection.

112.9 If a telephone or other electronic means is used to conduct a regular, special, or
112.10 emergency meeting, the commission shall provide notice of the regular meeting location,
112.11 of the fact that some members may participate by telephone or other electronic means, and
112.12 that a person may monitor the meeting electronically from a remote location. The timing
112.13 and method of providing notice is governed by section 13D.04.

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

112.15 Sec. 35. Minnesota Statutes 2007 Supplement, section 341.27, is amended to read:

112.16 **341.27 COMMISSION DUTIES.**

112.17 The commission shall:

112.18 (1) issue, deny, renew, suspend, or revoke licenses;

112.19 (2) make and maintain records of its acts and proceedings including the issuance,
112.20 denial, renewal, suspension, or revocation of licenses;

112.21 (3) keep public records of the commission open to inspection at all reasonable times;

112.22 (4) assist the director in the development of rules to be implemented under this
112.23 chapter;

112.24 (5) conform to the rules adopted under this chapter; ~~and~~

112.25 (6) develop policies and procedures for regulating mixed martial arts;₂

112.26 (7) immediately suspend an individual license for a medical condition, including but
112.27 not limited to a medical condition resulting from an injury sustained during a match, bout,
112.28 or contest that has been confirmed by the ringside physician. The medical suspension must
112.29 be lifted after the commission receives written information from a physician licensed in
112.30 the home state of the licensee indicating that the combatant may resume competition, and
112.31 any other information that the commission may by rule require. Medical suspensions are
112.32 not subject to section 214.10; and

112.33 (8) evaluate the performance and compensation of the director, including eligibility
112.34 for salary increases, in keeping with state procedures.

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

113.2 Sec. 36. **[341.271] GIFT AUTHORITY.**

113.3 The commission may apply for, receive, and expend in its own name grants and
113.4 gifts of money consistent with the powers and duties specified in section 341.27. The
113.5 commission may accept gifts, bequests, grants, payments for services, and other public
113.6 and private money to help finance the activities of the commission.

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

113.8 Sec. 37. Minnesota Statutes 2006, section 341.28, as amended by Laws 2007, chapter
113.9 135, article 3, sections 34, 35, is amended to read:

113.10 **341.28 REGULATION OF ~~BOXING~~ COMBATIVE SPORT CONTESTS.**

113.11 Subdivision 1. **Regulatory authority; ~~boxing~~ combative sports.** All ~~professional~~
113.12 ~~boxing combative sport~~ contests are subject to this chapter. ~~Every contestant in a boxing~~
113.13 ~~contest shall wear padded gloves that weigh at least eight ounces.~~ The commission shall,
113.14 for every ~~boxing~~ combative sport contest:

113.15 (1) direct a commission member to be present; and

113.16 (2) direct the attending commission member to make a written report of the contest.

113.17 All ~~boxing~~ combative sport contests within this state must be conducted according to
113.18 the requirements of this chapter.

113.19 Subd. 1a. **Regulatory authority; boxing contests.** All professional boxing contests
113.20 are subject to this chapter. Every combatant in a boxing contest shall wear padded gloves
113.21 that weigh at least eight ounces. Officials at all boxing contests must be licensed under
113.22 this chapter.

113.23 Subd. 2. **Regulatory authority; tough person contests.** All professional and
113.24 amateur tough person contests, ~~including amateur tough person contests,~~ are subject to
113.25 this chapter. All tough person contests are subject to ~~American~~ Association of Boxing
113.26 ~~Commission (ABC) Commissions~~ rules. Every contestant in a tough person contest shall
113.27 have a physical examination prior to their bouts. Every contestant in a tough person
113.28 contest shall wear padded gloves that weigh at least 12 ounces. All tough person bouts are
113.29 limited to two-minute rounds and a maximum of four total rounds. Officials at all tough
113.30 person ~~bouts~~ contests shall be licensed under this chapter.

113.31 Subd. 3. **Regulatory authority; mixed martial arts contests; similar sporting**
113.32 **events.** All professional and amateur mixed martial arts, ultimate fight contests, and

114.1 similar sporting events are subject to this chapter and all officials at these events must be
114.2 licensed under this chapter.

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

114.4 Sec. 38. Minnesota Statutes 2006, section 341.29, is amended to read:

114.5 **341.29 JURISDICTION OF COMMISSION.**

114.6 The commission shall:

114.7 (1) have sole direction, supervision, regulation, control, and jurisdiction over all
114.8 ~~boxing combative sports~~ contests ~~and tough person contests~~ that are held within this state
114.9 unless a contest is exempt from the application of this chapter under federal law;

114.10 (2) have sole control, authority, and jurisdiction over all licenses required by this
114.11 chapter; and

114.12 (3) grant a license to an applicant if, in the judgment of the commission, the financial
114.13 responsibility, experience, character, and general fitness of the applicant are consistent
114.14 with the public interest, convenience, or necessity and the best interests of ~~boxing~~
114.15 combative sports and conforms with this chapter and the commission's rules.

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

114.17 Sec. 39. Minnesota Statutes 2006, section 341.30, is amended to read:

114.18 **341.30 LICENSURE REQUIREMENTS.**

114.19 Subdivision 1. **Licensure; individuals.** All referees, judges, matchmakers,
114.20 promoters, trainers, ring announcers, timekeepers, ringside physicians, ~~boxers~~ combatants,
114.21 ~~boxers'~~ managers, and ~~boxers'~~ seconds are required to be licensed by the commission. The
114.22 commission shall not permit any of these persons to participate in the holding or conduct
114.23 of any ~~boxing combative sport~~ contest unless the commission has first issued the person
114.24 a license.

114.25 Subd. 2. **Entity licensure.** Before participating in the holding or conduct of any
114.26 ~~boxing combative sport~~ contest, a corporation, partnership, limited liability company, or
114.27 other business entity organized and existing under law, its officers and directors, and
114.28 any person holding 25 percent or more of the ownership of the corporation shall obtain
114.29 a license from the commission and must be authorized to do business under the laws of
114.30 this state.

114.31 Subd. 3. **Background investigation.** The commission may require referees, judges,
114.32 matchmakers, promoters, and ~~boxers~~ combatants to furnish fingerprints and background
114.33 information under commission rules before licensure. The commission shall charge a fee

for receiving fingerprints and background information in an amount determined by the commission. The commission may require referees, judges, matchmakers, promoters, and ~~boxers~~ combatants to furnish fingerprints and background information before license renewal. The fee may include a reasonable charge for expenses incurred by the commission or the Department of Public Safety. For this purpose, the commission and the Department of Public Safety may enter into an interagency agreement.

Subd. 4. **Prelicensure requirements.** (a) Before the commission issues a license to a promoter, matchmaker, corporation, or other business entity, the applicant shall:

(1) provide the commission with a copy of any agreement between a ~~contestant~~ combatant and the applicant that binds the applicant to pay the ~~contestant~~ combatant a certain fixed fee or percentage of the gate receipts;

(2) show on the application the owner or owners of the applicant entity and the percentage of interest held by each owner holding a 25 percent or more interest in the applicant;

(3) provide the commission with a copy of the latest financial statement of the entity; and

(4) provide the commission with a copy or other proof acceptable to the commission of the insurance contract or policy required by this chapter.

(b) Before the commission issues a license to a promoter, the applicant shall deposit with the commission a cash bond or surety bond in an amount set by the commission. The bond shall be executed in favor of this state and shall be conditioned on the faithful performance by the promoter of the promoter's obligations under this chapter and the rules adopted under it. An applicant for a license as a promoter shall submit an application a minimum of six weeks before the combative sport contest is scheduled to occur.

(c) Before the commission issues a license to a ~~boxer~~ combatant, the applicant shall submit to the commission the results of a current medical examination on forms furnished or approved by the commission. The medical examination must include an ophthalmological and neurological examination, and documentation of test results for HBV, HCV, and HIV, and any other blood test as the commission by rule may require. The ophthalmological examination must be designed to detect any retinal defects or other damage or condition of the eye that could be aggravated by ~~boxing~~ combative sports. The neurological examination must include an electroencephalogram or medically superior test if the ~~boxer~~ combatant has been knocked unconscious in a previous ~~boxing or other athletic competition~~ contest. The commission may also order an electroencephalogram or other appropriate neurological or physical examination before any contest, ~~match, or exhibition~~ if it determines that the examination is desirable to protect the health of the

116.1 ~~boxer~~ combatant. The commission shall not issue a license to an applicant submitting
116.2 positive test results for HBV, HCV, or HIV.

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

116.4 Sec. 40. Minnesota Statutes 2006, section 341.32, as amended by Laws 2007, chapter
116.5 135, article 3, section 36, is amended to read:

116.6 **341.32 LICENSE FEES; EXPIRATION; RENEWAL.**

116.7 Subdivision 1. **Annual licensure.** The commission may establish and issue annual
116.8 licenses subject to the collection of advance fees by the commission for promoters,
116.9 ~~matchmakers~~, managers, judges, referees, ring announcers, ringside physicians,
116.10 timekeepers, ~~boxers~~ combatants, ~~boxers'~~ trainers, ~~boxers'~~ seconds, business entities filing
116.11 for a license to participate in the holding of any ~~boxing~~ contest, and officers, directors, or
116.12 other persons affiliated with the business entity.

116.13 Subd. 2. **Expiration and renewal.** A license issued after July 1, 2007, is valid for
116.14 one year from the date it is issued and may be renewed by filing an application for renewal
116.15 with the commission and payment of the license ~~fee~~ fees established in section 341.321.
116.16 An application for a license and renewal of a license must be on a form provided by the
116.17 commission. There is a 30-day grace period during which a license may be renewed if a
116.18 late filing penalty fee equal to the license fee is submitted with the regular license fee.
116.19 A licensee that files late shall not conduct any activity regulated by this chapter until the
116.20 commission has renewed the license. If the licensee fails to apply to the commission within
116.21 the 30-day grace period, the licensee must apply for a new license under subdivision 1.

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

116.23 Sec. 41. Minnesota Statutes 2007 Supplement, section 341.321, is amended to read:

116.24 **341.321 FEE SCHEDULE.**

116.25 (a) The fee schedule for professional licenses issued by the ~~Minnesota Boxing~~
116.26 commission is as follows:

- 116.27 (1) referees, ~~\$45~~ \$25 for each initial license and each renewal;
116.28 (2) promoters, \$400 for each initial license and each renewal;
116.29 (3) judges and knockdown judges, ~~\$45~~ \$25 for each initial license and each renewal;
116.30 (4) trainers, ~~\$45~~ \$25 for each initial license and each renewal;
116.31 (5) ring announcers, ~~\$45~~ \$25 for each initial license and each renewal;
116.32 (6) ~~boxers'~~ seconds, ~~\$45~~ \$25 for each initial license and each renewal;
116.33 (7) timekeepers, ~~\$45~~ \$25 for each initial license and each renewal;

- 117.1 (8) ~~boxers~~ combatant, ~~\$45~~ \$25 for each initial license and each renewal;
117.2 (9) managers, ~~\$45~~ \$25 for each initial license and each renewal; and
117.3 (10) ringside physicians, ~~\$45~~ \$25 for each initial license and each renewal.

117.4 In addition to the license fee and the late filing penalty fee in section 341.32, subdivision
117.5 2, if applicable, an individual who applies for a combatant license on the same day the
117.6 combative sporting event is held shall pay a fee of \$100 at the time the application is
117.7 submitted.

117.8 (b) The fee schedule for amateur licenses issued by the commission is as follows:

- 117.9 (1) referees, \$10 for each initial license and each renewal;
117.10 (2) promoters, \$100 for each initial license and each renewal;
117.11 (3) judges and knockdown judges, \$10 for each initial license and each renewal;
117.12 (4) trainers, \$10 for each initial license and each renewal;
117.13 (5) ring announcers, \$10 for each initial license and each renewal;
117.14 (6) seconds, \$10 for each initial license and each renewal;
117.15 (7) timekeepers, \$10 for each initial license and each renewal;
117.16 (8) combatant, \$10 for each initial license and each renewal;
117.17 (9) managers, \$10 for each initial license and each renewal; and
117.18 (10) ringside physicians, \$10 for each initial license and each renewal.

117.19 (c) The commission shall establish and assess an event a contest fee for each sporting
117.20 event combative sport contest. The event contest fee is set at a minimum of \$1,500 per
117.21 event or a percentage not more than four percent of the gross ticket sales as determined by
117.22 the commission when the sporting event combative sport contest is scheduled, except that
117.23 the amateur combative sport contest fee shall be \$150. The commission shall consider the
117.24 size and type of venue when establishing a contest fee. The commission may establish the
117.25 maximum number of complimentary tickets allowed for each event by rule. An amateur
117.26 combative sport contest fee is nonrefundable.

117.27 (d) All fees collected by the Minnesota Boxing commission must be deposited in
117.28 the Boxing commission account in the special revenue fund.

117.29 **EFFECTIVE DATE.** This section is effective July 1, 2008.

117.30 Sec. 42. Minnesota Statutes 2006, section 341.33, is amended to read:

117.31 **341.33 PHYSICAL EXAMINATION REQUIRED; FEES.**

117.32 Subdivision 1. **Examination by physician.** All ~~boxers and referees~~ combatants
117.33 must be examined by a physician licensed by this state within ~~three~~ 36 hours before
117.34 entering the ring, and the examining physician shall immediately file with the commission

a written report of the examination. The physician's examination ~~shall~~ may report on the condition of the ~~boxer's~~ combatant's heart and general physical and general neurological condition. The physician's report may record the condition of the ~~boxer's~~ combatant's nervous system and brain as required by the commission. The physician may prohibit the ~~boxer~~ combatant from entering the ring if, in the physician's professional opinion, it is in the best interest of the ~~boxer's~~ combatant's health. The cost of the examination is payable by the person or entity conducting the contest or exhibition.

Subd. 2. **Attendance of physician.** A person holding or sponsoring a ~~boxing contest~~ combative sport contest, shall have in attendance a physician licensed by this state. The commission may establish a schedule of fees to be paid to each attending physician by the person holding or sponsoring the contest.

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

Sec. 43. Minnesota Statutes 2006, section 341.34, subdivision 1, is amended to read:

Subdivision 1. **Required insurance.** The commission shall:

(1) require insurance coverage for a ~~boxer~~ combatant to provide for medical, surgical, and hospital care for injuries sustained in the ring in an amount of at least ~~\$20,000~~ \$10,000 and payable to the ~~boxer~~ combatant as beneficiary; and

(2) require life insurance for a ~~boxer~~ combatant in the amount of at least ~~\$20,000~~ \$10,000 payable in case of accidental death resulting from injuries sustained in the ring.

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

Sec. 44. Minnesota Statutes 2006, section 341.35, is amended to read:

341.35 PENALTIES FOR NONLICENSED EXHIBITIONS CONTESTS.

Any person or persons who send or cause to be sent, published, or otherwise made known, any challenge to fight what is commonly known as a prize fight, or engage in any public ~~boxing or sparring~~ combative sport match or contest, with or without gloves, for any prize, reward, or compensation, or for which any admission fee is charged directly or indirectly, or go into training preparatory for the fight, exhibition, or contest, or act as a trainer, aider, abettor, backer, umpire, referee, second, surgeon, assistant, or attendant at the fight, exhibition, or contest, or in any preparation for same, and any owner or lessee of any ground, building, or structure of any kind permitting the same to be used for any fight, exhibition, or contest, is guilty of a misdemeanor unless ~~a license~~ the licenses required for the holding of the fight, exhibition, or contest ~~has~~ have been issued by the commission in compliance with the rules adopted by it.

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

119.2 Sec. 45. **[341.355] PENALTIES.**

119.3 When the commission finds that a person has violated one or more provisions of
119.4 any statute, rule, or order that the commission is empowered to regulate, enforce, or
119.5 issue, the commission may impose, for each violation, a civil penalty of up to \$10,000
119.6 for each violation, or a civil penalty that deprives the person of any economic advantage
119.7 gained by the violation, or both.

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

119.9 Sec. 46. Minnesota Statutes 2006, section 341.37, is amended to read:

119.10 **341.37 APPROPRIATION.**

119.11 A ~~Boxing~~ commission account is created in the special revenue fund. Money in the
119.12 account is annually appropriated to the ~~Boxing~~ commission for the purposes of conducting
119.13 its statutory responsibilities and obligations.

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

119.15 Sec. 47. Minnesota Statutes 2007 Supplement, section 446A.072, subdivision 3,
119.16 is amended to read:

119.17 Subd. 3. **Program administration.** (a) The authority shall provide supplemental
119.18 assistance, as provided in subdivision 5a to governmental units:

119.19 (1) whose projects are listed on the Pollution Control Agency's project priority list;

119.20 (2) that demonstrate their projects are a cost-effective solution to an existing
119.21 environmental or public health problem; and

119.22 (3) whose projects are approved by the USDA/RECD or certified by the
119.23 commissioner of the Pollution Control Agency.

119.24 (b) For a governmental unit receiving grant funding from the USDA/RECD,
119.25 applications must be made to the USDA/RECD with additional information submitted to
119.26 the authority as required by the authority. Eligible project costs and affordability criteria
119.27 shall be determined by the USDA/RECD.

119.28 (c) For a governmental unit not receiving grant funding from the USDA/RECD,
119.29 application must be made to the authority on forms prescribed by the authority for the
119.30 clean water revolving fund program with additional information as required by the
119.31 authority. In accordance with section 116.182, the Pollution Control Agency shall:

(1) calculate the essential project component percentage which must be multiplied by the total project cost to determine the eligible project cost; and

(2) review and certify approved projects to the authority.

~~(d) At the time funds are appropriated under this section, Each fiscal year the authority shall make funds available for projects based on their ranking on the Pollution Control Agency's project priority list. The authority shall reserve supplemental assistance funds for projects in order of their rankings on the Pollution Control Agency's project priority list and~~ a project when the applicant receives a funding commitment from the United States Department of Agriculture Rural Development (USDA/RECD) or submits plans and specifications to the Pollution Control Agency. Funds must be reserved in an amount based on ~~their most recent the project cost estimates~~ estimate submitted to the authority ~~or prior to the appropriation of the funds and awarded in the amount reserved~~ or an amount based on the as-bid costs, whichever is less.

Sec. 48. Minnesota Statutes 2007 Supplement, section 446A.072, subdivision 5a, is amended to read:

Subd. 5a. **Type and amount of assistance.** (a) For a governmental unit receiving grant funding from the USDA/RECD, the authority shall provide assistance in the form of a grant of up to ~~one-half~~ 65 percent of the eligible grant ~~amount need~~ determined by USDA/RECD. A governmental unit may not receive a grant under this paragraph for more than \$4,000,000 or \$15,000 per existing connection, whichever is less, unless specifically approved by law. In the case of a sanitary district or other multijurisdictional project for which the USDA/RECD is unable to fully fund ~~up to one-half its share~~ of the eligible grant ~~amount need~~, the authority may provide up to an additional \$1,000,000 for each additional governmental unit participating up to a maximum of \$8,000,000 or \$15,000 per existing connection, whichever is less, but not to exceed the maximum grant level determined by the USDA/RECD as needed to keep the project affordable.

(b) For a governmental unit not receiving grant funding from the USDA/RECD, the authority shall provide assistance in the form of a loan for the eligible project costs plus the outstanding balance on any existing wastewater system debt that together exceed five percent of the market value of properties in the project service area, less the amount of any other grant funding received by the governmental unit for the project. A governmental unit may not receive a loan under this paragraph for more than \$4,000,000 or \$15,000 per existing connection, whichever is less, unless specifically approved by law. In the case of a sanitary district or other multijurisdictional project, the authority may provide a loan under this paragraph for up to an additional \$1,000,000 for each additional municipality

121.1 participating up to a maximum of \$8,000,000 or \$15,000 per existing connection,
121.2 whichever is less, unless specifically approved by law. A loan under this paragraph must
121.3 bear no interest, must be repaid as provided in subdivision 7, and must only be provided in
121.4 conjunction with a loan from the clean water revolving fund under section 446A.07.

121.5 (c) Notwithstanding the limits in paragraphs (a) and (b), for a governmental unit
121.6 receiving supplemental assistance under this section after January 1, 2002, if the authority
121.7 determines that the governmental unit's construction and installation costs are significantly
121.8 increased due to geological conditions of crystalline bedrock or karst areas and discharge
121.9 limits that are more stringent than secondary treatment, the authority shall provide
121.10 assistance in the form of half grant and half loan. Assistance from the authority may not
121.11 be more than \$25,000 per existing connection. Any additional grant amount received for
121.12 the same project must be used to reduce the amount of the governmental unit's loan from
121.13 the clean water ~~pollution control~~ revolving fund that exceeds five percent of the market
121.14 value of properties in the project service area.

121.15 Sec. 49. Minnesota Statutes 2007 Supplement, section 446A.086, is amended to read:

121.16 **446A.086 STATE MAY GUARANTEE ~~COUNTY~~ GOVERNMENTAL UNIT**
121.17 **BUILDING DEBT; REPAYMENT.**

121.18 Subdivision 1. **Definitions.** (a) As used in this section, the following terms have
121.19 the meanings given.

121.20 (b) "Authority" means the Minnesota Public Facilities Authority.

121.21 (c) "Commissioner" means the commissioner of finance.

121.22 (d) "Debt obligation" means:

121.23 (1) a general obligation bond issued by a county, a bond to which the general
121.24 obligation of a county is pledged under section 469.034, subdivision 2, or a bond payable
121.25 from a county lease obligation under section 641.24, to provide funds for the construction
121.26 of:

121.27 ~~(1)~~ (i) jails;

121.28 ~~(2)~~ (ii) correctional facilities;

121.29 ~~(3)~~ (iii) law enforcement facilities;

121.30 ~~(4)~~ (iv) social services and human services facilities;

121.31 ~~(5)~~ (v) solid waste facilities; or

121.32 ~~(6)~~ (vi) qualified housing development projects as defined in section 469.034,
121.33 subdivision 2; or

121.34 (2) a general obligation bond issued by a governmental unit and acquired under the
121.35 credit enhanced bond program established under section 446A.087.

122.1 Subd. 2. **Application.** (a) This section provides a state guarantee of the payment of
122.2 principal and interest on debt obligations if:

122.3 (1) the obligations are issued after June 30, 2000;

122.4 (2) application to the Public Facilities Authority is made before issuance; and

122.5 (3) the obligations are covered by an agreement meeting the requirements of
122.6 subdivision 3.

122.7 (b) Applications to be covered by the provisions of this section must be made in a
122.8 form and contain the information prescribed by the authority. Applications are subject to a
122.9 fee of \$500 for ~~the first each~~ bond issue requested by the county ~~and \$250 for each bond~~
122.10 ~~issue thereafter~~ or applicable fees under section 446A.087.

122.11 (c) Application fees paid under this section must be deposited in a separate ~~county~~
122.12 credit enhancement bond guarantee account in the general fund. Money in the ~~county~~
122.13 credit enhancement bond guarantee account is appropriated to the authority for purposes
122.14 of administering this section.

122.15 (d) Neither the authority nor the commissioner is required to promulgate
122.16 administrative rules under this section and the procedures and requirements established by
122.17 the authority or commissioner under this section are not subject to chapter 14.

122.18 Subd. 3. **Agreement.** (a) For specified debt obligations ~~of a county~~ to be covered
122.19 by this section, the ~~county~~ governmental unit must enter an agreement with the authority
122.20 obligating the ~~county~~ governmental unit to be bound by this section.

122.21 (b) This agreement must be in a form prescribed by the authority and contain any
122.22 provisions required by the authority, including, at least, an obligation to:

122.23 (1) deposit with the paying agent three days before the date on which the payment is
122.24 due an amount sufficient to make that payment or ten days prior to the date a payment is
122.25 due on revenue bonds issued by the authority under section 446A.087;

122.26 (2) notify the authority, if the ~~county~~ governmental unit will be unable to make all
122.27 or a portion of the payment; and

122.28 (3) include a provision in the bond resolution and county's agreement with the paying
122.29 agent for the debt obligation that requires the paying agent to inform the commissioner if
122.30 it becomes aware of a default or potential default in the payment of principal or interest
122.31 on that issue or if, on the day two business days before the date a payment is due on that
122.32 issue, there are insufficient funds to make the payment on deposit with the paying agent.

122.33 (c) Funds invested in a refunding escrow account established under section 475.67
122.34 that are to become available to the paying agent on a principal or interest payment date are
122.35 deemed to be on deposit with the paying agent three business days before the payment date.

(d) The provisions of an agreement under this subdivision are binding as to an issue as long as any debt obligation of the issue remains outstanding.

(e) This section and the obligations of the state under this section are not a public debt of the state under article XI, section 4, of the Minnesota Constitution, and the legislature may, at any time, choose not to appropriate amounts under subdivision 4, paragraph (b).

Subd. 4. Notifications; payment; appropriation. (a) After receipt of a notice of a default or potential default in payment of principal or interest in debt obligations covered by this section or an agreement under this section, and after consultation with the ~~county~~, governmental unit and the paying agent, and after verification of the accuracy of the information provided, the authority shall notify the commissioner of the potential default. The notice must include a final figure as to the amount due that the ~~county~~ governmental unit will be unable to repay on the date due.

(b) Upon receipt of this notice from the authority, the commissioner shall issue a warrant and authorize the authority to pay to the bond holders or paying agent for the debt obligation the specified amount on or before the date due. The amounts needed for the purposes of this subdivision are annually appropriated to the authority from the general fund.

Subd. 5. Interest on state paid amount. If the state has paid part or all of the principal or interest due on a ~~county's~~ debt obligation, the amount paid bears interest from the date paid by the state until the date of repayment. The interest rate is the commissioner's invested cash rate as it is certified by the commissioner. Interest only accrues on the amounts paid and outstanding less the reduction in aid under subdivision 7 and other payments received from the ~~county~~ governmental unit.

Subd. 6. Pledge of ~~county's~~ governmental unit's full faith and credit. If the state has paid part or all of the principal or interest due on a ~~county's~~ debt obligation, the ~~county's~~ governmental unit's pledge of its full faith and credit and unlimited taxing powers to repay the principal and interest due on those debt obligations becomes, without an election or the requirement of a further authorization, a pledge of the full faith and credit and unlimited taxing powers of the ~~county~~ governmental unit to repay to the state the amount paid, with interest. Amounts paid by the state must be repaid in the order in which the state payments were made.

Subd. 7. Aid reduction for repayment. (a) Except as provided in paragraph (b), the commissioner may reduce, by the amount paid by the state under this section on behalf of the ~~county~~ governmental unit, plus the interest due on the state payments, the ~~county~~ program local government aid under ~~section 477A.0124~~ chapter 477A. The amount of any aid reduction reverts from the appropriate account to the state general fund.

124.1 (b) If, after review of the financial situation of the county governmental unit, the
124.2 authority advises the commissioner that a total reduction of the aids would cause an
124.3 undue hardship on the county governmental unit, the authority, with the approval of the
124.4 commissioner, may establish a different schedule for reduction of aids to repay the state.
124.5 The amount of aids to be reduced are decreased by any amounts repaid to the state by the
124.6 county governmental unit from other revenue sources.

124.7 Subd. 8. **Tax levy for repayment.** (a) With the approval of the authority, a county
124.8 governmental unit may levy in the year the state makes a payment under this section an
124.9 amount up to the amount necessary to provide funds for the repayment of the amount
124.10 paid by the state plus interest through the date of estimated repayment by the county
124.11 governmental unit. The proceeds of this levy may be used only for this purpose unless
124.12 they exceed the amount actually due. Any excess must be used to repay other state
124.13 payments made under this section or must be deposited in the debt redemption fund of
124.14 the county governmental unit. The amount of aids to be reduced to repay the state are
124.15 decreased by the amount levied.

124.16 (b) If the state is not repaid in full for a payment made under this section by
124.17 November 30 of the calendar year following the year in which the state makes the
124.18 payment, the authority shall require the county governmental unit to certify a property
124.19 tax levy in an amount up to the amount necessary to provide funds for repayment of the
124.20 amount paid by the state plus interest through the date of estimated repayment by the
124.21 county governmental unit. To prevent undue hardship, the authority may allow the county
124.22 governmental unit to certify the levy over a five-year period. The proceeds of the levy
124.23 may be used only for this purpose unless they are in excess of the amount actually due, in
124.24 which case the excess must be used to repay other state payments made under this section
124.25 or must be deposited in the debt redemption fund of the county governmental unit. If the
124.26 authority orders the county governmental unit to levy, the amount of aids reduced to repay
124.27 the state are decreased by the amount levied.

124.28 (c) A levy under this subdivision is an increase in the levy limits of the county
124.29 governmental unit for purposes of section 275.065, subdivision 6, and must be explained
124.30 as a specific increase at the meeting required under that provision.

124.31 Subd. 9. **Mandatory plan; technical assistance.** If the state makes payments on
124.32 behalf of a county governmental unit under this section or the county governmental unit
124.33 defaults in the payment of principal or interest on an outstanding debt obligation, it must
124.34 submit a plan to the authority for approval specifying the measures it intends to implement
124.35 to resolve the issues which led to its inability to make the payment and to prevent
124.36 further defaults. If the authority determines that a county's governmental unit's plan is

not adequate, the authority shall notify the county governmental unit that the plan has been disapproved, the reasons for the disapproval, and that the state will not make future payments under this section for debt obligations of the affected county governmental unit issued after the date specified in that notice until its plan is approved. The authority may also notify the county governmental unit that until its plan is approved, aids due the county governmental unit will be withheld after a date specified in the notice.

Subd. 10. **Continuing disclosure agreements.** The authority may enter into written agreements or contracts relating to the continuing disclosure of information needed to facilitate the ability of counties governmental units to issue debt obligations according to federal securities laws, rules, and regulations, including securities and exchange commission rules and regulations, section 240.15c2-12. The agreements or contracts may be in any form the authority deems reasonable and in the state's best interests.

Sec. 50. **[446A.087] CREDIT ENHANCED BOND PROGRAM.**

Subdivision 1. Establishment of program. A credit enhanced bond program is established for the purposes set forth in subdivision 2.

Subd. 2. Purpose. The purpose of the credit enhanced bond program is to provide loans to governmental units through the purchase of general obligation bonds of governmental units issued to finance all or a portion of the costs of a project. The program shall include providing credit enhancement to the general obligation bonds of the governmental unit through the guarantee program as provided in section 446A.086. The authority shall obtain funds to make the loans authorized pursuant to this section through the issuance of its revenue bonds payable from loan repayments pledged to the bonds, and such other sources and security as are specifically pledged by the authority.

Subd. 3. Definitions. (a) Terms used in this section have the meanings given to them in this subdivision.

(b) "Applicant" means any governmental unit applying to the authority for a loan pursuant to this section.

(c) "Borrower" means any governmental unit that has entered into a commitment for the sale of its general obligation bonds to the authority pursuant to this section and subsequently sells its general obligation bonds to the authority and enters into a regulatory agreement.

(d) "Commitment" means a written agreement between a governmental unit and the authority obligating the governmental unit to deliver its general obligation bonds to the authority on a date in the future evidencing a loan pursuant to this section and to enter

126.1 into a regulatory agreement with the authority, all upon the terms and conditions set
126.2 forth in the commitment.

126.3 (e) "Eligible cost" means any cost of a project authorized by law to be financed from
126.4 the proceeds of general obligation bonds of a governmental unit.

126.5 (f) "General obligation bonds" means bonds or notes secured by the full faith and
126.6 credit and unlimited taxing powers of a governmental unit.

126.7 (g) "Project" means the construction, improvement, or rehabilitation of:

126.8 (1) wastewater facilities;

126.9 (2) drinking water facilities;

126.10 (3) storm water facilities;

126.11 (4) streets, street lighting, curbs, gutters, and sidewalks;

126.12 (5) energy conservation or alternative energy sources for use in public buildings or
126.13 facilities;

126.14 (6) telecommunications facilities;

126.15 (7) public safety buildings including those providing police and fire protection; or

126.16 (8) any publicly owned building or infrastructure improvement that has received
126.17 partial funding from grants awarded by the commissioner of employment and economic
126.18 development related to redevelopment, contaminated site cleanup, bioscience, small cities
126.19 development programs, and rural business infrastructure programs.

126.20 (h) "Regulatory agreement" means a written agreement entered into by the authority
126.21 and a borrower in connection with the purchase of the borrower's general obligation bonds
126.22 by the authority pursuant to this section.

126.23 Subd. 4. **Establishment of fund and accounts.** A credit enhancement bond
126.24 program fund is established for the purposes described in subdivision 2. Other accounts
126.25 may be established in the fund as necessary for its management and administration.
126.26 Money in the fund is annually appropriated to the authority and does not lapse. The fund
126.27 must be credited with investment income, and with repayments of principal and interest,
126.28 except for fees assessed under section 446A.04, subdivisions 5 and 15.

126.29 Subd. 5. **Management of fund and accounts.** The authority shall manage and
126.30 administer the credit enhancement bond program fund and individual accounts in the fund.
126.31 For those purposes, the authority may exercise all powers provided in this chapter.

126.32 Subd. 6. **Applications.** (a) Applicants for participation in the credit enhancement
126.33 bond program must submit an application to the authority on forms prescribed by the
126.34 authority. The applicant shall provide information customary to that needed for the
126.35 disclosure purposes in issuing general obligation bonds in the market, in addition to the
126.36 following information:

127.1 (1) the total estimated cost of the project and the amount of general obligation
127.2 bond proceeds sought;

127.3 (2) other sources of funding if the general obligation bond proceeds do not cover
127.4 the entire costs identified;

127.5 (3) the proposed sources of funds to be used for repayment of the general obligation
127.6 bonds;

127.7 (4) information showing the applicant's financial status and ability of the applicant
127.8 to repay loans;

127.9 (5) the proposed term and principal repayment schedule for the general obligation
127.10 bonds of the applicant; and

127.11 (6) the statutory authorization for the applicant to issue such general obligation
127.12 bonds, together with a statement that the statutory provision authorizes the use of proceeds
127.13 of such general obligation bonds to pay the costs of a project.

127.14 (b) The authority may establish deadlines or time periods for the submission of
127.15 applications to facilitate funding loans from the proceeds of a specific bond issue proposed
127.16 or previously issued by the authority, or the authority may accept applications from time
127.17 to time.

127.18 (c) Each application must be complete and accurate to be considered delivered to
127.19 and received by the authority or to be considered as having met any deadline established
127.20 by the authority with respect to an application period. If any application is determined by
127.21 the authority to be incomplete or inaccurate, the authority shall notify the applicant and
127.22 specify the missing or inaccurate information.

127.23 (d) The executive director and the staff of the authority shall evaluate the applications
127.24 to determine if the application should be accepted or rejected by the authority.

127.25 (e) The authority is not obligated to accept any application including those complete
127.26 and accurate and submitted by any specified deadline for submission if the authority
127.27 determines that it is not practicable to fund the loan for any reason including, but not
127.28 limited to, the creditworthiness of the applicant, the proposed loan amount, the term
127.29 and repayment schedule, the sources of funding available to the authority, and current
127.30 market conditions. Upon acceptance and approval of an application by the authority, the
127.31 authority may require that the applicant authorize, execute, and deliver a commitment to
127.32 the authority within such time period specified by the authority in its acceptance of the
127.33 application. The authority may reject an approved application for failure by the applicant
127.34 to authorize, execute, and deliver a commitment by the specified deadline.

127.35 Subd. 7. **Loan terms and conditions.** (a) The terms and conditions of loans
127.36 provided by the authority pursuant to the credit enhanced bond program are as provided

128.1 by this section, any applicable bond resolution or series bond resolution of the authority,
128.2 any trust indenture pursuant to which any series of bonds of the authority are issued,
128.3 the regulatory agreement, the commitment and the general obligation bond, and the
128.4 authorizing resolution of the borrower.

128.5 (b) The loan must be made by the authority through its purchase of the general
128.6 obligation bond of the borrower. The borrower shall provide the authority with the
128.7 opinion of nationally recognized bond counsel as to the valid authorization, issuance, and
128.8 enforceability of the general obligation bond of the borrower, and the exclusion of interest
128.9 thereon from gross income for the purposes of federal taxation, subject to customary
128.10 qualifications. The general obligation bond of the borrower may pledge other specified
128.11 sources of revenues for repayment to the extent permitted or required by law, in addition
128.12 to the full faith and credit and unlimited taxing powers of the borrower.

128.13 (c) The authority may disburse the proceeds of the loan as a single payment for the
128.14 general obligation bond or from time to time pursuant to draw requests if the general
128.15 obligation bond of the borrower is structured as a periodic drawdown bond. In the event
128.16 the authority pays for the general obligation bond in a single payment, the borrower
128.17 shall establish a project account and disburse the proceeds of its general obligation bond
128.18 solely for costs of the project approved in its application pursuant to such additional
128.19 requirements specified in the regulatory agreement.

128.20 (d) In order to facilitate the issuance of the authority's revenue bonds to finance
128.21 a pool of loans to different borrowers, the authority may require the borrower in the
128.22 commitment to issue its general obligation bond on a date certain in the future, and
128.23 may require the borrower to pay the costs incurred by the authority as a result of the
128.24 borrower's failure to deliver its general obligation bond as required by the commitment.
128.25 The commitment may also require the borrower to provide to the authority full disclosure
128.26 of all material facts and financial information relating to the borrower that would be
128.27 required if the borrower issued its general obligation bond to the public, certified as to
128.28 completeness and accuracy by authorized officers of the borrower, and authorization for
128.29 the authority to use such information in connection with the sale of the authority's revenue
128.30 bonds or disclosure relating to the authority's revenue bonds.

128.31 (e) In addition to delivering its general obligation bond, each borrower shall enter
128.32 into a regulatory agreement with the authority providing additional terms of the loan
128.33 as the authority may specify, including providing to the authority periodic reports and
128.34 information relating to the acquisition or construction of the project and use of the
128.35 proceeds of the borrower's general obligation bond and periodic operating, financial, and

129.1 other information as to the creditworthiness of the borrower, and providing and filing
129.2 continuing secondary market disclosure to the extent required by the authority.

129.3 (f) The purchase or commitment to purchase general obligation bonds of borrowers
129.4 by the authority shall be subject to the availability of proceeds of revenue bonds of the
129.5 authority for such purpose and the authority is not liable to any borrower for the failure to
129.6 purchase its general obligation bond pursuant to a commitment or any other agreement if
129.7 proceeds of the authority's revenue bonds are not available for any reason.

129.8 Subd. 8. **Interest rate determination.** The rate of interest on the general obligation
129.9 bonds of the borrower must be the true interest cost on the revenue bonds of the authority
129.10 issued to purchase such general obligation bonds of the borrower plus the ongoing
129.11 percentage fee charged by the authority under subdivision 10; provided that the interest
129.12 rate must not exceed any limit imposed by federal tax law with respect to the authority's
129.13 revenue bonds.

129.14 Subd. 9. **Market considerations.** The authority may suspend offering loans if it is
129.15 determined by the executive director that there are extreme or unusual events impacting
129.16 the bond market and that to continue making loans would be detrimental to holders of the
129.17 authority's revenue bonds or the financial viability of the credit enhanced bond program,
129.18 or if the state is warned by one of its rating agencies that continuing to make loans will
129.19 result in lowering the state's bond rating. If the making of loans is suspended under this
129.20 section, the authority shall have the option to resume making loans once it has determined
129.21 that the conditions for suspending the program no longer exist.

129.22 Subd. 10. **Fees.** The authority shall charge a nonrefundable application fee of
129.23 \$1,000 payable by each applicant upon submission of an application to the authority. A
129.24 separate application fee must be payable for each application submitted, including a
129.25 resubmitted application for an application that was rejected by the authority or determined
129.26 to be incomplete or inaccurate by the authority. The authority shall charge an ongoing
129.27 periodic fee of ten basis points of the outstanding principal amount of the loan to be added
129.28 to, and be a component of, the interest rate on the general obligation bonds of the borrower.

129.29 Subd. 11. **Authority revenue bonds.** (a) The authority is authorized to issue
129.30 revenue bonds as provided in this chapter to fund the credit enhanced bond program.
129.31 The revenue bonds may be issued in one or more series pursuant to a resolution of the
129.32 authority or a series resolution or pursuant to a trust indenture with a financial institution
129.33 with trust powers as trustee, authorized by resolution of the authority. Any issue of bonds
129.34 may be used to fund one or more loans, may be payable by the loans funded from such
129.35 issue of bonds and such additional loans as pledged by the authority, and may be payable
129.36 on a subordinated basis to other bonds. As permitted by the terms of any revenue bonds

issued by the authority, the authority may sell the general obligations pledged to the payment of the revenue bonds and any proceeds of the sale in excess of those used to pay the principal of the revenue bonds must be deposited to the credit enhanced bond program fund and may be used to purchase additional general obligation bonds of borrowers, to provide credit enhancement for the authority's revenue bonds, or to pay any other expense of the credit enhanced bond program.

(b) The authority may issue short-term bonds in anticipation of issuing long-term bonds for the purpose of acquiring general obligation bonds of borrowers.

(c) Bonds issued by the authority for the credit enhanced bond program must not be general obligations of the authority to the payment of which the general assets of the authority are pledged or available for payment. All bonds issued for the credit enhanced bond programs by the authority must be revenue bonds payable solely from the sources specified in the bond.

Subd. 12. **Reports, disclosure, audits.** (a) During the term of the loan the borrower shall provide written reports to the authority. The content and timing of these reports must be as specified in the regulatory agreement.

(b) During the term of the loan the borrower shall disclose to the authority any material information or events adversely affecting the creditworthiness of the borrower as specified in the regulatory agreement. If required by the authority in a regulatory agreement, the borrower shall enter into a continuing disclosure undertaking to provide disclosure to the market.

(c) During the term of the loan, the borrower shall provide to the authority on an annual basis financial statements of the borrower audited by an independent accounting firm, as further specified in the regulatory agreement.

Sec. 51. Minnesota Statutes 2006, section 446A.12, subdivision 1, is amended to read:

Subdivision 1. **Bonding authority.** The authority may issue negotiable bonds in a principal amount that the authority determines necessary to provide sufficient funds for achieving its purposes, including the making of loans and purchase of securities, the payment of interest on bonds of the authority, the establishment of reserves to secure its bonds, the payment of fees to a third party providing credit enhancement, and the payment of all other expenditures of the authority incident to and necessary or convenient to carry out its corporate purposes and powers, but not including the making of grants. Bonds of the authority may be issued as bonds or notes or in any other form authorized by law. The principal amount of bonds issued and outstanding under this section at any time may not exceed \$1,500,000,000, excluding bonds for which refunding bonds or

crossover refunding bonds have been issued~~-, and excluding any bonds issued for the~~
credit enhanced bond program or refunding or crossover refunding bonds issued under the
program. The principal amount of bonds issued and outstanding under section 446A.087,
may not exceed \$500,000,000, excluding bonds for which refunding bonds or crossover
refunding bonds have been issued.

Sec. 52. Laws 1999, chapter 223, article 2, section 72, is amended to read:

Sec. 72. **UPPER RED LAKE BUSINESS LOAN PROGRAM.**

The commissioner of trade and economic development must make loans to
businesses in the Upper Red Lake area that have been severely affected by the significant
decline of the walleye fishing resource in Upper Red Lake. The loans may only be
made to businesses that operated in 1998. A business must submit an application to the
commissioner on forms provided by the commissioner. The application must include a
business plan for continued operation, with the assistance of the loan, until the walleye
fishing resource recovers. The commissioner shall allocate available loan funds to a
business based on the commissioner's evaluation of the probable success of its business
plan. A loan shall be for a maximum amount of \$75,000 and a duration of ten years from
the date of the loan and shall be interest free. Repayment of a loan in monthly payments
of 1/120 of the original principal amount must begin no later than one year after walleye
fishing on Upper Red Lake is ~~allowed by the department of natural resources~~ recovered to
a bag limit of six fish. Any principal balance remaining at the end of the ten-year period
shall be forgiven if the business continues in operation for the ten-year period. Loan
repayments shall be deposited in the general fund.

Sec. 53. Laws 2007, chapter 135, article 1, section 3, subdivision 2, is amended to read:

Subd. 2. Business and Community		
Development	40,667,000	8,639,000

Appropriations by Fund		
General	39,967,000	7,939,000
Remediation	700,000	700,000

(a) (1) \$250,000 the first year and \$250,000
the second year are from the general fund
for a grant under Minnesota Statutes,
section 116J.421, to the Rural Policy and
Development Center at St. Peter, Minnesota.
The grant shall be used for research and

132.1 policy analysis on emerging economic and
132.2 social issues in rural Minnesota, to serve as
132.3 a policy resource center for rural Minnesota
132.4 communities, to encourage collaboration
132.5 across higher education institutions to
132.6 provide interdisciplinary team approaches
132.7 to research and problem-solving in rural
132.8 communities, and to administer overall
132.9 operations of the center.

132.10 (2) The grant shall be provided upon the
132.11 condition that each state-appropriated
132.12 dollar be matched with a nonstate dollar.
132.13 Acceptable matching funds are nonstate
132.14 contributions that the center has received and
132.15 have not been used to match previous state
132.16 grants. Any unencumbered balance in the
132.17 first year is available for the second year.

132.18 (b) \$250,000 the first year and \$250,000
132.19 the second year are from the general fund
132.20 for a grant to WomenVenture for women's
132.21 business development programs.

132.22 (c) \$250,000 the first year is for a grant to
132.23 University Enterprise Laboratories (UEL)
132.24 for its direct and indirect expenses to support
132.25 efforts to encourage the growth of early-stage
132.26 and emerging bioscience companies. UEL
132.27 must provide a report by June 30 each year
132.28 to the commissioner on the expenditures
132.29 until the appropriation is expended. This is a
132.30 onetime appropriation and is available until
132.31 expended.

132.32 (d) \$2,000,000 the first year is for grants
132.33 under Minnesota Statutes, section 116J.571,
132.34 for the redevelopment grant program. This is
132.35 a onetime appropriation.

133.1 Of this amount, \$100,000 is for a grant to
133.2 the Neighborhood Development Corporation
133.3 for assistance necessary to retain business
133.4 enterprises at the Global Market and is
133.5 available until expended.

133.6 (e) \$100,000 the first year and \$100,000 the
133.7 second year are to help small businesses
133.8 access federal funds through the federal
133.9 Small Business Innovation Research Program
133.10 and the federal Small Business Technology
133.11 Transfer Program. Department services
133.12 must include maintaining connections to
133.13 11 federal programs, assessment of specific
133.14 funding opportunities, review of funding
133.15 proposals, referral to specific consulting
133.16 services, and training workshops throughout
133.17 the state. Unless prohibited by federal law,
133.18 the department must implement fees for
133.19 services that help companies seek federal
133.20 Phase II Small Business Innovation Research
133.21 grants. The recommended fee schedule
133.22 must be reported to the chairs of the house
133.23 of representatives finance committee and
133.24 senate budget division with jurisdiction over
133.25 economic development by February 1, 2008.

133.26 (f) \$100,000 the first year and \$100,000
133.27 the second year are appropriated to the
133.28 Public Facilities Authority for the small
133.29 community wastewater treatment program
133.30 under Minnesota Statutes, chapter 446A.

133.31 (g) \$255,000 the first year and \$155,000
133.32 the second year are from the general fund
133.33 for a grant to the Metropolitan Economic
133.34 Development Association for continuing

134.1 minority business development programs in
134.2 the metropolitan area.

134.3 (h) \$85,000 the first year and \$85,000 the
134.4 second year are for grants to the Minnesota
134.5 Inventors Congress. Of this amount, \$10,000
134.6 each year is for the Student Inventors
134.7 Congress.

134.8 (i) \$151,000 the first year is for a onetime
134.9 grant to the city of Faribault to design,
134.10 construct, furnish, and equip renovations to
134.11 accommodate handicapped accessibility at
134.12 the Paradise Center for the Arts.

134.13 (j) \$750,000 the first year is to Minnesota
134.14 Technology, Inc. for the small business
134.15 growth acceleration program established
134.16 under Minnesota Statutes, section 116O.115.
134.17 This is a onetime appropriation. This
134.18 appropriation does not cancel, but is
134.19 available until June 30, 2011.

134.20 (k) \$300,000 the first year is for a onetime
134.21 grant to the city of Northome for the
134.22 construction of a new municipal building to
134.23 replace the structures damaged by fire on
134.24 July 22, 2006. This appropriation is available
134.25 when the commissioner determines that a
134.26 sufficient match is available from nonstate
134.27 sources to complete the project.

134.28 (l) \$300,000 the first year is for a grant to the
134.29 city of Worthington for an agricultural-based
134.30 bioscience training and testing center. Funds
134.31 appropriated under this section must be used
134.32 to provide a training and testing facility for
134.33 incubator firms developing new agricultural
134.34 processes and products. This is a onetime
134.35 appropriation and is available until expended.

135.1 (m) \$1,750,000 the first year is for a onetime
135.2 grant to BioBusiness Alliance of Minnesota
135.3 for bioscience business development
135.4 programs to promote and position the state
135.5 as a global leader in bioscience business
135.6 activities. These funds may be used for:
135.7 (1) completion and periodic updating of
135.8 a statewide bioscience business industry
135.9 assessment of business technology
135.10 enterprises and Minnesota's competitive
135.11 position employing annual updates to federal
135.12 industry classification data;
135.13 (2) long-term strategic planning that includes
135.14 projections of market changes resulting
135.15 from developments in biotechnology and the
135.16 development of 20-year goals, strategies, and
135.17 identified objectives for renewable energy,
135.18 medical devices, biopharma, and biologics
135.19 business development in Minnesota;
135.20 (3) the design and construction of a
135.21 Minnesota focused bioscience business
135.22 model to test competing strategies and
135.23 scenarios, evaluate options, and forecast
135.24 outcomes; and
135.25 (4) creation of a bioscience business
135.26 resources network that includes development
135.27 of a statewide bioscience business economic
135.28 development framework to encourage
135.29 bioscience business development and
135.30 encourage spin-off activities, attract
135.31 bioscience business location or expansion in
135.32 Minnesota, and establish a local capability to
135.33 support strategic system level planning for
135.34 industry, government, and academia.

136.1 This appropriation is available until June 30,
136.2 2009.

136.3 (n) \$125,000 the first year is to develop and
136.4 operate a bioscience business marketing
136.5 program to market Minnesota bioscience
136.6 businesses and business opportunities
136.7 to other states and other countries. The
136.8 bioscience business marketing program must
136.9 emphasize bioscience business location and
136.10 expansion opportunities in communities
136.11 outside of the seven-county metropolitan
136.12 area as defined in Minnesota Statutes,
136.13 section 473.121, subdivision 2, that have
136.14 established collaborative plans among two
136.15 or more municipal units for bioscience
136.16 business activities, and that are within 15
136.17 miles of a four-year, baccalaureate degree
136.18 granting institution or a two-year technical
136.19 or community college that offers bioscience
136.20 curricula. The commissioner must report
136.21 to the committees of the senate and house
136.22 of representatives having jurisdiction
136.23 over bioscience and technology issues by
136.24 February 1 of each year on the expenditures
136.25 of these funds and the promotional activities
136.26 undertaken to market the Minnesota
136.27 bioscience industry to persons outside of the
136.28 state. This is a onetime appropriation and is
136.29 available until expended.

136.30 (o) \$325,000 is for a grant to the Walker
136.31 Area Community Center, Inc., to construct,
136.32 furnish, and equip the Walker Area
136.33 Community Center. This appropriation is
136.34 not available until the commissioner has
136.35 determined that an amount sufficient to
136.36 complete the project has been committed

137.1 from nonstate sources. This is a onetime
137.2 appropriation and is available until expended.

137.3 (p) \$100,000 the first year is for a grant
137.4 to the Pine Island Economic Development
137.5 Authority for predesign to upgrade and
137.6 extend utilities to serve Elk Run Bioscience
137.7 Research Park and The Falls - Healthy
137.8 Living By Nature, an integrated medicine
137.9 facility. This is a onetime appropriation and
137.10 is available until expended.

137.11 (q) \$350,000 the first year is for a grant
137.12 to Thomson Township for infrastructure
137.13 improvements for the industrial park. This
137.14 is a onetime appropriation and is available
137.15 until expended.

137.16 (r) \$75,000 the first year is for a grant to
137.17 Le Sueur County for the cost of cleaning
137.18 up debris from lakes in Le Sueur County,
137.19 caused by the August 24, 2006, tornado in
137.20 southern Le Sueur County. This is a onetime
137.21 appropriation and is available until expended.

137.22 (s) \$400,000 the first year is for a grant to
137.23 the city of Rogers to be used for relief from
137.24 damages caused by the September 16, 2006,
137.25 tornado.

137.26 (t) \$75,000 the first year is for a grant to
137.27 the city of Warroad for new public facilities
137.28 to replace those damaged or destroyed
137.29 by the August 2006 tornado, including
137.30 approximately 28 new street lights and
137.31 underground electrical circuits and a new
137.32 fish cleaning house. This is a onetime
137.33 appropriation and is available until expended.
137.34 If an appropriation for this purpose is enacted

138.1 more than once in the 2007 session, the
138.2 appropriation is effective only once.

138.3 (u) \$500,000 the first year is for a grant to
138.4 the Upper Sioux Community to improve the
138.5 current water system to ensure continuity
138.6 of service to the entire population of the
138.7 community and to meet the demands of the
138.8 community expansion over the next 20 years.
138.9 The is a onetime appropriation and is not
138.10 available until the Public Facilities Authority
138.11 has determined that at least \$1,000,000 has
138.12 been committed from nonstate sources. This
138.13 appropriation is available until expended. *
138.14 (The preceding text beginning "(u) \$500,000
138.15 the first year is for" was indicated as vetoed
138.16 by the governor.)

138.17 (v) \$755,000 the first year is for the urban
138.18 challenge grant program under Minnesota
138.19 Statutes, section 116M.18. This is a onetime
138.20 appropriation.

138.21 (w) \$1,100,000 is for a grant to the
138.22 Neighborhood Development Center for
138.23 assistance necessary to retain minority
138.24 business enterprises at the Global Market.
138.25 This is a onetime appropriation and is
138.26 available until expended.

138.27 (x) \$350,000 the first year is for a onetime
138.28 grant to the city of Inver Grove Heights
138.29 to reduce debt on the Inver Grove Heights
138.30 Veterans Memorial Community Center. *
138.31 (The preceding text beginning "(x) \$350,000
138.32 the first year is for" was indicated as vetoed
138.33 by the governor.)

138.34 (y) \$14,900,000 the first year is for the
138.35 Minnesota minerals 21st century fund created

139.1 in Minnesota Statutes, section 116J.423, to
139.2 partially restore the money unallotted by the
139.3 commissioner of finance in 2003 pursuant
139.4 to Minnesota Statutes, section 16A.152.
139.5 This appropriation may be used as provided
139.6 in Minnesota Statutes, section 116J.423,
139.7 subdivision 2. This appropriation is available
139.8 until expended.

139.9 (z) \$2,500,000 the first year is for a grant to
139.10 the city of St. Paul to be used to pay, redeem,
139.11 or refund debt service costs incurred for the
139.12 River Centre Campus. * (The preceding text
139.13 beginning "(z) \$2,500,000 the first year is
139.14 for" was indicated as vetoed by the governor.)

139.15 (aa) \$147,000 each year is appropriated from
139.16 the general fund to the commissioner of
139.17 employment and economic development for
139.18 grants of \$49,000 to eligible organizations
139.19 each year and for the purposes of this
139.20 paragraph. Each state grant dollar must be
139.21 matched with \$1 of nonstate funds. Any
139.22 balance in the first year does not cancel but
139.23 is available in the second year. The base for
139.24 these grants in fiscal years 2010 and 2011
139.25 is \$189,000 each year, with each eligible
139.26 organization receiving a \$63,000 grant each
139.27 year.

139.28 The commissioner of employment and
139.29 economic development must make grants to
139.30 organizations to assist in the development
139.31 of entrepreneurs and small businesses.
139.32 Three grants must be awarded to continue
139.33 or to develop a program. One grant must
139.34 be awarded to the Riverbend Center for
139.35 Entrepreneurial Facilitation in Blue Earth

140.1 County, and two to other organizations
140.2 serving Faribault and Martin Counties. Grant
140.3 recipients must report to the commissioner
140.4 by February 1 of each year that the
140.5 organization receives a grant with the
140.6 number of customers served; the number of
140.7 businesses started, stabilized, or expanded;
140.8 the number of jobs created and retained; and
140.9 business success rates. The commissioner
140.10 must report to the house of representatives
140.11 and senate committees with jurisdiction
140.12 over economic development finance on the
140.13 effectiveness of these programs for assisting
140.14 in the development of entrepreneurs and
140.15 small businesses.

140.16 (bb) ~~\$5,000,000~~ \$2,000,000 the first year is
140.17 for grants under Minnesota Statutes, section
140.18 116J.8731, for the Minnesota investment
140.19 fund program. Of this amount, ~~up to~~
140.20 ~~\$3,000,000 may be used for a legal reference~~
140.21 ~~office and data center facility, provided that~~
140.22 ~~the total capital investment in the facility~~
140.23 ~~is at least \$60,000,000. This grant is not~~
140.24 ~~subject to grant limitations under Minnesota~~
140.25 ~~Statutes, section 116J.8731, subdivision 5~~
140.26 \$1,000,000 must be used for biomass heating
140.27 grants and loans under section 55. This is
140.28 a onetime appropriation and is available in
140.29 either year of the biennium.

140.30 Sec. 54. Laws 2007, chapter 135, article 1, section 3, subdivision 3, is amended to read:

140.31	Subd. 3. Workforce Development	50,024,000	49,833,000
140.32	Appropriations by Fund		
140.33	General	33,529,000	33,338,000
140.34	Workforce		
140.35	Development	16,495,000	16,495,000

141.1 (a) \$6,785,000 the first year and \$6,785,000
141.2 the second year are from the general fund
141.3 for the Minnesota job skills partnership
141.4 program under Minnesota Statutes, sections
141.5 116L.01 to 116L.17. If the appropriation for
141.6 either year is insufficient, the appropriation
141.7 for the other year is available for it. This
141.8 appropriation does not cancel.

141.9 (b) \$455,000 the first year and \$455,000 the
141.10 second year are from the general fund for
141.11 a grant under Minnesota Statutes, section
141.12 116J.8747, to Twin Cities RISE! to provide
141.13 training to hard-to-train individuals.

141.14 (c) \$1,375,000 each year is from
141.15 the workforce development fund for
141.16 Opportunities Industrialization Center
141.17 programs.

141.18 (d) \$5,614,000 each year is from the general
141.19 fund and \$6,920,000 each year is from the
141.20 workforce development fund for extended
141.21 employment services for persons with
141.22 severe disabilities or related conditions under
141.23 Minnesota Statutes, section 268A.15. Of this,
141.24 \$125,000 each year and in the base for fiscal
141.25 years 2010 and 2011 is to supplement funds
141.26 paid for wage incentives for the community
141.27 support fund established in Minnesota Rules,
141.28 part 3300.2045. The commissioner shall
141.29 not reduce total expenditures from these
141.30 appropriations.

141.31 (e) \$1,650,000 the first year and \$1,650,000
141.32 the second year are from the general fund for
141.33 grants for programs that provide employment
141.34 support services to persons with mental
141.35 illness under Minnesota Statutes, sections

142.1 268A.13 and 268A.14. Up to \$77,000 each
142.2 year may be used for administrative and
142.3 salary expenses.

142.4 (f) \$2,440,000 the first year and \$2,440,000
142.5 the second year are from the general
142.6 fund for grants under Minnesota Statutes,
142.7 section 268A.11, for the eight centers
142.8 for independent living. The base for this
142.9 program is \$2,440,000 each year in fiscal
142.10 years 2010 and 2011. Money not expended
142.11 the first year is available the second year.

142.12 The commissioner must:

142.13 (1) transfer \$115,000 of federal independent
142.14 living Part B rehabilitation services funds
142.15 to the Minnesota Centers for Independent
142.16 Living each year contingent upon the
142.17 availability of federal funds under Title VII,
142.18 Part B, of the Federal Rehabilitation Act of
142.19 1973 as amended under United States Code,
142.20 title 29, section 711(c), and approved by the
142.21 Statewide Independent Living Council;

142.22 (2) replace federal Part B funds in the
142.23 State Independent Living Council budget
142.24 transferred under clause (1) with \$115,000
142.25 of Social Security Administration program
142.26 income funds each year; and

142.27 (3) provide an additional \$185,000 each year
142.28 from the Social Security Administration
142.29 program income to the Minnesota Centers for
142.30 Independent Living to be allocated equally
142.31 among the eight centers.

142.32 Additional funding for centers for
142.33 independent living under clauses (1) and (3)
142.34 must be used for core independent living
142.35 services by the Centers for Independent

143.1 Living. The Statewide Independent Living
143.2 Council framework for statewide distribution
143.3 of state and federal funding to the Minnesota
143.4 Centers for Independent Living does not
143.5 apply to the funds under clauses (1) and
143.6 (3). The commissioner must report on the
143.7 transfers in clauses (1), (2), and (3), and any
143.8 other effort to pursue additional funding for
143.9 the Centers for Independent Living to the
143.10 standing committees of the senate and house
143.11 of representatives having jurisdiction over
143.12 Centers for Independent Living by March 15
143.13 each year.

143.14 (g) \$5,940,000 the first year and \$5,940,000
143.15 the second year are from the general fund for
143.16 state services for the blind activities.

143.17 (h) \$150,000 the first year and \$150,000
143.18 the second year are from the general fund
143.19 and \$175,000 the first year and \$175,000
143.20 the second year are from the workforce
143.21 development fund for grants under Minnesota
143.22 Statutes, section 268A.03, to Rise, Inc.
143.23 for the Minnesota Employment Center for
143.24 People Who are Deaf or Hard-of-Hearing.
143.25 Money not expended the first year is
143.26 available the second year.

143.27 (i) \$9,021,000 the first year and \$9,021,000
143.28 the second year are from the general fund for
143.29 the state's vocational rehabilitation program
143.30 for people with significant disabilities to
143.31 assist with employment, under Minnesota
143.32 Statutes, chapter 268A.

143.33 (j) \$350,000 the first year and \$350,000
143.34 the second year are from the workforce
143.35 development fund for grants to provide

144.1 interpreters for a regional transition program
144.2 that specializes in providing culturally
144.3 appropriate transition services leading to
144.4 employment for deaf, hard-of-hearing, and
144.5 deaf-blind students. This amount must be
144.6 added to the department's base.

144.7 (k) \$150,000 the first year and \$150,000 the
144.8 second year are for a grant to Advocating
144.9 Change Together for training, technical
144.10 assistance, and resources materials to persons
144.11 with developmental and mental illness
144.12 disabilities.

144.13 (l) \$250,000 the first year and \$250,000
144.14 the second year are from the workforce
144.15 development fund and \$150,000 the first
144.16 year and \$100,000 the second year are from
144.17 the general fund for a grant to Lifetrack
144.18 Resources for its immigrant and refugee
144.19 collaborative programs, including those
144.20 related to job-seeking skills and workplace
144.21 orientation, intensive job development,
144.22 functional work English, and on-site job
144.23 coaching. \$50,000 of the first year general
144.24 fund appropriation is for a onetime pilot
144.25 Lifetrack project in Rochester.

144.26 (m) \$75,000 the first year and \$75,000 the
144.27 second year are from the general fund and
144.28 \$1,000,000 the first year and \$1,000,000
144.29 the second year are from the workforce
144.30 development fund for the youthbuild
144.31 program under Minnesota Statutes, sections
144.32 116L.361 to 116L.366. This appropriation
144.33 may be used for:

144.34 (1) restoring the three youthbuild programs
144.35 that were eliminated due to budget reductions

145.1 and adding seven more youthbuild programs
145.2 statewide;

145.3 (2) restoring funding levels for all youthbuild
145.4 programs plus an inflationary increase for
145.5 each program;

145.6 (3) increasing the number of at-risk youth
145.7 served by the youthbuild programs from 260
145.8 youth per year to 500 youth per year; and

145.9 (4) restoring the youthbuild focus on careers
145.10 in technology and adding a youthbuild focus
145.11 on careers in the medical field.

145.12 (n) \$1,325,000 each year is from the
145.13 workforce development fund for grants
145.14 to fund summer youth employment in
145.15 Minneapolis. The grants shall be used to
145.16 fund up to 500 jobs for youth each summer.
145.17 Of this appropriation, \$325,000 each year is
145.18 for a grant to the learn-to-earn summer youth
145.19 employment program. The commissioner
145.20 shall establish criteria for awarding the
145.21 grants. This appropriation is available in
145.22 either year of the biennium and is available
145.23 until spent.

145.24 (o) \$600,000 the first year and \$600,000
145.25 the second year are from the workforce
145.26 development fund for a grant to the city of
145.27 St. Paul for grants to fund summer youth
145.28 employment in St. Paul. The grants shall be
145.29 used to fund up to 500 jobs for youth each
145.30 summer. The commissioner shall establish
145.31 criteria for awarding the grants within the
145.32 city of St. Paul. This appropriation is
145.33 available in either year of the biennium and
145.34 is available until spent.

146.1 (p) \$250,000 the first year and \$250,000 the
146.2 second year are from the general fund for
146.3 grants to Northern Connections in Perham
146.4 to implement and operate a pilot workforce
146.5 program that provides one-stop supportive
146.6 services to individuals as they transition into
146.7 the workforce.

146.8 (q) \$100,000 each year is for a grant to
146.9 Ramsey County Workforce Investment Board
146.10 for the development of the building lives
146.11 program. This is a onetime appropriation. *
146.12 (The preceding text beginning "(q) \$100,000
146.13 each year is for" was indicated as vetoed by
146.14 the governor.)

146.15 (r) \$150,000 each year is for a grant to the
146.16 Hennepin-Carver Workforce Investment
146.17 Board (WIB) to coordinate with the Partners
146.18 for Progress Regional Skills Consortium
146.19 to provide employment and training as
146.20 demonstrated by the Twin Cities regional
146.21 health care training partnership project. *
146.22 (The preceding text beginning "(r) \$150,000
146.23 each year is for" was indicated as vetoed by
146.24 the governor.)

146.25 (s) \$160,000 the first year is for a onetime
146.26 grant to Workforce Development, Inc., for
146.27 a pilot project to provide demand-driven
146.28 employment and training services to
146.29 welfare recipients and other economically
146.30 disadvantaged populations in Mower,
146.31 Freeborn, Dodge, and Steele Counties.

146.32 (t) \$200,000 the first year and \$200,000 the
146.33 second year are from the general fund for
146.34 a grant to HIRED to operate its industry
146.35 sector training initiatives, which provide

147.1 employee training developed in collaboration
147.2 with employers in specific, high-demand
147.3 industries. * (The preceding text beginning
147.4 "(t) \$200,000 the first year" was indicated as
147.5 vetoed by the governor.)

147.6 (u) \$100,000 the first year is for a onetime
147.7 grant to a nonprofit organization. The
147.8 nonprofit organization must work on behalf
147.9 of all licensed vendors to coordinate their
147.10 efforts to respond to solicitations or other
147.11 requests from private and governmental units
147.12 as defined in Minnesota Statutes, section
147.13 471.59, subdivision 1, in order to increase
147.14 employment opportunities for persons with
147.15 disabilities. This appropriation is available
147.16 until June 30, 2009.

147.17 (v) \$3,500,000 each year from the workforce
147.18 development fund is for the Minnesota youth
147.19 program under Minnesota Statutes, sections
147.20 116L.56 and 116L.561.

147.21 (w) \$1,000,000 each year from the workforce
147.22 development fund is for a grant to the
147.23 Minnesota Alliance of Boys and Girls
147.24 Clubs to administer a statewide project
147.25 of youth job skills development. This
147.26 project, which may have career guidance
147.27 components, including health and life skills,
147.28 is to encourage, train, and assist youth in
147.29 job-seeking skills, workplace orientation,
147.30 and job site knowledge through coaching.
147.31 This grant requires a 25 percent match from
147.32 nonstate resources.

147.33 (x) \$10,000 the first year is for a study on
147.34 ways to promote employment opportunities
147.35 for minorities, with a particular focus on

148.1 opportunities for African Americans, in
148.2 the state of Minnesota. The study should
148.3 focus on how to significantly expand the job
148.4 training available to minorities and promote
148.5 substantial increases in the wages paid to
148.6 minorities, at least to a rate well above living
148.7 wage, and within several years, to equality.
148.8 The commissioner must report on the study
148.9 to the governor and the chair of the finance
148.10 committee in each house of the legislature
148.11 that has jurisdiction over employment by
148.12 January 15, 2008, with recommendations for
148.13 implementing the findings.

148.14 (y) The commissioner must provide funding
148.15 for the Minnesota Conservation Corps to
148.16 provide learning stipends for deaf students
148.17 and wages for interpreters participating in
148.18 the MCC summer youth program.

148.19 Sec. 55. **BIOMASS HEATING GRANTS AND LOANS PILOT PROJECT.**

148.20 Within the limits of appropriations, the commissioner of the Department of
148.21 Employment and Economic Development shall make grants and loans for costs related
148.22 to the installation of an approved biomass heating project in a publicly owned facility,
148.23 including K-12 public schools, higher education buildings, and buildings owned by a
148.24 local unit of government. The commissioner must approve biomass heating projects that
148.25 produce energy for heating air or water using organic matter available on a renewable
148.26 basis, including but not limited to agricultural crops, grasses and trees, or wood production
148.27 or other waste. Applications for a grant or loan under this section must be made to the
148.28 commissioner on the forms and according to the timeline prescribed by the commissioner.
148.29 At a minimum, the commissioner must require sufficient information on the applications
148.30 to determine that the physical condition of the publicly owned facility is sufficient to
148.31 support the efficient operation of the biomass heating project and that the projected
148.32 cumulative energy cost savings are adequate relative to the costs of the investment.
148.33 The grant and loan may each provide up to 50 percent of the total installed costs of the
148.34 biomass heating projects.

Sec. 56. **HARDSHIP PAYMENTS.**

Subdivision 1. Payments; availability. Hardship payments are available to an applicant if the applicant suffered economic hardship due to delays in receiving unemployment benefits resulting from the new unemployment insurance application and filing system implemented by the Department of Employment and Economic Development on October 15, 2007.

Subd. 2. Economic hardship. "Economic hardship" means financial losses to an applicant resulting from: checks returned for insufficient funds; account overdraft charges; installment credit penalties, interest, and other fees resulting from missed or late payments; mortgage loan late fees, interest charges, or other penalties; charges for force-placed automobile or homeowner's insurance; penalties for late payment of income or property taxes; and any penalties or adverse consequences, including the suspension of an applicant's driver's license due to nonpayment of child support.

Subd. 3. Payment from administration account. Hardship payments are payable from the unemployment insurance administration account under Minnesota Statutes, section 268.196.

Subd. 4. Eligibility conditions. An applicant is eligible to receive hardship payments under this section if the applicant's unemployment benefit payments due and payable after October 15, 2007, were delayed at least four weeks.

Subd. 5. Amount of hardship payments. The amount of hardship payments available to an applicant is equal to the amount of economic hardship experienced by an applicant due to the delay in receiving unemployment benefits. An applicant must provide documentation of the amount of financial hardship claimed using financial institution records, consumer or business credit records, child support records, or other commonly recognized methods of documenting financial transactions.

Subd. 6. Notice. The commissioner must notify applicants of the availability of hardship payments by posting a notice on the department's official Web site, by notifying applicants by individual mailing where department records show the applicant may be eligible under subdivision 4, and by any other appropriate announcement.

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

Sec. 57. **LUMBER COMPANY EXTRA BENEFITS.**

Subdivision 1. Extra benefits; availability. Extra unemployment benefits are available to an applicant if the applicant was laid off due to lack of work from the Ainsworth Lumber Company plants in Cook.

Subd. 2. **Payment from fund; effect on employer.** Extra unemployment benefits are payable from the unemployment insurance trust fund. Extra unemployment benefits paid under this section will not be used in computing the experience rating of Ainsworth Lumber Company under Minnesota Statutes, section 268.047.

Subd. 3. **Eligibility conditions.** An applicant is eligible to receive extra unemployment benefits under this section for any week through December 31, 2008, following the effective date of the applicant's benefit account of regular unemployment benefits, as a result of a layoff described under subdivision 1, if:

(1) a majority of the applicant's wage credits were with Ainsworth Lumber Company or Ainsworth Engineered;

(2) the applicant meets the eligibility requirements of Minnesota Statutes, section 268.085;

(3) the applicant is not subject to a disqualification under Minnesota Statutes, section 268.095;

(4) the applicant is not entitled to regular unemployment benefits and the applicant is not entitled to receive unemployment benefits under any other state or federal law for that week; and

(5) the applicant is enrolled in, or has within the last two weeks successfully completed, a program that qualifies as reemployment assistance training under Minnesota Statutes, section 268.035, subdivision 21a, except that an applicant whose training is scheduled to begin in more than 30 days may be considered to be in training if: (i) the applicant's chosen training program does not offer an available start date within 30 days; (ii) the applicant is scheduled to begin training on the earliest available start date for the chosen training program; and (iii) the applicant is scheduled to begin training in no more than 60 days.

Subd. 4. **Weekly amount of extra benefits.** The weekly extra unemployment benefits amount available to an applicant is the same as the applicant's weekly regular unemployment benefit amount on the benefit account established as a result of a layoff under subdivision 1.

Subd. 5. **Maximum amount of extra unemployment benefits.** (a) The maximum amount of extra unemployment benefits available is equal to 13 weeks at the applicant's weekly extra unemployment benefits amount.

(b) If an applicant qualifies for a new regular benefit account under Minnesota Statutes, section 268.07, at any time after exhausting regular unemployment benefits as a result of the layoff under subdivision 1, the applicant must apply for and exhaust entitlement to those new regular unemployment benefits. The maximum amount of extra

151.1 unemployment benefits available is reduced by any new regular unemployment benefits
151.2 available if the majority of wage credits on that new regular benefit account were with
151.3 Ainsworth Lumber Company or Ainsworth Engineered.

151.4 Subd. 6. **Program expiration.** This extra unemployment benefit program expires
151.5 on December 31, 2008. No extra unemployment benefits may be paid for any week after
151.6 the expiration of this program.

151.7 Subd. 7. **Findings.** The legislature finds that providing extra unemployment
151.8 benefits to assist laid-off workers of Ainsworth Lumber Company, while in training, is
151.9 appropriate because:

151.10 (1) the unemployment rate in the applicant's county of employment is higher than
151.11 the statewide average rate of unemployment;

151.12 (2) the average weekly wages paid in the applicant's county of employment is below
151.13 the statewide average weekly wage;

151.14 (3) the applicant's weekly wage is higher than the statewide average weekly wage;
151.15 and

151.16 (4) the dislocated worker program has determined that the applicant does not
151.17 currently possess skills making reemployment in a comparable position likely.

151.18 **EFFECTIVE DATE.** This section is effective the day following final enactment
151.19 and applies retroactively from January 1, 2008.

151.20 Sec. 58. **UNEMPLOYMENT BENEFITS; CONTINUED REQUEST TIME**
151.21 **PERIOD WAIVER.**

151.22 Notwithstanding any other law to the contrary, the commissioner must accept initial
151.23 and continued requests for unemployment benefits and pay unemployment benefits to
151.24 an applicant who currently resides in Hubbard County and applied for unemployment
151.25 benefits on September 15, 2006, and had an account dated September 10, 2006:

151.26 (1) was employed as a technician or inspector for Northwest Airlines, Inc., prior
151.27 to August 20, 2005;

151.28 (2) stopped working on or about August 20, 2005, because of a labor dispute between
151.29 the Aircraft Mechanics Fraternal Association (AMFA) and Northwest Airlines, Inc.;

151.30 (3) did not file an initial or continued requests for unemployment benefits within the
151.31 time periods required under Minnesota Statutes, chapter 268; and

151.32 (4) meets all the other requirements for the payment of unemployment benefits
151.33 under Minnesota Statutes, section 268.069, subdivision 2.

151.34 Any unemployment benefits paid under the account established September 10, 2006,
151.35 shall be deducted from the total benefits authorized under this section.

152.1 **EFFECTIVE DATE.** This section is effective the day following final enactment
152.2 and applies retroactively from August 21, 2005.

152.3 Sec. 59. **OFFICE OF SCIENCE AND TECHNOLOGY.**

152.4 Subdivision 1. **Establishment.** An Office of Science and Technology is established
152.5 in the Department of Employment and Economic Development to do the following:

152.6 (1) coordinate public and private efforts to procure federal funding for collaborative
152.7 research and development projects of primary benefit to small and medium-sized
152.8 businesses;

152.9 (2) promote contractual relationships between Minnesota businesses that are
152.10 recipients of federal grants and prime contractors, and Minnesota-based subcontractors;

152.11 (3) work with Minnesota nonprofit institutions including the University of
152.12 Minnesota, Minnesota State Colleges and Universities, and the Mayo Clinic in promoting
152.13 collaborative efforts to respond to federal funding opportunities;

152.14 (4) develop a framework for Minnesota companies to establish sole-source
152.15 relationships with federal agencies; and

152.16 (5) coordinate workshops, assistance with business proposals, licensing, intellectual
152.17 property protection, commercialization, and government auditing with the University of
152.18 Minnesota and Minnesota State Colleges and Universities.

152.19 For the purposes of this section, "office" means the Office of Science and Technology
152.20 established in this subdivision.

152.21 Subd. 2. **Technology partnering with a prime contractor.** The office must
152.22 develop a program to assist small businesses competing for a small business innovation
152.23 research award by matching the applicant with a larger company. Prime contractors are
152.24 matched to small businesses through a prescreening process that may result in a letter of
152.25 support for the applicant designed to increase the chance of receiving a Small Business
152.26 Innovation Research (SBIR) award.

152.27 Subd. 3. **Collaborate to commercialize.** The office must develop a program to use
152.28 the federal high-risk research and development investment program to encourage the
152.29 development of new technologies, products, and business development and to reduce
152.30 development risks by encouraging alliances between medium-sized companies and
152.31 innovative small businesses.

152.32 Subd. 4. **Technology matchmaking.** The office must assist businesses in
152.33 identifying qualified suppliers and vendors through a program to serve as a conduit for
152.34 Minnesota-based companies to network with firms able to support their success. Firms

outside Minnesota can participate in the technology matchmaking network if one of the participating companies is located in Minnesota.

Subd. 5. **Commercialization assistance.** The office must provide commercialization assistance to Minnesota firms that have received a Phase I Small Business Innovation Research (SBIR) or a Phase I Small Business Technology Transfer (STTR) award and are submitting a Phase II proposal. Local service providers must assist the applicant with developing and reviewing the required commercialization plan prior to Phase II submission. The office may provide SBIR Phase I proposal technical review.

Subd. 6. **Report.** The commissioner of employment and economic development must report to the committees in the house of representatives and senate having jurisdiction over bioscience and technology issues on the activities of the Office of Science and Technology by June 30 of each year.

Sec. 60. BIOSCIENCE SUBSIDY.

Any bioscience or biotechnology project financed in whole or in part by state appropriations or other public subsidies must document how and to what extent the project will provide a benefit to consumers in the form of more affordable pricing of the products or services being publicly subsidized. The documentation must be reported to the committees of the legislature with responsibility for economic development and to committees with responsibility for finance.

Sec. 61. 2009 DISTRIBUTIONS ONLY; TACONITE PRODUCTION TAX.

(a) For 2007 production, distribution in 2008 only, two cents per taxable ton of the taconite production tax under Minnesota Statutes, chapter 298, must be paid to the Hibbing Economic Development Authority to retire bonds and for economic development purposes.

(b) For 2007 production, distribution in 2008 only, 0.25 cents per taxable ton of the taconite production tax under Minnesota Statutes, chapter 298, must be paid to the St. Louis County school board to study the potential for and impact of consolidation and streamlining the operations of the St. Louis County school district No. 2142.

(c) For 2007 production, distribution in 2008 only, 0.25 cents per taxable ton of the taconite production tax under Minnesota Statutes, chapter 298, must be paid to Grand Rapids, for industrial park work.

(d) For 2007 production, distribution in 2008 only, 0.65 cents per taxable ton of the taconite production tax under Minnesota Statutes, chapter 298, must be paid to the city of Aitkin, for sewer and water for housing projects.

(e) For 2007 production, distribution in 2008 only, 0.5 cents per taxable ton of the taconite production tax under Minnesota Statutes, chapter 298, must be paid to Crosby, for well and water tower infrastructure.

Sec. 62. **REPEALER.**

(a) Minnesota Statutes 2006, section 341.31, and Laws 2004, chapter 188, section 2, are repealed.

(b) Minnesota Statutes 2006, section 298.28, subdivision 9a, is repealed for 2008 production, distributions in 2009 and thereafter.

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

ARTICLE 5
ENVIRONMENT AND NATURAL RESOURCES

Section 1. **SUMMARY OF APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2007, chapter 57, 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 "2008" and "2009" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2008, are effective the day following final enactment.

		<u>2008</u>		<u>2009</u>		<u>Total</u>
<u>General</u>	\$	-0-	\$	(3,348,000)	\$	(3,348,000)
<u>Environmental</u>		-0-		134,000		134,000
<u>Natural Resources</u>		-0-		1,582,000		1,582,000
<u>Game and Fish</u>		144,000		767,000		911,000
<u>Total</u>	\$	<u>144,000</u>	\$	<u>(865,000)</u>	\$	<u>(721,000)</u>

APPROPRIATIONS
Available for the Year
Ending June 30
2008
2009

Sec. 2. **POLLUTION CONTROL AGENCY** \$ -0- (469,000)

155.1	<u>Appropriations by Fund</u>		
155.2	<u>General</u>	<u>-0-</u>	<u>(603,000)</u>
155.3	<u>Environmental Fund</u>	<u>-0-</u>	<u>134,000</u>

155.4 \$623,000 is a reduction in fiscal year 2009.

155.5 The commissioner shall make the reduction

155.6 to administrative activities in such a way to

155.7 minimize the effect to program operations.

155.8 \$134,000 in fiscal year 2009 is appropriated

155.9 from the environmental fund for the

155.10 development and adoption of rules to

155.11 regulate emission standards of motor

155.12 vehicles sold in this state as authorized under

155.13 the federal Clean Air Act, United States

155.14 Code, title 42, section 7507. The base for

155.15 fiscal year 2010 is \$114,000.

155.16 \$20,000 in fiscal year 2009 is appropriated

155.17 from the general fund for the following

155.18 purposes:

155.19 (1) the development of recommendations

155.20 for establishing a comprehensive product

155.21 stewardship approach to reducing

155.22 environmental and health risks posed by

155.23 the use or disposal of products. These

155.24 recommendations shall be submitted to

155.25 the chairs and ranking minority members

155.26 of the senate and house committees with

155.27 jurisdiction over environmental policy

155.28 and environmental finance by January

155.29 15, 2009. The recommendations shall

155.30 include, at a minimum: a set of criteria to

155.31 be used to evaluate products proposed for

155.32 product stewardship solutions; a process for

155.33 designating products for product stewardship

155.34 solutions and the role the legislature would

155.35 play in that process; typical components

156.1 of product stewardship plans; options to
156.2 facilitate the creation of industry-managed
156.3 stewardship management organizations;
156.4 methods to identify and monitor progress
156.5 toward stewardship performance goals for
156.6 specific products; and strategies to implement
156.7 the use of standards, certifications, and
156.8 eco-labels to promote environmentally
156.9 preferable products. To the extent possible,
156.10 the recommendations must be consistent
156.11 with existing product stewardship programs
156.12 in North America. In developing the
156.13 recommendations, the commissioner must
156.14 consult with manufacturers, retailers,
156.15 recyclers, environmental advocacy
156.16 organizations, local units of government, and
156.17 other interested parties;

156.18 (2) a report to be submitted by December
156.19 1, 2008, to the chairs and ranking minority
156.20 members of the senate and house committees
156.21 with primary jurisdiction over solid waste
156.22 policy, analyzing the availability of collection
156.23 and processing capacity in the seven-county
156.24 metropolitan area for the recycling of
156.25 construction and demolition waste. The
156.26 report must recommend a percentage of the
156.27 total weight of construction and demolition
156.28 waste generated in the seven-county
156.29 metropolitan area that represents an
156.30 achievable but aggressive recycling goal that
156.31 can be reached in 2012 and must include an
156.32 analysis of the economic and environmental
156.33 costs and benefits of reaching that goal; and

156.34 (3) a report to be submitted by January 1,
156.35 2009, to the chairs and ranking minority
156.36 members of the senate and house committees

H.F. No. 1812, 2nd Engrossment - 2007-2008th Legislative Session (2007-2008)

157.1 with primary jurisdiction over solid waste
157.2 policy, that recommends options for
157.3 achieving the following goals by 2020: an
157.4 increase in county recycling rates to 60
157.5 percent of the weight of total solid waste
157.6 generation; and the diversion, prior to
157.7 delivery to landfills and waste-to-energy
157.8 plants, and recycling and reuse of an amount
157.9 of source-separated compostable materials
157.10 equal to 15 percent of total solid waste
157.11 generation. The commissioner must obtain
157.12 input from counties inside and outside the
157.13 seven-county metropolitan area, recycling
157.14 and composting facilities, waste haulers,
157.15 environmental organizations, and other
157.16 interested parties in preparing the report.
157.17 The report must also contain estimates of
157.18 the economic costs of implementing the
157.19 strategies.

157.20 \$750,000 of the appropriation under Laws
157.21 2007, chapter 57, article 1, section 3, from
157.22 the environmental fund in fiscal year 2009
157.23 for regulatory services is contingent upon the
157.24 agency recovering in fees \$750,000 for these
157.25 services by July 1, 2009.

157.26 Sec. 3. **NATURAL RESOURCES**

157.27	Subdivision 1. <u>Total Appropriation</u>	\$	<u>144,000</u>	\$	<u>(78,000)</u>

157.28 Appropriations by Fund

157.29	General	-0-	(2,265,000)

157.30	Natural Resources	-0-	1,420,000

157.31	Game and Fish	144,000	767,000

157.32 The amounts reduced from the appropriations
157.33 in Laws 2007, chapter 57, article 1, section 4,
157.34 are specified in the following subdivisions.

157.35	Subd. 2. Lands and Minerals	-0-	(225,000)

158.1 \$425,000 in fiscal year 2009 is a reduction in
158.2 the lands and minerals budget. This is a base
158.3 reduction.

158.4 \$124,000 of this reduction is from the
158.5 appropriation for iron ore cooperative
158.6 agreements.

158.7 \$200,000 in fiscal year 2009 is appropriated
158.8 from the natural resources fund for the
158.9 administration and monitoring of permits
158.10 to mine ferrous metals under Minnesota
158.11 Statutes, section 93.481. By January 15,
158.12 2009, the commissioner shall report to the
158.13 legislature and the chairs of the senate and
158.14 house committees with jurisdiction over
158.15 environment and natural resources finance
158.16 on the establishment of a permit to mine
158.17 application fee schedule that is based on
158.18 the actual costs of issuing and monitoring
158.19 individual permits and any necessary
158.20 legislation needed to cover the costs of
158.21 issuing and monitoring the permits for the
158.22 next biennium.

158.23 Subd. 3. **Water Resource Management** -0- (253,000)

158.24 \$38,000 is a reduction in fiscal year 2009
158.25 attributable to the modification of reporting
158.26 requirements under Minnesota Statutes,
158.27 section 103A.43.

158.28 Subd. 4. **Forest Management** -0- 250,000

158.29 \$53,000 in fiscal year 2009 is for a grant to the
158.30 Forest Resources Council to conduct a study
158.31 of options and make recommendations to the
158.32 legislature for addressing the fragmentation
158.33 and parcelization of large blocks of private
158.34 forest land in the state. This is a onetime
158.35 appropriation.

159.1	<u>\$197,000 in fiscal year 2009 is for a grant</u>		
159.2	<u>to the University of Minnesota for the</u>		
159.3	<u>Interagency Information Cooperative to</u>		
159.4	<u>develop a common forest inventory format</u>		
159.5	<u>describing key attributes of Minnesota's</u>		
159.6	<u>public forest land base, growth models for</u>		
159.7	<u>managed forest stands, a forest wildlife</u>		
159.8	<u>habitat model format, and an information</u>		
159.9	<u>database on the state's family forest</u>		
159.10	<u>ownership.</u>		
159.11	<u>Subd. 5. Parks and Recreation Management</u>	<u>-0-</u>	<u>-0-</u>
159.12	<u>\$220,000 is a reduction in fiscal year 2009 in</u>		
159.13	<u>the parks and recreation management budget.</u>		
159.14	<u>Beginning in 2009, \$220,000 each year is</u>		
159.15	<u>from the state park account in the natural</u>		
159.16	<u>resources fund to fund state park operations,</u>		
159.17	<u>maintenance, resource management,</u>		
159.18	<u>educational services, and associated support</u>		
159.19	<u>costs.</u>		
159.20	<u>Subd. 6. Trails and Waterways Management</u>	<u>-0-</u>	<u>1,000,000</u>
159.21	<u>Beginning in 2009, \$300,000 each year is</u>		
159.22	<u>from the all-terrain vehicle account in the</u>		
159.23	<u>natural resources fund for monitoring and</u>		
159.24	<u>maintenance of newly designated trails.</u>		
159.25	<u>\$700,000 in fiscal year 2009 from the natural</u>		
159.26	<u>resource fund to the commissioner of natural</u>		
159.27	<u>resources for the development of the Virginia</u>		
159.28	<u>site and connecting trails for the Iron Range</u>		
159.29	<u>Off-Highway Vehicle Recreation Area. Of</u>		
159.30	<u>this amount, \$400,000 is from the all-terrain</u>		
159.31	<u>vehicle account, \$75,000 is from the</u>		
159.32	<u>off-highway motorcycle account, \$125,000</u>		
159.33	<u>is from the off-road vehicle account, and</u>		
159.34	<u>\$100,000 is from the snowmobile trails</u>		
159.35	<u>and enforcement account. \$300,000 is</u>		

160.1	<u>from federal money allocated for motorized</u>		
160.2	<u>recreation. This is a onetime appropriation.</u>		
160.3	<u>The appropriation is available until expended</u>		
160.4	<u>for the design and development of an</u>		
160.5	<u>underpass for off-highway vehicles on</u>		
160.6	<u>Highway 135 in the city of Gilbert. None</u>		
160.7	<u>of these funds may be expended until all</u>		
160.8	<u>property as identified in the master plan has</u>		
160.9	<u>been acquired.</u>		
160.10	<u>Subd. 7. Fish and Wildlife Management</u>	<u>144,000</u>	<u>140,000</u>
160.11	<u>\$427,000 is a reduction in fiscal year 2009 in</u>		
160.12	<u>the fish and wildlife program. The base for</u>		
160.13	<u>this appropriation in fiscal years 2010 and</u>		
160.14	<u>2011 is reduced by \$539,000 each year.</u>		
160.15	<u>\$200,000 is a reduction in fiscal year 2009</u>		
160.16	<u>from the appropriation for prairie wetland</u>		
160.17	<u>complexes. \$200,000 is appropriated from</u>		
160.18	<u>the game and fish fund in fiscal year 2009 for</u>		
160.19	<u>prairie wetland complexes.</u>		
160.20	<u>\$123,000 in fiscal year 2008 and \$246,000</u>		
160.21	<u>each year thereafter is from the game and fish</u>		
160.22	<u>fund to implement fish virus surveillance,</u>		
160.23	<u>prepare infrastructure to handle possible</u>		
160.24	<u>outbreaks, and implement control procedures</u>		
160.25	<u>for highest risk waters and fish production</u>		
160.26	<u>operations.</u>		
160.27	<u>\$21,000 in fiscal year 2009 is from the game</u>		
160.28	<u>and fish fund and is added to the base for the</u>		
160.29	<u>aquatic farm permitting program.</u>		
160.30	<u>\$300,000 in fiscal year 2009 is from the</u>		
160.31	<u>game and fish fund to study, predesign,</u>		
160.32	<u>and design shooting sports facilities at the</u>		
160.33	<u>Vermillion Highlands Wildlife Management</u>		
160.34	<u>Area authorized by Laws 2007, chapter 57,</u>		
160.35	<u>article 1, section 168.</u>		

161.1	Subd. 8. <u>Ecological Services</u>	-0-	(230,000)
161.2	<u>\$230,000 in fiscal year 2009 is a reduction</u>		
161.3	<u>from the appropriation for impaired waters.</u>		
161.4	<u>The project wild program base is reduced for</u>		
161.5	<u>fiscal years 2010 and 2011 by \$20,000.</u>		
161.6	<u>By June 30, 2008, \$594,000 shall be</u>		
161.7	<u>transferred from the water recreation account</u>		
161.8	<u>in the natural resources fund to the invasive</u>		
161.9	<u>species account in the natural resources fund</u>		
161.10	<u>for invasive species-related expenses.</u>		
161.11	Subd. 9. <u>Enforcement</u>	-0-	(160,000)
161.12	<u>\$160,000 is a reduction in fiscal year 2009 in</u>		
161.13	<u>the enforcement budget.</u>		
161.14	Subd. 10. <u>Operations Support</u>	-0-	(600,000)
161.15	<u>\$600,000 is a reduction to the department's</u>		
161.16	<u>administration costs in fiscal year 2009. The</u>		
161.17	<u>commissioner shall make these reductions</u>		
161.18	<u>throughout the agency through reduction</u>		
161.19	<u>in travel, administrative costs, and vacancy</u>		
161.20	<u>management.</u>		
161.21	Sec. 4. <u>BOARD OF WATER AND SOIL</u>		
161.22	<u>RESOURCES</u>	\$ -0- \$	(318,000)
161.23	<u>\$550,000 is a reduction in fiscal year 2009</u>		
161.24	<u>from the appropriation for cost-sharing</u>		
161.25	<u>contracts to establish native buffers.</u>		
161.26	<u>\$100,000 is a reduction in fiscal year</u>		
161.27	<u>2009 from the appropriation for county</u>		
161.28	<u>cooperative weed management programs.</u>		
161.29	<u>\$68,000 is a reduction in fiscal year 2009</u>		
161.30	<u>from the appropriation for the drainage</u>		
161.31	<u>assistance program.</u>		

162.1 \$100,000 is a reduction in fiscal year 2009
162.2 from the appropriation for grants to basin
162.3 management organizations.

162.4 \$450,000 in fiscal year 2009 is for
162.5 implementing rehabilitation, erosion, and
162.6 sediment control projects in the area included
162.7 in DR-1717. Up to 20 percent of this
162.8 appropriation may be used by the board to
162.9 implement the program. The appropriation is
162.10 available until expended. The base for 2010
162.11 is \$275,000. The base for 2011 is \$0.

162.12 \$50,000 in fiscal year 2009 is for the star lake
162.13 and river program. The base for fiscal year
162.14 2010 is \$100,000.

162.15 Sec. 5. METROPOLITAN COUNCIL \$ -0- \$ -0-

162.16 \$162,000 in fiscal year 2009 is reduced
162.17 from money appropriated from the general
162.18 fund for metropolitan area regional parks
162.19 maintenance and operations under Laws
162.20 2007, chapter 57, article 1, section 6. The
162.21 base for fiscal years 2010 and 2011 is reduced
162.22 by \$162,000 each year.

162.23 \$162,000 in fiscal year 2009 is appropriated
162.24 from the natural resources fund for
162.25 metropolitan area regional parks maintenance
162.26 and operations. This appropriation is from
162.27 the revenue deposited in the natural resources
162.28 fund under Minnesota Statutes, section
162.29 297A.94, paragraph (e), clause (3).

162.30 Sec. 6. Laws 2007, chapter 57, article 1, section 4, subdivision 3, is amended to read:
162.31 Subd. 3. **Water Resources Management** 15,051,000 12,522,000

163.1	Appropriations by Fund		
163.2	General	14,771,000	12,242,000
163.3	Natural Resources	280,000	280,000
163.4	\$310,000 the first year and ~~\$310,000~~		
163.5	<u>\$280,000</u> the second year are for grants		
163.6	associated with the implementation of the		
163.7	Red River mediation agreement.		
163.8	\$65,000 the first year and ~~\$65,000~~ the second		
163.9	~~year are~~ <u>is</u> for a grant to the Mississippi		
163.10	Headwaters Board for up to 50 percent of		
163.11	the cost of implementing the comprehensive		
163.12	plan for the upper Mississippi within areas		
163.13	under its jurisdiction. <u>This is a onetime</u>		
163.14	<u>appropriation.</u>		
163.15	\$5,000 the first year and \$5,000 the second		
163.16	year are for payment to the Leech Lake Band		
163.17	of Chippewa Indians to implement its portion		
163.18	of the comprehensive plan for the upper		
163.19	Mississippi.		
163.20	\$200,000 the first year and ~~\$200,000~~		
163.21	<u>\$178,000</u> the second year are for the		
163.22	construction of ring dikes under Minnesota		
163.23	Statutes, section 103F.161. The ring dikes		
163.24	may be publicly or privately owned. If the		
163.25	appropriation in either year is insufficient, the		
163.26	appropriation in the other year is available		
163.27	for it. The base appropriation for fiscal year		
163.28	2010 and later is ~~\$125,000~~ <u>\$105,000</u> .		
163.29	~~\$2,250,000~~ <u>\$2,152,000</u> the first year is		
163.30	to support the identification of impaired		
163.31	waters and develop plans to address those		
163.32	impairments, as required by the federal Clean		
163.33	Water Act, in accordance with Minnesota		
163.34	Statutes, chapter 114D. This is a onetime		
163.35	appropriation.		

164.1 By January 15, 2008, the commissioner shall
164.2 commence rulemaking under Minnesota
164.3 Statutes, chapter 14, to update the minimum
164.4 shoreland standards in Minnesota Rules,
164.5 chapter 6120.

164.6 \$60,000 the first year is a onetime
164.7 appropriation to the commissioner of natural
164.8 resources to conduct a feasibility study
164.9 in conjunction with U.S. Army Corps of
164.10 Engineers on the foundation and hydraulics
164.11 of the Rapidan Dam in Blue Earth County.

164.12 This appropriation must be equally matched
164.13 by Blue Earth County, and is available until
164.14 expended.

164.15 \$500,000 in fiscal year 2008 is for addressing
164.16 surface and groundwater issues related to
164.17 the development and expansion of ethanol
164.18 production.

164.19 Sec. 7. Laws 2007, chapter 57, article 1, section 4, subdivision 4, is amended to read:

164.20	Subd. 4. Forest Management	44,495,000	43,393,000

164.21	Appropriations by Fund		
164.22	General	24,755,000	24,836,000
164.23	Natural Resources	19,483,000	18,293,000
164.24	Game and Fish	257,000	264,000

164.25 \$7,217,000 the first year and \$7,217,000
164.26 the second year are for prevention,
164.27 presuppression, and suppression costs of
164.28 emergency firefighting and other costs
164.29 incurred under Minnesota Statutes, section
164.30 88.12. If the appropriation for either
164.31 year is insufficient to cover all costs of
164.32 presuppression and suppression, the amount
164.33 necessary to pay for these costs during the

165.1 biennium is appropriated from the general
165.2 fund.

165.3 By November 15 of each year, the
165.4 commissioner of natural resources shall
165.5 submit a report to the chairs of the house
165.6 and senate committees and divisions having
165.7 jurisdiction over environment and natural
165.8 resources finance, identifying all firefighting
165.9 costs incurred and reimbursements received
165.10 in the prior fiscal year. These appropriations
165.11 may not be transferred. Any reimbursement
165.12 of firefighting expenditures made to the
165.13 commissioner from any source other than
165.14 federal mobilizations shall be deposited into
165.15 the general fund.

165.16 \$17,983,000 the first year and \$18,293,000
165.17 the second year are from the forest
165.18 management investment account in the
165.19 natural resources fund for only the purposes
165.20 specified in Minnesota Statutes, section
165.21 89.039, subdivision 2.

165.22 Of this amount:

165.23 (1) \$750,000 each year is for additional staff
165.24 to enhance timber sales;

165.25 (2) \$1,000,000 each year is for forest
165.26 improvements;

165.27 (3) \$1,100,000 each year is for forest road
165.28 maintenance;

165.29 (4) \$600,000 each year is for the ecological
165.30 classification system on state forest lands;

165.31 (5) \$350,000 each year is for the prevention
165.32 of invasive species on state forest lands; and

165.33 (6) \$400,000 each year is for the re-inventory
165.34 of state forest lands.

166.1 Money for forest road maintenance is
166.2 onetime.

166.3 \$780,000 the first year and \$780,000 the
166.4 second year are for the Forest Resources
166.5 Council for implementation of the
166.6 Sustainable Forest Resources Act.

166.7 \$40,000 the first year is for the Forest
166.8 Resources Council to provide a grant to
166.9 the University of Minnesota to prepare a
166.10 statewide plan to address the fragmentation
166.11 and parcelization of large blocks of forest
166.12 land in the state.

166.13 \$200,000 in fiscal year 2008 is for a grant
166.14 to the Forest Resources Research Advisory
166.15 Committee to provide direction on research
166.16 topics recommended by the governor's task
166.17 force on the competitiveness of Minnesota's
166.18 primary forest products industry.

166.19 \$350,000 the first year and \$350,000 the
166.20 second year are for the FORIST timber
166.21 management information system, other
166.22 information systems, and for increased
166.23 forestry management. The amount in the
166.24 second year is also available in the first year.

166.25 \$257,000 the first year and \$264,000 the
166.26 second year are from the game and fish
166.27 fund to implement ecological classification
166.28 systems (ECS) standards on forested
166.29 landscapes. This appropriation is from
166.30 revenue deposited in the game and fish fund
166.31 under Minnesota Statutes, section 297A.94,
166.32 paragraph (e), clause (1).

166.33 \$110,000 the first year is to develop and
166.34 implement a statewide information and
166.35 education campaign regarding the statewide

167.1 ban on the transport, storage, or use of
167.2 nonapproved firewood on state-administered
167.3 lands.

167.4 \$1,500,000 the first year is from the forest
167.5 management investment account in the
167.6 natural resources fund for the purposes of
167.7 section 158. This is a onetime appropriation.

167.8 \$75,000 the first year is to the Forest
167.9 Resources Council for a task force on
167.10 forest protection and \$75,000 the second
167.11 year is appropriated to the commissioner
167.12 for grants to cities, counties, townships,
167.13 special recreation areas, and park and
167.14 recreation boards in cities of the first class
167.15 for the identification, removal, disposal, and
167.16 replacement of dead or dying shade trees
167.17 lost to forest pests or disease. For purposes
167.18 of this section, "shade tree" means a woody
167.19 perennial grown primarily for aesthetic or
167.20 environmental purposes with minimal to
167.21 residual timber value. The commissioner
167.22 shall consult with municipalities; park and
167.23 recreation boards in cities of the first class;
167.24 nonprofit organizations; and other interested
167.25 parties in developing eligibility criteria. *

167.26 (The preceding text beginning "\$75,000 the
167.27 first year" was indicated as vetoed by the
167.28 governor.)

167.29 \$200,000 in fiscal year 2008 is for a grant
167.30 to the Natural Resources Research Institute
167.31 for silvicultural research to improve the
167.32 quality and quantity of timber fiber. The
167.33 appropriation must be matched in the amount
167.34 of \$200,000 in cash or in-kind contributions
167.35 from the forest products industry members of

168.1 the Minnesota Forest Productivity Research
168.2 Cooperative.

168.3 \$1,000,000 the first year and \$1,000,000
168.4 the second year are to support additional
168.5 ~~technical and cost-share assistance to~~
168.6 ~~nonindustrial private forest (NIPF)~~
168.7 ~~landowners~~ forest management activities.

168.8 The base appropriation in fiscal year 2010
168.9 and later is \$500,000.

168.10 \$200,000 the first year and \$200,000 the
168.11 second year are to ~~address escalating~~
168.12 ~~land asset management demands, such as~~
168.13 ~~boundary disputes, access easements, and~~
168.14 ~~sale, exchange, and acquisition of forest~~
168.15 ~~lands~~ support additional forest management
168.16 activities.

168.17 Sec. 8. Laws 2007, chapter 57, article 1, section 4, subdivision 6, is amended to read:

168.18	Subd. 6. Trails and Waterways Management	30,257,000	30,492,000

168.19	Appropriations by Fund		
168.20	General	2,538,000	2,568,000
168.21	Natural Resources	25,600,000	25,730,000
168.22	Game and Fish	2,119,000	2,194,000

168.23 \$8,424,000 the first year and \$8,424,000
168.24 the second year are from the snowmobile
168.25 trails and enforcement account in the natural
168.26 resources fund for snowmobile grants-in-aid.
168.27 The additional money under this item may
168.28 be used for new grant-in-aid trails. Any
168.29 unencumbered balance does not cancel at the
168.30 end of the first year and is available for the
168.31 second year.

168.32 \$1,175,000 the first year and \$1,325,000 the
168.33 second year are from the natural resources
168.34 fund for off-highway vehicle grants-in-aid.

169.1 Of this amount, \$825,000 the first year and
169.2 \$1,075,000 the second year are from the
169.3 all-terrain vehicle account; \$150,000 each
169.4 year is from the off-highway motorcycle
169.5 account; and \$200,000 the first year and
169.6 \$100,000 the second year are from the
169.7 off-road vehicle account. Any unencumbered
169.8 balance does not cancel at the end of the first
169.9 year and is available for the second year.

169.10 \$261,000 the first year and \$261,000 the
169.11 second year are from the water recreation
169.12 account in the natural resources fund for a
169.13 safe harbor program on Lake Superior.

169.14 \$742,000 the first year and \$760,000
169.15 the second year are from the natural
169.16 resources fund for state trail operations
169.17 and maintenance. The money may be used
169.18 for trail maintenance, signage, mapping,
169.19 interpretation, native prairie restoration
169.20 using best management practices, and
169.21 maintenance of nonmotorized forest trails.
169.22 This appropriation is from the revenue
169.23 deposited in the natural resources fund
169.24 under Minnesota Statutes, section 297A.94,
169.25 paragraph (e), clause (2).

169.26 \$655,000 the first year and \$655,000 the
169.27 second year are from the natural resources
169.28 fund for trail grants to local units of
169.29 government on land to be maintained for
169.30 at least 20 years for the purposes of the
169.31 grant. This appropriation is from the revenue
169.32 deposited in the natural resources fund
169.33 under Minnesota Statutes, section 297A.94,
169.34 paragraph (e), clause (4). Any unencumbered
169.35 balance does not cancel at the end of the

170.1 first year and is available for the second
170.2 year. In addition, if a project financed under
170.3 this program receives a federal grant award,
170.4 the availability of the financing from this
170.5 paragraph for that project is extended to
170.6 equal the period of the federal grant.

170.7 \$150,000 the first year and \$150,000 the
170.8 second year are from the all-terrain vehicle
170.9 account for two all-terrain vehicle trail
170.10 specialists to assist and consult with on
170.11 all-terrain vehicle grant-in-aid education and
170.12 training for sustainable trail development and
170.13 maintenance, as well as providing training
170.14 for public and private sector trail monitoring.
170.15 The specialists may assist in the evaluation
170.16 of grant-in-aid trail proposals, but not in the
170.17 promotion of new trails.

170.18 \$1,965,000 the first year and \$2,040,000
170.19 the second year are from the game and fish
170.20 fund for expenditures on water access sites
170.21 according to the requirements of the federal
170.22 sport and fish restoration program.

170.23 Money appropriated under Laws 2005, First
170.24 Special Session chapter 1, article 2, section
170.25 11, subdivision 6, paragraph (h), for the Paul
170.26 Bunyan State Trail connection is available
170.27 until June 30, 2008.

170.28 \$400,000 each year is for operation and
170.29 maintenance of nonmotorized trails within
170.30 state forests. This is a onetime appropriation.

170.31 \$75,000 each year is for additional wild and
170.32 scenic rivers program activities.

170.33 \$120,000 the first year is from the
170.34 water recreation account in the natural
170.35 resources fund to cooperate with local

171.1 units of government in marking routes and
171.2 designating river accesses and campsites
171.3 under Minnesota Statutes, section 85.32.
171.4 This is a onetime appropriation and available
171.5 until spent.

171.6 The appropriation in Laws 2005, First
171.7 Special Session chapter 1, article 2, section
171.8 3, subdivision 6, from the lottery in lieu
171.9 account in the natural resources fund for
171.10 trail grants to local units of government, is
171.11 available until June 30, 2009.

171.12 **ARTICLE 6**

171.13 **ENVIRONMENT AND NATURAL RESOURCES POLICY**

171.14 Section 1. Minnesota Statutes 2006, section 17.4988, subdivision 2, is amended to read:

171.15 Subd. 2. **Aquatic farming license.** (a) The annual fee for an aquatic farming license
171.16 is \$210 for the base license. The commissioner must establish an additional fee based
171.17 on the acreage of the operation.

171.18 (b) The aquatic farming license may contain endorsements for the rights and
171.19 privileges of the following licenses under the game and fish laws. The endorsement must
171.20 be made upon payment of the license fee prescribed in section 97A.475 for the following
171.21 licenses:

- 171.22 (1) minnow dealer license;
171.23 (2) minnow retailer license for sale of minnows as bait;
171.24 (3) minnow exporting license;
171.25 (4) aquatic farm vehicle endorsement, which includes a minnow dealer vehicle
171.26 license, a minnow retailer vehicle license, an exporting minnow vehicle license, and a
171.27 fish vendor license;
171.28 (5) sucker egg taking license; and
171.29 (6) game fish packers license.

171.30 Sec. 2. Minnesota Statutes 2006, section 17.4988, subdivision 3, is amended to read:

171.31 Subd. 3. **Inspection fees.** ~~The fees for the following inspections are:~~ The
171.32 commissioner may, by written order published in the State Register, establish fees for
171.33 the services listed in clauses (1) to (3). The fees must be set in an amount that does not
171.34 recover significantly more or less than the cost of providing the service. The fees are not

172.1 subject to the rulemaking provisions of chapter 14 and section 14.386 does not apply. The
172.2 services covered under this provision include:

- 172.3 (1) initial inspection of each water to be licensed, ~~\$50~~;
- 172.4 (2) fish health inspection and certification, ~~\$60 plus \$150 per lot thereafter~~ including
172.5 initial tissue sample collection, basic fish health assessment, viral pathogen testing, and
172.6 bacteriological testing; and
- 172.7 (3) initial inspection for containment and quarantine facility inspections, ~~\$100~~.

172.8 Sec. 3. Minnesota Statutes 2006, section 84.788, subdivision 3, is amended to read:

172.9 Subd. 3. **Application; issuance; reports.** (a) Application for registration or
172.10 continued registration must be made to the commissioner or an authorized deputy registrar
172.11 of motor vehicles in a form prescribed by the commissioner. The form must state the name
172.12 and address of every owner of the off-highway motorcycle.

172.13 (b) A person who purchases from a retail dealer an off-highway motorcycle shall
172.14 make application for registration to the dealer at the point of sale. The dealer shall issue a
172.15 dealer temporary ~~ten-day~~ 21-day registration permit to each purchaser who applies to the
172.16 dealer for registration. The dealer shall submit the completed registration applications and
172.17 fees to the deputy registrar at least once each week. No fee may be charged by a dealer to
172.18 a purchaser for providing the temporary permit.

172.19 (c) Upon receipt of the application and the appropriate fee, the commissioner
172.20 or deputy registrar shall issue to the applicant, or provide to the dealer, an assigned
172.21 registration number or a commissioner or deputy registrar temporary ~~ten-day~~ 21-day
172.22 permit. Once issued, the registration number must be affixed to the motorcycle according
172.23 to paragraph (f). A dealer subject to paragraph (b) shall provide the registration materials
172.24 or temporary permit to the purchaser within the ~~ten-day~~ 21-day temporary permit period.

172.25 (d) The commissioner shall develop a registration system to register vehicles under
172.26 this section. A deputy registrar of motor vehicles acting under section 168.33, is also a
172.27 deputy registrar of off-highway motorcycles. The commissioner of natural resources
172.28 in agreement with the commissioner of public safety may prescribe the accounting
172.29 and procedural requirements necessary to ensure efficient handling of registrations
172.30 and registration fees. Deputy registrars shall strictly comply with the accounting and
172.31 procedural requirements.

172.32 (e) In addition to other fees prescribed by law, a filing fee of \$4.50 is charged for
172.33 each off-highway motorcycle registration renewal, duplicate or replacement registration
172.34 card, and replacement decal and a filing fee of \$7 is charged for each off-highway
172.35 motorcycle registration and registration transfer issued by:

173.1 (1) a deputy registrar and must be deposited in the treasury of the jurisdiction where
173.2 the deputy is appointed, or kept if the deputy is not a public official; or

173.3 (2) the commissioner and must be deposited in the state treasury and credited to the
173.4 off-highway motorcycle account.

173.5 (f) Unless exempted in paragraph (g), the owner of an off-highway motorcycle must
173.6 display a registration decal issued by the commissioner. If the motorcycle is licensed as
173.7 a motor vehicle, a registration decal must be affixed on the upper left corner of the rear
173.8 license plate. If the motorcycle is not licensed as a motor vehicle, the decal must be
173.9 attached on the side of the motorcycle and may be attached to the fork tube. The decal
173.10 must be attached in a manner so that it is visible while a rider is on the motorcycle. The
173.11 issued decals must be of a size to work within the constraints of the electronic licensing
173.12 system, not to exceed three inches high and three inches wide.

173.13 (g) Display of a registration decal is not required for an off-highway motorcycle:

173.14 (1) while being operated on private property; or

173.15 (2) while competing in a closed-course competition event.

173.16 Sec. 4. Minnesota Statutes 2006, section 84.82, subdivision 2, is amended to read:

173.17 Subd. 2. **Application, issuance, reports, additional fee.** (a) Application for
173.18 registration or reregistration shall be made to the commissioner or an authorized deputy
173.19 registrar of motor vehicles in a format prescribed by the commissioner and shall state the
173.20 legal name and address of every owner of the snowmobile.

173.21 (b) A person who purchases a snowmobile from a retail dealer shall make
173.22 application for registration to the dealer at the point of sale. The dealer shall issue a dealer
173.23 temporary ~~ten-day~~ 21-day registration permit to each purchaser who applies to the dealer
173.24 for registration. The temporary permit must contain the dealer's identification number and
173.25 phone number. Each retail dealer shall submit completed registration and fees to the
173.26 deputy registrar at least once a week. No fee may be charged by a dealer to a purchaser for
173.27 providing the temporary permit.

173.28 (c) Upon receipt of the application and the appropriate fee as hereinafter provided,
173.29 the commissioner or deputy registrar shall issue to the applicant, or provide to the dealer,
173.30 an assigned registration number or a commissioner or deputy registrar temporary ~~ten-day~~
173.31 21-day permit. Once issued, the registration number must be affixed to the snowmobile in
173.32 a clearly visible and permanent manner for enforcement purposes as the commissioner
173.33 of natural resources shall prescribe. A dealer subject to paragraph (b) shall provide the
173.34 registration materials or temporary permit to the purchaser within the temporary ~~ten-day~~
173.35 21-day permit period. The registration is not valid unless signed by at least one owner.

174.1 The temporary permit must indicate whether a snowmobile state trail sticker under section
174.2 84.8205 was purchased.

174.3 (d) Each deputy registrar of motor vehicles acting pursuant to section 168.33, shall
174.4 also be a deputy registrar of snowmobiles. The commissioner of natural resources in
174.5 agreement with the commissioner of public safety may prescribe the accounting and
174.6 procedural requirements necessary to assure efficient handling of registrations and
174.7 registration fees. Deputy registrars shall strictly comply with these accounting and
174.8 procedural requirements.

174.9 (e) A fee of \$2 in addition to that otherwise prescribed by law shall be charged for:

174.10 (1) each snowmobile registered by the registrar or a deputy registrar and the
174.11 additional fee shall be disposed of in the manner provided in section 168.33, subdivision
174.12 2; or

174.13 (2) each snowmobile registered by the commissioner and the additional fee shall
174.14 be deposited in the state treasury and credited to the snowmobile trails and enforcement
174.15 account in the natural resources fund.

174.16 Sec. 5. Minnesota Statutes 2006, section 84.82, is amended by adding a subdivision to
174.17 read:

174.18 Subd. 3a. **Expiration.** All snowmobile registrations, excluding temporary
174.19 registration permits, required under this section expire June 30 of the year of expiration.

174.20 Sec. 6. Minnesota Statutes 2007 Supplement, section 84.8205, subdivision 1, is
174.21 amended to read:

174.22 Subdivision 1. **Sticker required; fee.** (a) Except as provided in paragraph (b), a
174.23 person may not operate a snowmobile on a state or grant-in-aid snowmobile trail unless a
174.24 snowmobile state trail sticker is affixed to the snowmobile. The commissioner of natural
174.25 resources shall issue a sticker upon application and payment of a \$15 fee. The fee for a
174.26 three-year snowmobile state trail sticker that is purchased at the time of snowmobile
174.27 registration is \$30. In addition to other penalties prescribed by law, a person in violation
174.28 of this subdivision must purchase an annual state trail sticker for a fee of \$30. The sticker
174.29 is valid from November 1 through ~~April~~ June 30. Fees collected under this section, except
174.30 for the issuing fee for licensing agents, shall be deposited in the state treasury and credited
174.31 to the snowmobile trails and enforcement account in the natural resources fund and,
174.32 except for the electronic licensing system commission established by the commissioner
174.33 under section 84.027, subdivision 15, must be used for grants-in-aid, trail maintenance,
174.34 grooming, and easement acquisition.

175.1 (b) A state trail sticker is not required under this section for:

175.2 (1) a snowmobile owned by the state or a political subdivision of the state that is
175.3 registered under section 84.82, subdivision 5;

175.4 (2) a snowmobile that is owned and used by the United States, another state, or
175.5 a political subdivision thereof that is exempt from registration under section 84.82,
175.6 subdivision 6;

175.7 (3) a collector snowmobile that is operated as provided in a special permit issued for
175.8 the collector snowmobile under section 84.82, subdivision 7a;

175.9 (4) a person operating a snowmobile only on the portion of a trail that is owned by
175.10 the person or the person's spouse, child, or parent; or

175.11 (5) a snowmobile while being used to groom a state or grant-in-aid trail.

175.12 (c) A temporary registration permit issued by a dealer under section 84.82,
175.13 subdivision 2, may include a snowmobile state trail sticker if the trail sticker fee is
175.14 included with the registration application fee.

175.15 Sec. 7. Minnesota Statutes 2006, section 84.922, subdivision 2, is amended to read:

175.16 Subd. 2. **Application, issuance, reports.** (a) Application for registration or
175.17 continued registration shall be made to the commissioner or an authorized deputy registrar
175.18 of motor vehicles in a form prescribed by the commissioner. The form must state the name
175.19 and address of every owner of the vehicle.

175.20 (b) A person who purchases an all-terrain vehicle from a retail dealer shall make
175.21 application for registration to the dealer at the point of sale. The dealer shall issue a dealer
175.22 temporary ~~ten-day~~ 21-day registration permit to each purchaser who applies to the dealer
175.23 for registration. The dealer shall submit the completed registration application and fees
175.24 to the deputy registrar at least once each week. No fee may be charged by a dealer to a
175.25 purchaser for providing the temporary permit.

175.26 (c) Upon receipt of the application and the appropriate fee, the commissioner
175.27 or deputy registrar shall issue to the applicant, or provide to the dealer, an assigned
175.28 registration number or a commissioner or deputy registrar temporary ~~ten-day~~ 21-day
175.29 permit. Once issued, the registration number must be affixed to the vehicle in a manner
175.30 prescribed by the commissioner. A dealer subject to paragraph (b) shall provide the
175.31 registration materials or temporary permit to the purchaser within the ~~ten-day~~ 21-day
175.32 temporary permit period. The commissioner shall use the snowmobile registration system
175.33 to register vehicles under this section.

175.34 (d) Each deputy registrar of motor vehicles acting under section 168.33, is also
175.35 a deputy registrar of all-terrain vehicles. The commissioner of natural resources in

176.1 agreement with the commissioner of public safety may prescribe the accounting and
176.2 procedural requirements necessary to assure efficient handling of registrations and
176.3 registration fees. Deputy registrars shall strictly comply with the accounting and
176.4 procedural requirements.

176.5 (e) In addition to other fees prescribed by law, a filing fee of \$4.50 is charged
176.6 for each all-terrain vehicle registration renewal, duplicate or replacement registration
176.7 card, and replacement decal and a filing fee of \$7 is charged for each all-terrain vehicle
176.8 registration and registration transfer issued by:

176.9 (1) a deputy registrar and shall be deposited in the treasury of the jurisdiction where
176.10 the deputy is appointed, or retained if the deputy is not a public official; or

176.11 (2) the commissioner and shall be deposited to the state treasury and credited to the
176.12 all-terrain vehicle account in the natural resources fund.

176.13 Sec. 8. Minnesota Statutes 2006, section 84.9256, subdivision 1, is amended to read:

176.14 Subdivision 1. **Prohibitions on youthful operators.** (a) Except for operation on
176.15 public road rights-of-way that is permitted under section 84.928, a driver's license issued
176.16 by the state or another state is required to operate an all-terrain vehicle along or on a
176.17 public road right-of-way.

176.18 (b) A person under 12 years of age shall not:

176.19 (1) make a direct crossing of a public road right-of-way;

176.20 (2) operate an all-terrain vehicle on a public road right-of-way in the state; or

176.21 (3) operate an all-terrain vehicle on public lands or waters, except as provided in
176.22 paragraph (f).

176.23 (c) Except for public road rights-of-way of interstate highways, a person 12 years
176.24 of age but less than 16 years may make a direct crossing of a public road right-of-way
176.25 of a trunk, county state-aid, or county highway or operate on public lands and waters or
176.26 state or grant-in-aid trails, only if that person possesses a valid all-terrain vehicle safety
176.27 certificate issued by the commissioner and is accompanied on another all-terrain vehicle
176.28 by a person 18 years of age or older who holds a valid driver's license.

176.29 (d) To be issued an all-terrain vehicle safety certificate, a person at least 12 years
176.30 old, but less than 16 years old, must:

176.31 (1) successfully complete the safety education and training program under section
176.32 84.925, subdivision 1, including a riding component; and

176.33 (2) be able to properly reach and control the handle bars and reach the foot pegs
176.34 while sitting upright on the seat of the all-terrain vehicle.

177.1 (e) A person at least 11 years of age may take the safety education and training
177.2 program and may receive an all-terrain vehicle safety certificate under paragraph (d), but
177.3 the certificate is not valid until the person reaches age 12.

177.4 (f) A person at least ten years of age but under 12 years of age may operate an
177.5 all-terrain vehicle with an engine capacity up to 90cc on public lands or waters if
177.6 accompanied by a parent or legal guardian.

177.7 (g) A person under 15 years of age shall not operate a class 2 all-terrain vehicle.

177.8 (h) A person under the age of 16 may not operate an all-terrain vehicle on public
177.9 lands or waters or on state or grant-in-aid trails if the person cannot properly reach and
177.10 control the handle bars and reach the foot pegs while sitting upright on the seat of the
177.11 all-terrain vehicle.

177.12 Sec. 9. Minnesota Statutes 2006, section 85.011, is amended to read:

177.13 **85.011 CONFIRMATION OF CREATION AND ESTABLISHMENT OF**
177.14 **STATE PARKS, ~~MONUMENTS~~, STATE RECREATION RESERVES AREAS,**
177.15 **AND WAYSIDES.**

177.16 The legislature of this state has provided for the creation and establishment of
177.17 state parks, designated ~~monuments~~, state recreation reserves areas, and waysides for the
177.18 purpose of conserving the scenery, natural and historic objects and wildlife and to provide
177.19 for the enjoyment of the same in such manner and by such means as will leave them
177.20 unimpaired for the enjoyment of future generations.

177.21 The establishment of such state parks, designated ~~monuments~~, state recreation
177.22 reserves areas, and waysides is hereby confirmed as provided in this section and sections
177.23 85.012 and 85.013 and they shall remain perpetually dedicated for the use of the people of
177.24 the state for park purposes.

177.25 The enumerated state parks, ~~state monuments~~, state recreation areas, and state
177.26 waysides shall consist of the lands and other property authorized therefor before January
177.27 1, 1969, together with such other lands and properties as may be authorized therefor on
177.28 or after January 1, 1969.

177.29 Sec. 10. Minnesota Statutes 2006, section 85.012, subdivision 28, is amended to read:

177.30 Subd. 28. Interstate State Park, Chisago County, which is hereby renamed from
177.31 Dalles of Saint Croix State Park.

177.32 Sec. 11. Minnesota Statutes 2006, section 85.012, subdivision 49a, is amended to read:

177.33 Subd. 49a. ~~St. Croix~~ Wild River State Park, Chisago County.

178.1 Sec. 12. Minnesota Statutes 2006, section 85.013, subdivision 1, is amended to read:

178.2 Subdivision 1. **Names, acquisition; administration.** (a) Designated ~~monuments,~~
178.3 recreation reserves, and waysides heretofore established and hereby confirmed as ~~state~~
178.4 ~~monuments,~~ state recreation areas and state waysides together with the counties in which
178.5 they are situated are listed in this section and shall hereafter be named as indicated
178.6 in this section.

178.7 (b) Any land that now is or hereafter becomes tax-forfeited land and is located
178.8 within the described boundaries of a state recreation area as defined by session laws is
178.9 hereby withdrawn from sale and is transferred from the custody, control, and supervision
178.10 of the county board of the county to the commissioner of natural resources, free from
178.11 any trust in favor of the interested taxing districts. The commissioner shall execute a
178.12 certificate of acceptance of the lands on behalf of the state for such purposes and transmit
178.13 the same to the county auditor of the county for record as provided by law in the case
178.14 of tax-forfeited land transferred to the commissioner by resolution of the county board
178.15 for conservation purposes.

178.16 Sec. 13. Minnesota Statutes 2006, section 85.054, subdivision 3, is amended to read:

178.17 Subd. 3. **Interstate State Park.** A Minnesota state park permit is not required at
178.18 Interstate State Park if a valid, current, Wisconsin state park permit or sticker authorizing
178.19 entry of a motor vehicle into Wisconsin state parks is appropriately displayed on the
178.20 vehicle and the commissioner has entered into an agreement with appropriate officials
178.21 of the state of Wisconsin that authorizes motor vehicles displaying Minnesota state park
178.22 permits free entry into Interstate State Park of Wisconsin on a reciprocal basis.

178.23 Sec. 14. Minnesota Statutes 2006, section 85.054, is amended by adding a subdivision
178.24 to read:

178.25 Subd. 14. **Grand Portage State Park.** A state park permit is not required and a fee
178.26 may not be charged for motor vehicle entry or parking at the Class 1 highway rest area
178.27 parking lot located adjacent to marked Trunk Highway 61 and Pigeon River at Grand
178.28 Portage State Park.

178.29 Sec. 15. Minnesota Statutes 2006, section 86B.401, subdivision 2, is amended to read:

178.30 Subd. 2. **Temporary certificate.** A person who applies for a watercraft license may
178.31 be issued a temporary license certificate to operate the watercraft. The temporary license
178.32 certificate is valid for ~~the period of time specified by the commissioner~~ 21 days.

179.1 Sec. 16. Minnesota Statutes 2006, section 88.15, subdivision 2, is amended to read:

179.2 Subd. 2. **Not to be left burning.** Every person who starts or maintains a campfire
179.3 shall:

179.4 (1) exercise every reasonable precaution to prevent the campfire from spreading
179.5 ~~and shall~~;

179.6 (2) before lighting the campfire, clear the ground of all combustible material ~~within~~
179.7 ~~a radius of five feet from the base of the campfire. The person lighting the campfire shall~~;

179.8 (3) remain with the campfire at all times; and ~~shall~~

179.9 (4) before leaving the site, completely extinguish the campfire.

179.10 For the purposes of this section, "maintains" means tending or adding substantial
179.11 fuel to a campfire with the intention of extending the life of the campfire.

179.12 Sec. 17. Minnesota Statutes 2006, section 89.715, is amended to read:

179.13 **89.715 ALTERNATIVE RECORDING FOR STATE FOREST ROAD.**

179.14 Subdivision 1. **Authorization.** The commissioner may adopt a ~~recorded~~ state forest
179.15 road map under this section to record the department's state forest road prescriptive
179.16 easements. For purposes of this section, "~~recorded~~ state forest road map" means the
179.17 official map of state forest roads adopted by the commissioner.

179.18 Subd. 2. **Map requirements.** The ~~recorded~~ state forest road map must:

179.19 (1) show state forest roads at the time the map is adopted;

179.20 (2) be prepared at a scale ~~of at least four inches equals one mile~~ compliant with
179.21 county recorder standards;

179.22 (3) include section numbers;

179.23 (4) include a north point arrow;

179.24 (5) include the name of the county and state;

179.25 (6) include a blank and a description under the blank for the date of public hearing
179.26 and date of adoption;

179.27 (7) include blanks for signatures and dates of signatures for the commissioner; and

179.28 (8) include a list of legal descriptions of all parcels crossed by state forest road
179.29 prescriptive easements.

179.30 Subd. 3. **Procedure to adopt map.** (a) The commissioner must prepare an official
179.31 map for each county or smaller geographic area as determined by the commissioner as
179.32 provided in subdivision 2, and set a time, place, and date for a public hearing on adopting
179.33 a ~~recorded~~ state forest road map to record roads.

179.34 (b) The hearing notice must state that the roads to be recorded will be to the width of
179.35 the actual use including ditches, backslopes, fills, and maintained rights-of-way, unless

otherwise specified in a prior easement of record. The hearing notice must be published once a week for two successive weeks in a qualified newspaper of general circulation that serves the county or smaller geographic areas as determined by the commissioner, the last publication to be made at least ten days before the date of the public hearing. At least 30 days before the hearing, the hearing notice must be sent by certified mail to the property owners directly affected in the county or smaller geographic areas as determined by the commissioner at the addresses listed on the tax assessment notices at least seven days before appearing in the qualified newspaper. The hearing notice may be sent with the tax assessment, but all additional costs incurred shall be billed to the department.

(c) After the public hearing is held, the commissioner may amend and adopt the ~~recorded~~ state forest road map. The ~~recorded~~ adopted state forest road map must be dated and signed by the commissioner and must be ~~recorded~~ filed for recording with the county recorder within 90 days after the map is adopted. The map is effective when filed with the county recorder.

(d) The ~~recorded~~ state forest road map that is recorded with the county recorder must comply with the standards of the county recorder where the state forest roads are located.

(e) A ~~recorded~~ state forest road map that was prepared by using aerial photographs to establish road centerlines and that has been duly recorded with the county recorder is an adequate description for purposes of recording road easements and the map is the legally constituted description and prevails when a deed for a parcel abutting a road contains no reference to a road easement. Nothing prevents the commissioner from accepting a more definitive metes and bounds or survey description of a road easement for a road of record if the description of the easement is referenced to equal distance on both sides of the existing road centerline.

(f) The commissioner shall consult with representatives of county land commissioners, county auditors, county recorders, and Torrens examiners in implementing this subdivision.

Subd. 4. **Appeal.** (a) ~~Before filing an appeal under paragraph (b), a person may seek resolution of concerns regarding a decision to record a road under this section by contacting the commissioner in writing.~~

~~(b) A person may appeal a decision to record or exclude recording a road under this section to the district court within 120 days after the date the commissioner adopts the state forest road map. Appeals may be filed only by property owners who are directly affected by a proposed map designation and only for those portions of the map designation that directly affect them.~~

181.1 (b) A property owner may appeal the map designation to the commissioner within 60
181.2 days of the map being recorded by filing a written request for review. The commissioner
181.3 shall review the request and any supporting evidence and render a decision within 45
181.4 days of receipt of the request for review.

181.5 (c) If a property owner wishes to appeal a decision of the commissioner after review
181.6 under paragraph (b), the property owner must file an appeal with the district court within
181.7 60 days of the commissioner's decision.

181.8 (d) If any portion of a map appealed under paragraph (b) is modified or found to be
181.9 invalid by a court of competent jurisdiction under paragraph (c), the remainder of the map
181.10 shall not be affected and its recording with the county recorder shall stand.

181.11 Subd. 5. **Unrecorded road or trail not affected.** This section does not affect or
181.12 diminish the legal status or state obligations of roads and trails not shown on the ~~recorded~~
181.13 state forest road map.

181.14 Subd. 6. **Exemption.** Adoption of a ~~recorded~~ state forest road map under this
181.15 section is exempt from the rulemaking requirements of chapter 14 and section 14.386
181.16 does not apply.

181.17 Sec. 18. Minnesota Statutes 2006, section 93.481, is amended by adding a subdivision
181.18 to read:

181.19 Subd. 7. **Mining administration account.** The mining administration account is
181.20 established as an account in the natural resources fund. Ferrous mining administrative fees
181.21 charged to owners, operators, or managers of mines shall be credited to the account and
181.22 may be appropriated to the commissioner to cover the costs of providing and monitoring
181.23 permits to mine ferrous metals under this section.

181.24 Sec. 19. Minnesota Statutes 2006, section 97A.055, subdivision 4b, is amended to read:

181.25 Subd. 4b. **Citizen oversight subcommittees.** (a) The commissioner shall appoint
181.26 subcommittees of affected persons to review the reports prepared under subdivision 4;
181.27 review the proposed work plans and budgets for the coming year; propose changes
181.28 in policies, activities, and revenue enhancements or reductions; review other relevant
181.29 information; and make recommendations to the legislature and the commissioner for
181.30 improvements in the management and use of money in the game and fish fund.

181.31 (b) The commissioner shall appoint the following subcommittees, each comprised
181.32 of at least three affected persons:

181.33 (1) a Fisheries Operations Subcommittee to review fisheries funding, excluding
181.34 activities related to trout and salmon stamp funding;

182.1 (2) a Wildlife Operations Subcommittee to review wildlife funding, excluding
182.2 activities related to migratory waterfowl, pheasant, and turkey stamp funding and
182.3 excluding review of the amounts available under section 97A.075, subdivision 1,
182.4 paragraphs (b) and (c);

182.5 (3) a Big Game Subcommittee to review the report required in subdivision 4,
182.6 paragraph (a), clause (2);

182.7 (4) an Ecological ~~Services Operations~~ Resources Subcommittee to review ecological
182.8 services funding;

182.9 (5) a subcommittee to review game and fish fund funding of enforcement, ~~support~~
182.10 ~~services, and Department of Natural Resources administration and operations support;~~

182.11 (6) a subcommittee to review the trout and salmon stamp report and address funding
182.12 issues related to trout and salmon;

182.13 (7) a subcommittee to review the report on the migratory waterfowl stamp and
182.14 address funding issues related to migratory waterfowl;

182.15 (8) a subcommittee to review the report on the pheasant stamp and address funding
182.16 issues related to pheasants; and

182.17 (9) a subcommittee to review the report on the turkey stamp and address funding
182.18 issues related to wild turkeys.

182.19 (c) The chairs of each of the subcommittees shall form a Budgetary Oversight
182.20 Committee to coordinate the integration of the subcommittee reports into an annual
182.21 report to the legislature; recommend changes on a broad level in policies, activities, and
182.22 revenue enhancements or reductions; provide a forum to address issues that transcend the
182.23 subcommittees; and submit a report for any subcommittee that fails to submit its report
182.24 in a timely manner.

182.25 (d) The Budgetary Oversight Committee shall develop recommendations for a
182.26 biennial budget plan and report for expenditures on game and fish activities. By August 15
182.27 of each even-numbered year, the committee shall submit the budget plan recommendations
182.28 to the commissioner and to the senate and house committees with jurisdiction over natural
182.29 resources finance.

182.30 (e) Each subcommittee shall choose its own chair, except that the chair of the
182.31 Budgetary Oversight Committee shall be appointed by the commissioner and may not
182.32 be the chair of any of the subcommittees.

182.33 (f) The Budgetary Oversight Committee must make recommendations to the
182.34 commissioner and to the senate and house committees with jurisdiction over natural
182.35 resources finance for outcome goals from expenditures.

183.1 (g) Notwithstanding section 15.059, subdivision 5, or other law to the contrary, the
183.2 Budgetary Oversight Committee and subcommittees do not expire until June 30, 2010.

183.3 Sec. 20. Minnesota Statutes 2006, section 97A.141, subdivision 1, is amended to read:

183.4 Subdivision 1. **Acquisition; generally.** The commissioner shall acquire access sites
183.5 adjacent to public waters and easements and rights-of-way necessary to connect the access
183.6 sites with public highways. The land may be acquired by gift, lease, or purchase, or by
183.7 condemnation with approval of the Executive Council. ~~An access site may not exceed~~
183.8 ~~seven acres and may only be acquired where access is inadequate.~~

183.9 Sec. 21. Minnesota Statutes 2006, section 103A.204, is amended to read:

183.10 **103A.204 GROUNDWATER POLICY.**

183.11 (a) The responsibility for the protection of groundwater in Minnesota is vested
183.12 in a multiagency approach to management. The following is a list of agencies and the
183.13 groundwater protection areas for which the agencies are primarily responsible; the list is
183.14 not intended to restrict the areas of responsibility to only those specified:

183.15 (1) Environmental Quality Board: ~~creation of a water resources committee to~~
183.16 ~~coordinate~~ coordination of state groundwater protection programs ~~and a biennial~~
183.17 ~~groundwater policy report beginning in 1994 that includes, for the 1994 report, the~~
183.18 ~~findings in the groundwater protection report coordinated by the Pollution Control Agency~~
183.19 ~~for the Environmental Protection Agency;~~

183.20 (2) Pollution Control Agency: water quality monitoring and reporting and the
183.21 development of best management practices and regulatory mechanisms for protection of
183.22 groundwater from nonagricultural chemical contaminants;

183.23 (3) Department of Agriculture: sustainable agriculture, integrated pest management,
183.24 water quality monitoring, and the development of best management practices and
183.25 regulatory mechanisms for protection of groundwater from agricultural chemical
183.26 contaminants;

183.27 (4) Board of Water and Soil Resources: reporting on groundwater education and
183.28 outreach with local government officials, local water planning and management, and
183.29 local cost share programs;

183.30 (5) Department of Natural Resources: water quantity monitoring and regulation,
183.31 sensitivity mapping, and development of a plan for the use of integrated pest management
183.32 and sustainable agriculture on state-owned lands; and

183.33 (6) Department of Health: regulation of wells and borings, and the development of
183.34 health risk limits under section 103H.201.

184.1 (b) The Environmental Quality Board shall ~~through its Water Resources Committee~~
184.2 ~~coordinate with representatives of all agencies~~ prepare a report on policy issues related to
184.3 its responsibilities listed in paragraph (a), citizens, and other interested groups to prepare
184.4 ~~a biennial report every even-numbered year as part of its duties described in sections~~
184.5 ~~103A.43 and 103B.151~~ and include these reports with the assessments in section 103A.43
184.6 and the "Minnesota Water Plan" in section 103B.151.

184.7 Sec. 22. Minnesota Statutes 2006, section 103A.43, is amended to read:

184.8 **103A.43 WATER ASSESSMENTS AND REPORTS.**

184.9 (a) The Environmental Quality Board shall ~~evaluate and consolidate the assessments~~
184.10 required in paragraphs (b) and (c) with the policy report in section 103A.204 and submit a
184.11 single report to the house of representatives and senate committees with jurisdiction
184.12 over the environment, natural resources, and agriculture and the Legislative-Citizen
184.13 Commission on Minnesota Resources ~~on statewide water research needs and~~
184.14 ~~recommended priorities for addressing these needs. Local water research needs may also~~
184.15 ~~be included~~ by September 15, 2010, and every five years thereafter.

184.16 (b) The ~~Environmental Quality Board shall work with the~~ Pollution Control Agency
184.17 and the Department of Agriculture ~~to coordinate~~ shall provide a biennial assessment and
184.18 analysis of water quality, groundwater degradation trends, and efforts to reduce, prevent,
184.19 minimize, and eliminate degradation of water. The assessment and analysis must include
184.20 an analysis of relevant monitoring data.

184.21 (c) The ~~Environmental Quality Board shall work with the~~ Department of Natural
184.22 Resources ~~to coordinate~~ shall provide an assessment and analysis of the quantity of surface
184.23 and ground water in the state and the availability of water to meet the state's needs.

184.24 ~~(d) The Environmental Quality Board shall coordinate and submit a report on water~~
184.25 ~~policy including the analyses in paragraphs (a) to (c) to the house of representatives~~
184.26 ~~and senate committees with jurisdiction over the environment, natural resources,~~
184.27 ~~and agriculture and the Legislative-Citizen Commission on Minnesota Resources by~~
184.28 ~~September 15 of each even-numbered year. The report may include the groundwater~~
184.29 ~~policy report in section 103A.204.~~

184.30 Sec. 23. Minnesota Statutes 2006, section 103B.151, subdivision 1, is amended to read:

184.31 Subdivision 1. **Water planning.** The Environmental Quality Board shall:

184.32 (1) coordinate public water resource management and regulation activities among
184.33 the state agencies having jurisdiction in the area;

(2) ~~initiate, coordinate, and continue to develop~~ comprehensive long-range water resources planning in furtherance of ~~the plan prepared by~~ the Environmental Quality Board's ~~Water Resources Committee entitled~~ "Minnesota Water Plan," published in January 1991, by September 15, 2000, and each ten-year interval afterwards;

(3) coordinate water planning activities of local, regional, and federal bodies with state water planning and integrate these plans with state strategies;

(4) coordinate development of state water policy recommendations and priorities, and a recommended program for funding identified needs, including priorities for implementing the state water resources monitoring plan;

(5) administer federal water resources planning with multiagency interests;

(6) ensure that groundwater quality monitoring and related data is provided and integrated into the Minnesota land management information system according to published data compatibility guidelines. Costs of integrating the data in accordance with data compatibility standards must be borne by the agency generating the data;

(7) coordinate the development and evaluation of water information and education materials and resources; and

(8) coordinate the dissemination of water information and education through existing delivery systems.

Sec. 24. Minnesota Statutes 2007 Supplement, section 103G.291, subdivision 3, is amended to read:

Subd. 3. **Water supply plans; demand reduction.** (a) Every public water supplier serving more than 1,000 people must submit a water supply plan to the commissioner for approval by January 1, 1996. In accordance with guidelines developed by the commissioner, the plan must address projected demands, adequacy of the water supply system and planned improvements, existing and future water sources, natural resource impacts or limitations, emergency preparedness, water conservation, supply and demand reduction measures, and allocation priorities that are consistent with section 103G.261. Public water suppliers must update their plan and, upon notification, submit it to the commissioner for approval every ten years.

(b) The water supply plan in paragraph (a) is required for all communities in the metropolitan area, as defined in section 473.121, with a municipal water supply system and is a required element of the local comprehensive plan required under section 473.859. Water supply plans or updates submitted after December 31, 2008, must be consistent with the metropolitan area master water supply plan required under section 473.1565, subdivision 1, paragraph (a), clause (2).

(c) Public water suppliers serving more than 1,000 people must employ water use demand reduction measures, including a conservation rate structure, as defined in subdivision 4, paragraph (a), unless exempted under subdivision 4, paragraph (c), before requesting approval from the commissioner of health under section 144.383, paragraph (a), to construct a public water supply well or requesting an increase in the authorized volume of appropriation. Demand reduction measures must include evaluation of conservation rate structures and a public education program that may include a toilet and showerhead retrofit program.

(d) Public water suppliers serving more than 1,000 people must submit records that indicate the number of connections and amount of use by customer category and volume of water unaccounted for with the annual report of water use required under section 103G.281, subdivision 3.

(e) For the purposes of this ~~subdivision~~ section, "public water supplier" means an entity that owns, manages, or operates a public water supply, as defined in section 144.382, subdivision 4.

Sec. 25. Minnesota Statutes 2006, section 103G.291, is amended by adding a subdivision to read:

Subd. 4. **Conservation rate structure required.** (a) For the purposes of this section, "conservation rate structure" means a rate structure that encourages conservation and may include increasing block rates, seasonal rates, time of use rates, individualized goal rates, or excess use rates. The rate structure must consider each residential unit as an individual user in multiple-family dwellings.

(b) To encourage conservation, a public water supplier serving more than 1,000 people in the metropolitan area, as defined in section 473.121, subdivision 2, shall use a conservation rate structure by January 1, 2010. All remaining public water suppliers serving more than 1,000 people shall use a conservation rate structure by January 1, 2013.

(c) A public water supplier without the proper measuring equipment to track the amount of water used by its users, as of the effective date of this act, is exempt from this subdivision and the conservation rate structure requirement under subdivision 3, paragraph (c).

Sec. 26. Minnesota Statutes 2006, section 103G.615, subdivision 2, is amended to read:

Subd. 2. **Fees.** (a) The commissioner shall establish a fee schedule for permits to control or harvest aquatic plants other than wild rice. The fees must be set by rule, and section 16A.1283 does not apply. The fees ~~may not exceed \$750 per permit~~ shall be based

upon the cost of receiving, processing, analyzing, and issuing the permit, and additional costs incurred after the application to inspect and monitor the activities authorized by the permit, and enforce aquatic plant management rules and permit requirements.

(b) ~~The A~~ fee for a permit for the control of rooted aquatic vegetation is ~~\$35~~ for each contiguous parcel of shoreline owned by an owner may be charged. This fee may not be charged for permits issued in connection with purple loosestrife control or lakewide Eurasian water milfoil control programs.

(c) A fee may not be charged to the state or a federal governmental agency applying for a permit.

(d) The money received for the permits under this subdivision shall be deposited in the treasury and credited to the water recreation account.

Sec. 27. **[115A.9175] LANDFILL; SITING.**

(a) To reduce potential future remediation costs and to protect groundwater, an applicant for a permit for a disposal facility that was not in operation prior to March 1, 2008, and that accepts mixed municipal solid waste, ash, industrial waste, or construction and demolition waste for disposal must submit as part of the application the results of an independent laboratory analysis for major cations and anions and for enriched tritium in water samples taken from an upgradient and downgradient well finished in the uppermost unconsolidated aquifer encountered and an upgradient and downgradient well finished in the uppermost bedrock aquifer at the site. If 150 feet of continuous nonaquifer material is encountered above the bedrock, testing of bedrock wells is not required. If no unconsolidated or bedrock aquifers are found within the first 150 feet at the site, no cation, anion, or tritium testing is required.

(b) The commissioner may not issue a disposal facility permit to an applicant whose test results for tritium required in paragraph (a) report concentrations of five tritium units or greater in any well tested, except as provided in paragraph (c).

(c) If test results report concentrations of five enriched tritium units or greater for any well, an applicant may present to the commissioner reasons and supporting documentation why the tritium test results may not indicate that the site is highly sensitive to groundwater contamination at the site. If the commissioner determines that the applicant's reasons and supporting documentation are scientifically valid, the commissioner shall specify additional testing of groundwater samples from the site that will allow a better estimate to be made of the sensitivity of groundwater contamination at the site. If, after reviewing the tritium test results, the additional testing data, and any other data pertaining to the site's susceptibility to groundwater contamination, the commissioner determines that the

188.1 conclusion that the site is not highly sensitive to groundwater contamination is supported
188.2 by a preponderance of the scientifically valid evidence available, the commissioner may
188.3 issue the permit. For the purposes of this section, "highly sensitive to groundwater
188.4 contamination" means that the travel time of water from the land surface to the water table
188.5 or bedrock is less than 20 years.

188.6 (d) Beginning July 1, 2010, and every two years thereafter, the commissioner must
188.7 review air sampling of the atmospheric concentration of tritium and adjust the tritium
188.8 concentration threshold in paragraph (b) to a level no greater than one-half the average
188.9 concentration of tritium in the atmosphere in this state.

188.10 (e) Paragraphs (a) to (f) do not apply to an application for a permit to expand,
188.11 including a noncontiguous expansion of a facility, or modify the type of waste accepted at
188.12 a disposal facility operating as of March 1, 2008.

188.13 (f) Minnesota Rules, part 7035.2815, applies to a disposal facility accepting
188.14 industrial waste.

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

188.16 Sec. 28. Minnesota Statutes 2006, section 473.1565, subdivision 3, is amended to read:

188.17 Subd. 3. **Reports to legislature.** The council must submit reports to the legislature
188.18 regarding its findings, recommendations, and continuing planning activities under
188.19 subdivision 1. ~~The first report must be submitted to the legislature by the date the~~
188.20 ~~legislature convenes in 2007 and subsequent reports must be submitted by such date~~
188.21 ~~every five years thereafter.~~ These reports shall be included in the "Minnesota Water Plan"
188.22 required in section 103B.151, and five-year interim reports may be provided as necessary.

188.23 Sec. 29. **FERROUS METALS MINING ADMINISTRATIVE FEE.**

188.24 (a) Until a new application fee schedule is adopted for permits to mine ferrous metals
188.25 according to the report submitted by the commissioner of natural resources under article
188.26 1, section 3, subdivision 2, the commissioner shall charge the following administrative
188.27 fees, payable to the commissioner by June 30 of each year, beginning in 2008 until a
188.28 new application fee schedule is adopted.

188.29 (b) The owner, operator, or manager of the following mines shall pay:

188.30 (1) Minntac and Keetac, \$90,000;

188.31 (2) North Shore, Hibbing Taconite, and United Taconite, \$90,000;

188.32 (3) the Minorca mine, \$10,000;

188.33 (4) Minnesota Steel, \$3,333;

188.34 (5) Mesaba Nugget, \$3,333; and

(6) Cliffs Erie, formerly LTV, \$3,333.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to owners, operators, and managers holding or applying for a permit to mine under Minnesota Statutes, section 93.481, during the 2007 calendar year.

Sec. 30. **RULES.**

The commissioner of natural resources shall adopt rules to implement the changes in law made in sections 3 to 7 and 15. The initial rules required by this section are exempt from the rulemaking provisions of Minnesota Statutes, chapter 14. The rules are subject to Minnesota Statutes, section 14.386, except that notwithstanding Minnesota Statutes, section 14.386, paragraph (b), the rules continue in effect until repealed or superseded by other law or rule.

Sec. 31. **REPEALER.**

Minnesota Statutes 2006, sections 84.961, subdivision 4; 85.013, subdivision 21b; and 97A.141, subdivision 2, and Laws 1989, chapter 335, article 1, section 21, subdivision 8, as amended by Laws 2002, chapter 323, section 19, are repealed.

ARTICLE 7
ENERGY, COMMERCE, UTILITIES

Section 1. **SUMMARY OF APPROPRIATIONS.**

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

	<u>2008</u>		<u>2009</u>		<u>Total</u>
<u>General</u>	\$ 30,000	\$	(186,000)	\$	(156,000)
<u>Special Revenue</u>	-0-		260,000		260,000
<u>Cancellations</u>	-0-		2,600,000		2,600,000
<u>Transfers From Other Funds</u>	-0-		9,180,000		9,180,000

Sec. 2. **COMMERCE AND PUBLIC UTILITIES COMMISSION APPROPRIATIONS AND REDUCTIONS.**

The dollar amounts in the columns under "APPROPRIATIONS AND REDUCTIONS" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2007, chapter 57, or other law to the specified agencies. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2008" and "2009" used in this article

mean that the appropriations listed under them are available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively. "The first year" is fiscal year 2008. "The second year" is fiscal year 2009. "The biennium" is fiscal years 2008 and 2009. Appropriations for the fiscal year ending June 30, 2008, are effective the day following final enactment.

APPROPRIATIONS AND
REDUCTIONS
Available for the Year
Ending June 30
2008 2009

Sec. 3. DEPARTMENT OF COMMERCE

Subdivision 1. Total Appropriation \$ 30,000 \$ 74,000

Appropriations by Fund

	2008	2009
General	30,000	(186,000)
Special Revenue	-0-	260,000
Cancellations	-0-	2,600,000
Transfers From		
Other Funds	-0-	5,180,000

Subd. 2. Administration -0- 84,000

\$46,000 in the second year is a base reduction to the administration program and the Office of Energy Security.

\$130,000 in the second year is a base increase for staffing to enhance unclaimed property compliance.

Subd. 3. Market Assurance (270,000) (270,000)

This is a base reduction to the do not call program.

Subd. 4. Energy and Telecommunications 300,000 260,000

Appropriations by Fund

General Fund	300,000	-0-
Special Revenue		
Fund	-0-	260,000

\$300,000 in the first year is for the solar rebate program. This is a onetime appropriation and is available until spent.

191.1 \$175,000 in the second year is a onetime
191.2 appropriation for the broadband mapping
191.3 project initiated in this article. This
191.4 appropriation is from the telecommunications
191.5 access Minnesota fund account in the special
191.6 revenue fund.

191.7 \$85,000 in the second year is a onetime
191.8 appropriation for transfer to the Board of
191.9 Regents of the University of Minnesota for
191.10 the state video franchising study initiated in
191.11 this article. This appropriation is from the
191.12 telecommunications access Minnesota fund
191.13 account in the special revenue fund.

191.14 Of the amounts appropriated from the
191.15 special revenue fund in the second year
191.16 to the commissioner of commerce for
191.17 renewable energy research under Laws
191.18 2007, chapter 57, article 2, section 3,
191.19 subdivision 6, clause (7), up to \$250,000
191.20 may be used for cold weather biodiesel
191.21 blending infrastructure grants to facilities
191.22 that serve Minnesota, \$500,000 must be used
191.23 to support the algae-to-biofuels research
191.24 project at the University of Minnesota
191.25 and the Metropolitan Council, and up to
191.26 \$500,000 must be used for the cap-and-trade
191.27 governance and economic and emissions
191.28 studies required in 2008 House File 3195.
191.29 The appropriation for the cap-and-trade
191.30 studies is available only if 2008 House File
191.31 3195, or legislation requiring the studies, is
191.32 enacted.

191.33 Of the amounts appropriated from the
191.34 special revenue fund in the second year
191.35 to the commissioner of commerce for

192.1 automotive technology projects under Laws
192.2 2007, chapter 57, article 2, subdivision 6,
192.3 clause (4), up to \$200,000 shall be used
192.4 for the required report and activities of the
192.5 Green Economy Transformation Task Force
192.6 established in this article. This is a onetime
192.7 appropriation.

192.8 Of the assessment amount authorized under
192.9 Minnesota Statutes, section 216B.241,
192.10 subdivision 1e, up to \$200,000 in the
192.11 second year shall be used for the required
192.12 report and activities of the Green Economy
192.13 Transformation Task Force established in
192.14 this article. This is a onetime appropriation.

192.15 Subd. 5. **Cancellation**

192.16 Prior to July 31, 2008, \$2,600,000 from the
192.17 unexpended balance from the appropriation
192.18 made in Laws 2007, chapter 57, article
192.19 2, section 3, subdivision 6, for renewable
192.20 hydrogen initiative grants is canceled to the
192.21 general fund.

192.22 Subd. 6. **Transfers**

192.23 (a) **Insurance Fraud Prevention Account**

192.24 Prior to July 31, 2008, the commissioner of
192.25 finance shall transfer \$2,000,000 from the
192.26 unexpended balance of the insurance fraud
192.27 prevention account established in Minnesota
192.28 Statutes, section 45.0135, to the general fund.

192.29 After June 15, 2009, and prior to June 30,
192.30 2009, the commissioner of finance shall
192.31 transfer \$1,500,000 from the unexpended
192.32 balance of the insurance fraud prevention
192.33 account established in Minnesota Statutes,
192.34 section 45.0135, to the general fund.

193.1 **(b) Real Estate Education, Research and**
193.2 **Recovery Fund**

193.3 Prior to July 31, 2008, the commissioner
193.4 of finance shall transfer \$1,350,000 from
193.5 the unexpended balance of the real estate
193.6 education, research and recovery fund
193.7 established in Minnesota Statutes, section
193.8 82.43, to the general fund.

193.9 **(c) Consumer Education Account**

193.10 Prior to July 31, 2008, the commissioner
193.11 of finance shall transfer \$100,000 from
193.12 the unexpended balance of the consumer
193.13 education account established under
193.14 Minnesota Statutes, section 58.10, to the
193.15 general fund.

193.16 **(d) Automobile Theft Prevention Account**

193.17 Prior to July 31, 2008, the commissioner
193.18 of finance shall transfer \$230,000 from the
193.19 unexpended balance of the automobile theft
193.20 prevention account established in Minnesota
193.21 Statutes, section 168A.40, to the general
193.22 fund.

193.23 Sec. 4. **PUBLIC UTILITIES COMMISSION**

193.24 Prior to July 31, 2008, the commissioner
193.25 of finance shall transfer \$4,000,000 from
193.26 the telephone assistance fund established in
193.27 Minnesota Statutes, section 237.701, to the
193.28 general fund.

193.29 Sec. 5. Minnesota Statutes 2007 Supplement, section 16B.328, is amended by adding a
193.30 subdivision to read:

193.31 Subd. 3. **Standards for state-funded outdoor lighting fixtures.** (a) An outdoor
193.32 lighting fixture may be installed or replaced using state funds only if:

194.1 (1) the new or replacement outdoor lighting fixture is a cutoff luminaire if the rated
194.2 output of the outdoor lighting fixture is greater than 1,800 lumens;

194.3 (2) the minimum illuminance adequate for the intended purpose is used with
194.4 consideration given to nationally recognized standards;

194.5 (3) for lighting of a designated highway of the state highway system, the Department
194.6 of Transportation determines that the purpose of the outdoor lighting fixture cannot be
194.7 achieved by the installation of reflective road markers, lines, warning or informational
194.8 signs, or other effective passive methods; and

194.9 (4) full consideration has been given to energy conservation and savings, reducing
194.10 glare, minimizing light pollution, and preserving the natural night environment.

194.11 (b) Paragraph (a) does not apply if:

194.12 (1) a federal law, rule, or regulation preempts state law;

194.13 (2) the outdoor lighting fixture is used on a temporary basis because emergency
194.14 personnel require additional illumination for emergency procedures;

194.15 (3) the outdoor lighting fixture is used on a temporary basis for nighttime work;

194.16 (4) special events or situations require additional illumination, provided that the
194.17 illumination installed shields the outdoor lighting fixtures from direct view and minimizes
194.18 upward lighting and light pollution;

194.19 (5) the outdoor lighting fixture is used solely to highlight the aesthetic aspects of
194.20 a single object or distinctive building; or

194.21 (6) a compelling safety interest exists that cannot be addressed by another method.

194.22 (c) This subdivision does not apply to the operation and maintenance of lights or
194.23 lighting systems purchased or installed, or for which design work is completed, before
194.24 August 1, 2008.

194.25 (d) This section does not apply if a state agency or local unit of government
194.26 determines that compliance with this section would:

194.27 (1) require an increased use of electricity;

194.28 (2) increase the construction cost of a lighting system more than 15 percent over the
194.29 construction cost of a lighting system that does not comply with this section;

194.30 (3) increase the cost of operation and maintenance of the lighting system more than
194.31 ten percent over the cost of operating and maintaining the existing lighting system over
194.32 the life of the lighting system; or

194.33 (4) result in a negative safety impact.

194.34 **Sec. 6. [116J.437] COORDINATING ECONOMIC DEVELOPMENT AND**
194.35 **ENVIRONMENTAL POLICY.**

195.1 Subdivision 1. **Definitions.** For the purpose of this section, "green economy" means
195.2 products, processes, methods, technologies, or services intended to do one or more of
195.3 the following:

195.4 (1) increase the use of energy from renewable sources, as defined in section
195.5 216B.1691;

195.6 (2) increase the energy efficiency of the electric utility infrastructure system or
195.7 increase energy conservation related to electricity use, as provided in sections 216B.2401
195.8 and 216B.241;

195.9 (3) reduce greenhouse gas emissions, as defined in section 216H.01, subdivision
195.10 2, or mitigate greenhouse gas emissions through, but not limited to, carbon capture,
195.11 storage, or sequestration;

195.12 (4) monitor, protect, restore, and preserve the quality of surface waters; or

195.13 (5) expand use of biofuels, including by expanding the feasibility or reducing the
195.14 cost of producing biofuels or the types of equipment, machinery, and vehicles that can use
195.15 biofuels.

195.16 Subd. 2. **Coordinating economic development and environmental policy.** The
195.17 commissioner shall cooperate to promote job training that complements green economy
195.18 business development.

195.19 Sec. 7. Minnesota Statutes 2007 Supplement, section 116J.575, subdivision 1a, is
195.20 amended to read:

195.21 Subd. 1a. **Priorities.** (a) If applications for grants exceed the available
195.22 appropriations, grants shall be made for sites that, in the commissioner's judgment, provide
195.23 the highest return in public benefits for the public costs incurred. "Public benefits" include
195.24 job creation, bioscience development, environmental benefits to the state and region,
195.25 efficient use of public transportation, efficient use of existing infrastructure, provision of
195.26 affordable housing, multiuse development that constitutes community rebuilding rather
195.27 than single-use development, crime reduction, blight reduction, community stabilization,
195.28 and property tax base maintenance or improvement. In making this judgment, the
195.29 commissioner shall give priority to redevelopment projects with one or more of the
195.30 following characteristics:

195.31 (1) the need for redevelopment in conjunction with contamination remediation needs;

195.32 (2) the redevelopment project meets current tax increment financing requirements
195.33 for a redevelopment district and tax increments will contribute to the project;

195.34 (3) the redevelopment potential within the municipality;

195.35 (4) proximity to public transit if located in the metropolitan area;

196.1 (5) redevelopment costs related to expansion of a bioscience business in Minnesota;
196.2 ~~and~~
196.3 (6) multijurisdictional projects that take into account the need for affordable housing,
196.4 transportation, and environmental impact; or
196.5 (7) the project advances or promotes the green economy as defined in section
196.6 116J.437.

196.7 (b) The factors in paragraph (a) are not listed in a rank order of priority; rather, the
196.8 commissioner may weigh each factor, depending upon the facts and circumstances, as
196.9 the commissioner considers appropriate. The commissioner may consider other factors
196.10 that affect the net return of public benefits for completion of the redevelopment plan. The
196.11 commissioner, notwithstanding the listing of priorities and the goal of maximizing the
196.12 return of public benefits, shall make grants that distribute available money to sites both
196.13 within and outside of the metropolitan area. Unless sufficient applications are not received
196.14 for qualifying sites outside of the metropolitan area, at least 50 percent of the money
196.15 provided as grants must be made for sites located outside of the metropolitan area.

196.16 Sec. 8. Minnesota Statutes 2006, section 116J.8731, subdivision 4, is amended to read:

196.17 Subd. 4. **Eligible projects.** Assistance must be evaluated on the existence of the
196.18 following conditions:

196.19 (1) creation of new jobs, retention of existing jobs, or improvements in the quality of
196.20 existing jobs as measured by the wages, skills, or education associated with those jobs;

196.21 (2) increase in the tax base;

196.22 (3) the project can demonstrate that investment of public dollars induces private
196.23 funds;

196.24 (4) the project can demonstrate an excessive public infrastructure or improvement
196.25 cost beyond the means of the affected community and private participants in the project;

196.26 (5) the project provides higher wage levels to the community or will add value to
196.27 current workforce skills;

196.28 (6) whether assistance is necessary to retain existing business; ~~and~~

196.29 (7) whether assistance is necessary to attract out-of-state business; and

196.30 (8) the project promotes or advances the green economy as defined in section
196.31 116J.437.

196.32 A grant or loan cannot be made based solely on a finding that the conditions in
196.33 clause (6) or (7) exist. A finding must be made that a condition in clause (1), (2), (3),
196.34 (4), or (5) also exists.

196.35 Applications recommended for funding shall be submitted to the commissioner.

197.1 Sec. 9. Minnesota Statutes 2007 Supplement, section 216C.41, subdivision 3, is
197.2 amended to read:

197.3 Subd. 3. **Eligibility window.** Payments may be made under this section only for:

197.4 (a) electricity generated from:

197.5 (1) a qualified hydroelectric facility that is operational and generating electricity
197.6 before December 31, ~~2009~~ 2011;

197.7 (2) a qualified wind energy conversion facility that is operational and generating
197.8 electricity before January 1, 2008; or

197.9 (3) a qualified on-farm biogas recovery facility from July 1, 2001, through December
197.10 31, 2017; and

197.11 (b) gas generated from a qualified on-farm biogas recovery facility from July 1,
197.12 2007, through December 31, 2017.

197.13 Sec. 10. Minnesota Statutes 2006, section 216C.41, subdivision 4, is amended to read:

197.14 Subd. 4. **Payment period.** (a) A facility may receive payments under this section for
197.15 a ten-year period. No payment under this section may be made for electricity generated:

197.16 (1) by a qualified hydroelectric facility after December 31, ~~2019~~ 2021;

197.17 (2) by a qualified wind energy conversion facility after December 31, 2018; or

197.18 (3) by a qualified on-farm biogas recovery facility after December 31, 2015.

197.19 (b) The payment period begins and runs consecutively from the date the facility
197.20 begins generating electricity or, in the case of refurbishment of a hydropower facility, after
197.21 substantial repairs to the hydropower facility dam funded by the incentive payments are
197.22 initiated.

197.23 Sec. 11. Minnesota Statutes 2006, section 609.531, subdivision 1, is amended to read:

197.24 Subdivision 1. **Definitions.** For the purpose of sections 609.531 to 609.5318, the
197.25 following terms have the meanings given them.

197.26 (a) "Conveyance device" means a device used for transportation and includes, but
197.27 is not limited to, a motor vehicle, trailer, snowmobile, airplane, and vessel and any
197.28 equipment attached to it. The term "conveyance device" does not include property which
197.29 is, in fact, itself stolen or taken in violation of the law.

197.30 (b) "Weapon used" means a dangerous weapon as defined under section 609.02,
197.31 subdivision 6, that the actor used or had in possession in furtherance of a crime.

197.32 (c) "Property" means property as defined in section 609.52, subdivision 1, clause (1).

197.33 (d) "Contraband" means property which is illegal to possess under Minnesota law.

198.1 (e) "Appropriate agency" means the Bureau of Criminal Apprehension, the
198.2 Department of Commerce Division of Insurance Fraud Prevention, the Minnesota Division
198.3 of Driver and Vehicle Services, the Minnesota State Patrol, a county sheriff's department,
198.4 the Three Rivers Park District park rangers, the Department of Natural Resources Division
198.5 of Enforcement, the University of Minnesota Police Department, the Department of
198.6 Corrections' Fugitive Apprehension Unit, or a city or airport police department.

198.7 (f) "Designated offense" includes:

198.8 (1) for weapons used: any violation of this chapter, chapter 152, or chapter 624;

198.9 (2) for driver's license or identification card transactions: any violation of section
198.10 171.22; and

198.11 (3) for all other purposes: a felony violation of, or a felony-level attempt or
198.12 conspiracy to violate, section 325E.17; 325E.18; 609.185; 609.19; 609.195; 609.21;
198.13 609.221; 609.222; 609.223; 609.2231; 609.24; 609.245; 609.25; 609.255; 609.282;
198.14 609.283; 609.322; 609.342, subdivision 1, clauses (a) to (f); 609.343, subdivision 1,
198.15 clauses (a) to (f); 609.344, subdivision 1, clauses (a) to (e), and (h) to (j); 609.345,
198.16 subdivision 1, clauses (a) to (e), and (h) to (j); 609.352; 609.42; 609.425; 609.466;
198.17 609.485; 609.487; 609.52; 609.525; 609.527; 609.528; 609.53; 609.54; 609.551; 609.561;
198.18 609.562; 609.563; 609.582; 609.59; 609.595; 609.611; 609.631; 609.66, subdivision 1e;
198.19 609.671, subdivisions 3, 4, 5, 8, and 12; 609.687; 609.821; 609.825; 609.86; 609.88;
198.20 609.89; 609.893; 609.895; 617.246; 617.247; or a gross misdemeanor or felony violation
198.21 of section 609.891 or 624.7181; or any violation of section 609.324.

198.22 (g) "Controlled substance" has the meaning given in section 152.01, subdivision 4.

198.23 Sec. 12. **STATE VIDEO FRANCHISING STUDY.**

198.24 Subdivision 1. Study contents. The Department of Commerce shall contract for a
198.25 study of the impact of legislation enacted in at least three states that requires franchises
198.26 for video service to be issued by a state agency. The contractor conducting the study
198.27 shall, prior to its initiation, consult with associations representing municipalities and
198.28 communities of color. The study shall contain, at a minimum, the following information:

198.29 (1) the number of new video service providers that have applied for a state video
198.30 franchise;

198.31 (2) the number of incumbent video service providers that have elected to terminate
198.32 an existing franchise agreement and apply for a state video franchise;

198.33 (3) the amount of capital invested by new video service providers to furnish video
198.34 service;

199.1 (4) the number of communities in which new video service providers intend to offer
199.2 video services, as reflected in their application;

199.3 (5) the number of communities with an incumbent video provider in which new
199.4 providers intend to offer video services;

199.5 (6) the number of communities with no incumbent video service provider in which
199.6 new video service providers intend to offer video services;

199.7 (7) the effect on video service prices in communities with an incumbent video
199.8 provider in which new video service providers offer video services;

199.9 (8) the effect on franchise fee revenues received by municipalities from video
199.10 service providers;

199.11 (9) the effect on the number of PEG channels available to communities;

199.12 (10) the effect on the amount of revenues received by municipalities to support the
199.13 provision of PEG programming in communities;

199.14 (11) the effect on the amount of PEG programming available in communities;

199.15 (12) the progress of new video providers in meeting any build-out requirements
199.16 in the law; and

199.17 (13) the effect on municipal services provided to communities by video service
199.18 providers.

199.19 Subd. 2. **Report.** The department shall submit the report described in subdivision
199.20 1 to the chairs and ranking minority members of the senate and house committees with
199.21 primary jurisdiction over telecommunications policy by February 1, 2009.

199.22 Sec. 13. **BROADBAND MAPPING PROJECT.**

199.23 Subdivision 1. **Project.** The commissioner of commerce shall contract with a
199.24 nonprofit organization that has significant experience working with broadband providers to
199.25 develop geographical information system maps displaying levels of broadband service by
199.26 connection speed and type of technology used and integrating the maps with demographic
199.27 information to produce a comprehensive statewide inventory and mapping of existing
199.28 broadband service and capability.

199.29 Subd. 2. **Mapping.** Data must be collected from broadband providers and entered
199.30 into a geographic information system to produce maps that, for the state of Minnesota and
199.31 any defined geographical entity within it, clearly convey the following information:

199.32 (1) areas unserved by any broadband provider;

199.33 (2) areas served by a single broadband provider;

199.34 (3) the location of towers used to transmit and receive broadband signals;

199.35 (4) actual upstream and downstream transmission speeds at the county level of detail;

200.1 (5) areas served by multiple broadband providers; and

200.2 (6) the types of technology used to provide broadband service.

200.3 The data used to produce the maps must be capable of being integrated with demographic
200.4 data from other sources including, but not limited to, population density and household
200.5 income to allow for the production of maps that measure, down to the census block
200.6 level of detail, various characteristics of residents in areas receiving different levels of
200.7 broadband services and utilizing different technologies. Data provided by a broadband
200.8 provider to the contractor under this subdivision is nonpublic data under Minnesota
200.9 Statutes, section 13.02, subdivision 9. Maps produced under this subdivision are public
200.10 data under Minnesota Statutes, section 13.03.

200.11 For the purposes of this section, "technology" or "technologies" means different
200.12 methods of connecting to the Internet including, but not limited to, cable modem, DSL,
200.13 ADSL, VDSL, and fiber optics.

200.14 Sec. 14. **REPORT.**

200.15 The commissioner of commerce, in consultation with the commissioner of
200.16 employment and economic development, must analyze all state grant and loan programs
200.17 administered by a state agency to develop a plan specific to each program to optimize the
200.18 growth of the green economy, as defined in section 6, through program activities. The
200.19 report, along with any necessary implementing legislation, must be submitted to the chairs
200.20 of the legislative committees with primary jurisdiction over energy, environmental, and
200.21 economic development finance or policy issues by January 15, 2009.

200.22 Sec. 15. **GREEN ECONOMY TRANSFORMATION TASK FORCE.**

200.23 Subdivision 1. **Task force.** (a) A Green Economy Transformation Task Force is
200.24 created to advise and assist the governor and legislature regarding activities to transform
200.25 the state's economy, and to develop a statewide action plan as provided under subdivision
200.26 2. The task force shall consist of:

200.27 (1) three legislators from the house of representatives, including one minority
200.28 caucus member, appointed by the speaker, and three legislators from the senate, including
200.29 one minority caucus member, appointed by the Subcommittee on Committees of the
200.30 Committee on Rules and Administration;

200.31 (2) six representatives from state agencies and institutions appointed by the
200.32 governor, including one member from the Office of Energy Security, one member from
200.33 the Department of Employment and Economic Security, one member from the Job Skills

201.1 Partnership Board, one member from the University of Minnesota, one member from
201.2 Minnesota State Colleges and Universities, and one additional member; and

201.3 (3) six persons from the private sector appointed by the cochair of the task force,
201.4 including one member representing the utility industry, one member representing labor,
201.5 one member representing manufacturing, one member representing financial institutions,
201.6 one member representing venture capital, and one additional member. A cochair shall
201.7 be named from among the legislative members by the appointing authority of each
201.8 legislative body.

201.9 The governor is exempt from the requirements of the open appointments process for
201.10 purposes of appointing task force members.

201.11 (b) The Department of Commerce shall provide staff support to the task force. The
201.12 task force may accept outside resources to help support its efforts.

201.13 Subd. 2. **Duties.** (a) By January 15, 2009, the task force shall develop and present to
201.14 the legislature and the governor a statewide action plan, including necessary legislation
201.15 and budget requests, for transforming the economic system of the state to respond to and
201.16 benefit from the environmental and energy policies of the state contained in the:

201.17 (1) renewable energy standard in Minnesota Statutes, section 216B.1691,
201.18 subdivision 2a;

201.19 (2) energy conservation requirement in Minnesota Statutes, section 216B.241,
201.20 subdivision 1c;

201.21 (3) greenhouse gas emission reduction goals in Minnesota Statutes, section 216H.02,
201.22 subdivision 1;

201.23 (4) Clean Water Legacy Act in Minnesota Statutes, chapter 114D; and

201.24 (5) biofuels 25 by 2025 initiative in Minnesota Statutes, sections 41A.10, subdivision
201.25 2, and 41A.11.

201.26 (b) The plan may consist of legislative actions, administrative actions of
201.27 governmental entities, collaborative actions, and actions of individuals and individual
201.28 organizations. The plan must be developed following the analysis described in this
201.29 paragraph and must be based on the analysis. The analysis must include:

201.30 (1) a market analysis of the business opportunities and needs created by the laws
201.31 enumerated in paragraph (a), including local, state, national, and international markets;

201.32 (2) an analysis of the labor force needs related to the market analysis opportunities
201.33 identified in clause (1), including educational, training, and retraining needs; and

201.34 (3) an inventory of the current labor and business assets available to respond to the
201.35 opportunities identified in clause (1) and the labor needs identified in clause (2).

201.36 The task force shall contract for the analysis required by this paragraph.

202.1 (c) The task force expires June 30, 2009.

202.2 **ARTICLE 8**

202.3 **DEPARTMENT OF AGRICULTURE, BOARD OF ANIMAL HEALTH,**
202.4 **DEPARTMENT OF VETERANS AFFAIRS, DEPARTMENT OF**
202.5 **EMPLOYMENT AND ECONOMIC DEVELOPMENT**

202.6 Section 1. **SUMMARY OF APPROPRIATIONS.**

202.7 The sums shown in the columns marked "Appropriations" are added to or, if shown
202.8 in parentheses, subtracted from the appropriations in Laws 2007, chapter 45, articles 1
202.9 to 3, to the agencies and for the purposes specified in this article. The appropriations
202.10 are from the general fund or another named fund and are available for the fiscal years
202.11 indicated for each purpose. The figures "2008" and "2009" used in this article mean
202.12 that the addition to or subtraction from the appropriation listed under them is available
202.13 for the fiscal year ending June 30, 2008, or June 30, 2009, respectively. Supplemental
202.14 appropriations and reductions to appropriations for the fiscal year ending June 30, 2008,
202.15 are effective the day following final enactment.

202.16	<u>APPROPRIATIONS</u>		
202.17	<u>Available for the Year</u>		
202.18	<u>Ending June 30</u>		
202.19	<u>2008</u>	<u>2009</u>	

202.20 Sec. 2. **DEPARTMENT OF AGRICULTURE** \$ **(200,000)** \$ **2,143,000**

202.21 \$302,000 is a reduction in fiscal year 2009.
202.22 The commissioner shall make a reduction
202.23 of \$100,000 from agricultural marketing,
202.24 \$100,000 shall come from efficiencies gained
202.25 by the merger of the Agriculture Resources
202.26 Management and Development Division and
202.27 the Agriculture Finance Division, and the
202.28 remainder shall come from a reduction in
202.29 administrative services.

202.30 \$2,385,000 in fiscal year 2009 is for grants
202.31 to livestock producers via the livestock
202.32 investment grant program in Minnesota
202.33 Statutes, section 17.118, if enacted. This is a
202.34 onetime appropriation and is available until
202.35 spent.

203.1 The \$200,000 appropriation in Laws 2007,
203.2 chapter 45, article 1, section 3, subdivision
203.3 4, for a grant to the Elk River Economic
203.4 Development Authority for a bioenergy
203.5 project is canceled to the general fund.

203.6 \$60,000 in fiscal year 2009 is for a grant
203.7 to the Washington Center for Internships
203.8 and Academic Seminars. The center must
203.9 use the funds for an agricultural renewable
203.10 energy internship pilot program that awards
203.11 scholarships to students enrolling in a
203.12 Minnesota four-year college or university
203.13 beginning in the spring semester of 2009.
203.14 This appropriation must be matched
203.15 two-to-one by funding from the United
203.16 States Department of Agriculture. The center
203.17 must work with Minnesota colleges and
203.18 universities and the Minnesota Department
203.19 of Agriculture to achieve racial, ethnic,
203.20 and gender diversity, as well as rural-urban
203.21 balance among scholarship recipients,
203.22 and must award the scholarships to
203.23 Minnesota students who are economically
203.24 disadvantaged, who demonstrate need
203.25 of financial assistance, and who are
203.26 underrepresented in higher education. This
203.27 is a onetime appropriation.

203.28 \$310,000 is a reduction in fiscal year 2009
203.29 of the appropriation for ethanol producer
203.30 payments in Laws 2007, chapter 45, article
203.31 1, section 3, subdivision 4. This reduction
203.32 becomes part of the base. In addition, the
203.33 appropriation for producer payments must be
203.34 reduced by an additional \$247,000 in 2010
203.35 and \$293,000 in 2011 to reflect the end of
203.36 deficiency payments to a bankrupt ethanol

204.1	<u>entity as required in article 9, section 6.</u>			
204.2	<u>These amounts must stay within the budget</u>			
204.3	<u>for the Department of Agriculture.</u>			
204.4	<u>\$310,000 in fiscal year 2009 is for increased</u>			
204.5	<u>ground water monitoring activities. This</u>			
204.6	<u>appropriation is onetime only.</u>			
204.7	Sec. 3. <u>BOARD OF ANIMAL HEALTH</u>	\$	<u>472,000</u>	\$ <u>5,562,000</u>
204.8	<u>For monitoring, testing, eradication,</u>			
204.9	<u>education, and outreach, and other activities</u>			
204.10	<u>the board is required to undertake to</u>			
204.11	<u>comply with federal regulations concerning</u>			
204.12	<u>cattle, bison, goats, and farmed cervidae</u>			
204.13	<u>under a USDA modified accredited status.</u>			
204.14	<u>\$2,252,000 is added to the base in each of</u>			
204.15	<u>fiscal years 2010 and 2011.</u>			
204.16	<u>Up to \$12,000 in fiscal year 2009 is for</u>			
204.17	<u>a onetime grant to a beef cattle producer</u>			
204.18	<u>located outside of a bovine tuberculosis</u>			
204.19	<u>containment area who purchased certified</u>			
204.20	<u>tuberculosis-free cattle yet sustained financial</u>			
204.21	<u>losses beyond the producer's control due to</u>			
204.22	<u>restrictions imposed by the Board of Animal</u>			
204.23	<u>Health that effectively denied the producer</u>			
204.24	<u>the ability to sell the tuberculosis-free</u>			
204.25	<u>cattle during favorable market conditions.</u>			
204.26	<u>Notwithstanding Minnesota Statutes,</u>			
204.27	<u>section 35.085, the board shall make this</u>			
204.28	<u>grant from the \$100,000 appropriation for</u>			
204.29	<u>reimbursements in Laws 2007, chapter 45,</u>			
204.30	<u>article 1, section 4.</u>			
204.31	Sec. 4. <u>DEPARTMENT OF VETERANS</u>			
204.32	<u>AFFAIRS</u>			
204.33	Subdivision 1. <u>Total Appropriation</u>	\$	<u>(5,250,000)</u>	\$ <u>1,357,000</u>

205.1	<u>Appropriations by Fund</u>	
205.2	<u>2008</u>	<u>2009</u>
205.3	<u>General</u>	<u>(5,250,000)</u>
205.4	<u>Special Revenue</u>	<u>-0-</u>
		<u>(338,000)</u>

205.5 The amounts that may be spent for each
205.6 purpose are specified in the following
205.7 subdivisions.

205.8 **Subd. 2. Appropriations by Purpose**

205.9 \$500,000 in fiscal year 2009 is added to
205.10 the base for grants to counties for veterans
205.11 service offices as provided under Laws 2007,
205.12 chapter 45, article 2, section 1, paragraph (b).

205.13 By January 15, 2009, the commissioner shall
205.14 report to the chair and ranking minority
205.15 member of each committee in the senate and
205.16 house of representatives with jurisdiction
205.17 over the policy and finance of veterans affairs
205.18 regarding activities and expenditures under
205.19 this program during fiscal years 2008 and
205.20 2009, including an explanation of the role of
205.21 staff of the Department of Veterans Affairs in
205.22 administering this program.

205.23 \$3,500,000 in fiscal year 2009 is for state
205.24 soldiers assistance under Minnesota Statutes,
205.25 section 197.05. Of this amount, \$2,000,000
205.26 is added to the base for this activity. This
205.27 appropriation is available until spent.

205.28 By January 15, 2009, the commissioner shall
205.29 report to the chair and ranking minority
205.30 member of each committee in the senate and
205.31 house of representatives with jurisdiction
205.32 over the policy and finance of veterans affairs
205.33 regarding activities and expenditures under
205.34 this program during fiscal years 2008 and
205.35 2009, including an explanation of the role of

206.1 staff of the Department of Veterans Affairs in
206.2 administering this program.

206.3 \$1,000,000 in fiscal year 2009 is for casework
206.4 services for veterans. The commissioner,
206.5 in consultation with the Department of
206.6 Administration, shall use the request for
206.7 proposal process in Minnesota Statutes,
206.8 chapter 16C, to solicit bids for the provision
206.9 of these services. The casework services
206.10 provided should be community-based,
206.11 available statewide, and include in-home
206.12 counseling.

206.13 By January 15, 2009, the commissioner shall
206.14 report to the chair and ranking minority
206.15 member of each committee in the senate and
206.16 house of representatives with jurisdiction
206.17 over the policy and finance of veterans affairs
206.18 regarding activities and expenditures under
206.19 this program during fiscal years 2008 and
206.20 2009.

206.21 \$220,000 in fiscal year 2009 is added to
206.22 the base for operations of the LinkVET
206.23 telephone line service for veterans.

206.24 For purposes of efficiency, the commissioner
206.25 must combine the services available through
206.26 the toll-free higher education call center
206.27 for veterans with those available through
206.28 LinkVET.

206.29 \$250,000 in fiscal year 2009 is added to
206.30 the base for the Veterans Claims Office for
206.31 outreach and training to improve services
206.32 and benefits to veterans. This appropriation
206.33 includes money to add a female veterans
206.34 service officer/coordinator position.

207.1 \$50,000 in fiscal year 2009 is for designing
207.2 a treatment program for veterans with
207.3 traumatic brain injuries within the state
207.4 veterans homes. By January 15, 2009, the
207.5 commissioner must report to the chair and
207.6 ranking minority member of each committee
207.7 in the senate and house of representatives
207.8 with jurisdiction over the policy and finance
207.9 of veterans affairs regarding the requirements
207.10 and feasibility of implementing this program
207.11 within existing and future veterans homes.
207.12 This is a onetime appropriation.

207.13 \$250,000 in fiscal year 2009 is added to the
207.14 base for a grant to the Minnesota Assistance
207.15 Council for Veterans for their work in
207.16 helping veterans and their families affected
207.17 by homelessness.

207.18 By January 15, 2009, the commissioner shall
207.19 report to the chair and ranking minority
207.20 member of each committee in the senate and
207.21 house of representatives with jurisdiction
207.22 over the policy and finance of veterans affairs
207.23 regarding activities and expenditures under
207.24 this program during fiscal years 2008 and
207.25 2009.

207.26 \$200,000 in fiscal year 2009 is for:

207.27 (1) an intergovernmental and veterans
207.28 strategic planning study for the Minnesota
207.29 veterans homes, with special emphasis
207.30 on exploring alternative models for the
207.31 Minneapolis veterans home; and

207.32 (2) a study of the feasibility of partnering
207.33 for home-based services for veterans with
207.34 nongovernmental, nonprofit, or faith-based
207.35 social service and health care delivery

208.1 organizations, as a means of enabling
208.2 veterans to live more independently, as an
208.3 alternative to the projected sharply increasing
208.4 needs for domiciliary and skilled nursing
208.5 beds in state veterans homes. This is a
208.6 onetime appropriation.

208.7 No staff may be hired for or allocated to
208.8 any new veterans cemetery without explicit
208.9 legislative approval.

208.10 Notwithstanding Minnesota Statutes, section
208.11 16A.62, on June 30, 2008, all money in
208.12 the permanent trust account in the special
208.13 revenue fund of the state veterans cemetery
208.14 must be transferred to the permanent
208.15 development and maintenance account in
208.16 that fund.

208.17 \$1,000,000 is a reduction in fiscal year 2009
208.18 for the Veterans Homes Board. The base
208.19 appropriation for fiscal years 2010 and 2011
208.20 is reduced by \$1,320,000 in each year. This
208.21 reduction is made possible by the enhanced
208.22 efficiency in administration of the homes
208.23 associated with the transfer of governing
208.24 authority from the Veterans Homes Board to
208.25 the commissioner of veterans affairs.

208.26 \$600,000 in fiscal year 2009 is for the state
208.27 GI bill program in Minnesota Statutes,
208.28 section 197.791. The base for this program is
208.29 increased by \$800,000 in each of fiscal years
208.30 2010 and 2011.

208.31 \$5,250,000 in fiscal year 2008 and
208.32 \$5,000,000 in fiscal year 2009 are reductions
208.33 from the appropriation made in Laws 2007,
208.34 chapter 144, article 1, section 7. The base for

209.1 the program in fiscal year 2010 is reduced by
209.2 \$4,500,000.

209.3 \$100,000 in fiscal year 2009 is for a grant
209.4 to the Minnesota Ambulance Association
209.5 to implement a veterans paramedic
209.6 apprenticeship program for the purpose of
209.7 reintegrating qualified returning military
209.8 medics into Minnesota's workforce in the
209.9 field of paramedic and emergency services.

209.10 This is a onetime appropriation.

209.11 \$25,000 in fiscal year 2009 is to develop a
209.12 pilot program for peer-to-peer counseling
209.13 among combat veterans. This is a onetime
209.14 appropriation.

209.15 By January 15, 2009, the commissioner shall
209.16 report to the chair and ranking minority
209.17 member of each committee in the senate and
209.18 house of representatives with jurisdiction
209.19 over the policy and finance of veterans affairs
209.20 regarding activities and expenditures under
209.21 this program.

209.22 \$1,000,000 in fiscal year 2009 is for
209.23 improvements to the medication distribution
209.24 system in the Minnesota veterans homes.

209.25 This is a onetime appropriation.

209.26 By January 15, 2009, the commissioner shall
209.27 report to the chair and ranking minority
209.28 member of each committee in the senate and
209.29 house of representatives with jurisdiction
209.30 over the policy and finance of veterans affairs
209.31 regarding activities and expenditures under
209.32 this program, including an explanation of the
209.33 role of staff of the Department of Veterans
209.34 Affairs in administering this program.

H.F. No. 1812, 2nd Engrossment - 2007-2008th Legislative Session (2007-2008)

210.1 \$338,000 is a reduction in fiscal year
210.2 2009 from the special revenue fund
210.3 appropriation from the account established
210.4 in Minnesota Statutes, section 190.19. The
210.5 base appropriation in fiscal years 2010 and
210.6 2011 is \$0.

210.7	Sec. 5. <u>DEPARTMENT OF EMPLOYMENT</u>			
210.8	<u>AND ECONOMIC DEVELOPMENT</u>	\$	0	\$ 1,000,000

210.9 \$500,000 in fiscal year 2009 is for military
210.10 reservist economic injury loans under
210.11 Minnesota Statutes, section 116J.996, if
210.12 enacted.

210.13 \$500,000 in fiscal year 2009 is for
210.14 expenditures related to dislocated workers
210.15 who are eligible veterans under Minnesota
210.16 Statutes, section 116L.17, subdivision 1,
210.17 paragraph (c), clause (6), if enacted.

ARTICLE 9

RELATED PROVISIONS FOR AGRICULTURE AND VETERANS AFFAIRS

Section 1. Minnesota Statutes 2006, section 3.30, subdivision 1, is amended to read:

Subdivision 1. **Appropriation; transfers.** A general contingent appropriation for each year of the biennium is authorized in the amount the legislature deems sufficient. Additional special contingent appropriations as the legislature deems necessary are authorized. Transfers from the appropriations to the appropriations of the various departments and agencies may be made by the commissioner of finance subject to the following provisions:

(a) Transfers may be authorized by the commissioner of finance not exceeding \$5,000 for the same purpose for any quarterly period.

(b) Transfers exceeding \$5,000 but not exceeding \$10,000 may be authorized by the commissioner of finance with the approval of the governor.

(c) Transfers exceeding \$10,000 may be authorized by the governor but no transfer exceeding \$10,000 may be made until the governor has consulted the Legislative Advisory Commission and it has made its recommendation on the transfer. Its recommendation is advisory only. Failure or refusal of the commission to make a recommendation is

a negative recommendation. Subject to the provisions in this paragraph, the governor may request a transfer to the commissioner of agriculture to pay for activities to respond promptly to an outbreak of an invasive tree pest. The commissioner of agriculture shall report to the commissioner of finance all potential sources of reimbursement for costs incurred including but not limited to federal funds.

The commissioner of finance shall return to the appropriate contingent account any funds transferred under this subdivision that the commissioner determines are not needed.

Sec. 2. Minnesota Statutes 2006, section 168.1255, is amended by adding a subdivision to read:

Subd. 6. **World War II memorial donation match account.** Money remaining in the World War II memorial donation match account after the state share of the construction costs of the World War II memorial has been paid in full is appropriated to the commissioner of veterans affairs for services and programs for veterans and their families.

Sec. 3. Minnesota Statutes 2006, section 190.19, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The Minnesota "Support Our Troops" account is established in the special revenue fund. The account shall consist of contributions from private sources and appropriations. Money in the account is appropriated in equal shares to the Department of Military Affairs and the Department of Veterans Affairs.

EFFECTIVE DATE. Notwithstanding Laws 2007, chapter 45, articles 2, section 1, and 3, section 2, subdivision 3, this section is effective for distribution of the Minnesota "Support Our Troops" account the day following final enactment.

Sec. 4. Minnesota Statutes 2006, section 190.19, is amended by adding a subdivision to read:

Subd. 2a. **Uses; veterans.** Money appropriated to the Department of Veterans Affairs from the Minnesota "Support Our Troops" account may be used for:
(1) grants to veterans service organizations; and
(2) outreach to underserved veterans.

Sec. 5. Laws 2007, chapter 45, article 2, section 1, is amended to read:

Section 1. VETERANS AFFAIRS	\$	12,855,000	\$	12,571,000
Appropriations by Fund				
2008		2009		

H.F. No. 1812, 2nd Engrossment - 2007-2008th Legislative Session (2007-2008)

212.1	General	12,517,000	12,233,000
212.2	Special Revenue	338,000	338,000

212.3 (a) \$1,000,000 each year is added to the
212.4 base for state soldier's assistance under
212.5 Minnesota Statutes, section 197.05. If the
212.6 appropriation for this purpose for either year
212.7 is insufficient, the appropriation for the other
212.8 year is available for it.

212.9 (b) \$750,000 the first year and \$750,000
212.10 the second year are added to the base for
212.11 grants to counties under the terms of this
212.12 section. The commissioner shall issue a
212.13 request for proposals for grants to enhance
212.14 the benefits, programs, and services provided
212.15 to veterans. The request must specify that
212.16 priority will be given to proposals that meet
212.17 the programmatic goals established by the
212.18 commissioner, including proposals that will:

212.19 (1) provide the most effective outreach to
212.20 veterans;

212.21 (2) reintegrate combat veterans into society;

212.22 (3) collaborate with other social service
212.23 agencies, educational institutions, and other
212.24 relevant community resources;

212.25 (4) reduce homelessness among veterans;
212.26 and

212.27 (5) provide measurable outcomes.

212.28 The commissioner may provide incentives
212.29 to encourage, and may give priority to
212.30 proposals that foster, regional collaboration
212.31 for service delivery. The grants may be for a
212.32 term of up to two years. The commissioner
212.33 shall ensure that grants are made throughout
212.34 all regions of the state and shall develop a

213.1 description of best practices for the use of
213.2 these grants. A county may not reduce its
213.3 county veterans service officer budget by any
213.4 amount received as a grant under this section.
213.5 Grants made under this section are in addition
213.6 to and not subject to the requirements for
213.7 grants made under Minnesota Statutes,
213.8 section 197.608. The Minnesota Association
213.9 of County Veterans Service Officers may
213.10 apply for grants under this section beginning
213.11 July 1, 2007. Any balance remaining after
213.12 the first year does not cancel and is available
213.13 in the second year. This appropriation must
213.14 be included in the appropriation base through
213.15 fiscal year 2011.

213.16 (c) \$750,000 each year is for tribal veterans
213.17 services offices.

213.18 (d) \$750,000 each year is for a grant to the
213.19 Minnesota Assistance Council for Veterans.
213.20 This is a onetime appropriation.

213.21 (e) \$200,000 each year is for marketing
213.22 veterans outreach programs. This is a
213.23 onetime appropriation.

213.24 (f) \$250,000 each year is added to the base
213.25 for grants to Disabled American Veterans,
213.26 Military Order of the Purple Heart, Veterans
213.27 of Foreign Wars, Vietnam Veterans of
213.28 America, and other congressionally chartered
213.29 veterans service organizations designated by
213.30 the commissioner.

213.31 (g) \$450,000 the first year and \$450,000
213.32 the second year are for the higher education
213.33 veterans assistance program under Minnesota
213.34 Statutes, section 197.585. This appropriation

214.1 must be included in the agency appropriation
214.2 base through fiscal year 2011.

214.3 (h) \$100,000 each year is for information
214.4 technology.

214.5 (i) \$75,000 each year is for operations at the
214.6 Minnesota State Veterans Cemetery in Little
214.7 Falls.

214.8 (j) \$250,000 each year is for administration
214.9 of veterans programming. This appropriation
214.10 includes money for the biennium for
214.11 an ombudsman for residents and family
214.12 members of residents at the Minneapolis
214.13 Veterans' Home. The ombudsman must
214.14 attend all meetings of the Veterans Homes
214.15 Board and provide a report at each
214.16 meeting regarding the status of concerns
214.17 communicated to the ombudsman.

214.18 (k) \$100,000 each year is for compensation
214.19 for honor guards at the funerals of veterans
214.20 in accordance with the program established
214.21 in Minnesota Statutes, section 197.231. This
214.22 is a onetime appropriation.

214.23 (l) \$52,000 the first year is for spousal
214.24 education benefits in accordance with
214.25 Minnesota Statutes, section 197.75. This
214.26 appropriation is available until June 30, 2009.

214.27 (m) \$100,000 each year is for information
214.28 and outreach regarding the availability of
214.29 depleted uranium testing. The commissioner
214.30 shall collaborate with the adjutant general
214.31 to identify service members and veterans
214.32 who may have been exposed to expended
214.33 depleted uranium and to provide them with
214.34 information regarding depleted uranium

215.1 screening services provided by the federal
215.2 government. This is a onetime appropriation.

215.3 (n) \$250,000 the first year is for grants to
215.4 assist World War II veterans in attending the
215.5 dedication of the Minnesota World War II
215.6 Memorial in St. Paul on June 9, 2007, and for
215.7 other expenses of the dedication event. The
215.8 commissioner may spend only that portion
215.9 of this sum for which a matching amount,
215.10 whether in cash or in kind, is donated by
215.11 nongovernmental sources for this purpose.
215.12 This appropriation is available immediately.

215.13 (o) \$80,000 the first year is for suicide
215.14 prevention and psychological support for
215.15 veterans. Of this amount, \$50,000 is for a
215.16 study by the commissioner and the adjutant
215.17 general of the psychological status and
215.18 needs of returning Minnesota veterans,
215.19 and \$30,000 is for a telephone hotline to
215.20 refer veterans to available psychological
215.21 counseling services. The commissioner
215.22 may use this appropriation to supplement
215.23 an existing informational hotline service
215.24 within the department, or may collaborate
215.25 with any other provider of compatible,
215.26 existing hotline services for this purpose.
215.27 The referral hotline must be available to
215.28 veterans statewide at all practicable hours.
215.29 The commissioner must broadly publicize
215.30 the availability of the telephone hotline
215.31 and any local, state, and federal counseling
215.32 services for Minnesota veterans using all
215.33 practicable means available, including but
215.34 not limited to: the agency Web site; local
215.35 media announcements; announcements in

216.1 service and trade publications; and any other
216.2 practical means of communication.

216.3 The commissioner may spend up to two
216.4 percent of this appropriation for development
216.5 of special informational materials, such
216.6 as refrigerator magnets, wallet cards, and
216.7 other devices on which hotline numbers
216.8 may be kept for immediate use. The
216.9 commissioner also may accept and spend
216.10 other contributions from nongovernmental
216.11 sources for this purpose. This is a onetime
216.12 appropriation.

(p) \$338,000 each year is from the account in the special revenue fund established in Minnesota Statutes, section 190.19, for (1) grants to veterans service organizations; and (2) outreach to underserved veterans. Any balance in the first year does not cancel and is available in the second year.

216.20 **Sec. 6. DISCONTINUATION OF ETHANOL PRODUCER PAYMENTS.**

216.21 Notwithstanding any law to the contrary, the commissioner of agriculture shall
216.22 discontinue payments under Minnesota Statutes, section 41A.09, including deficiency
216.23 payments, to any ethanol producer that ceased operations and declared bankruptcy in 2004.

216.24 **ARTICLE 10**
216.25 **TRANSPORTATION FINANCE**

216.26 Section 1. **SUMMARY OF APPROPRIATIONS.**

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

216.29		<u>2008</u>	<u>2009</u>	<u>Total</u>
216.30	<u>General</u>	\$ 0	\$ (200,000)	\$ (200,000)
216.31	<u>Trunk Highway</u>	\$ 6,849,000	\$ 12,000,000	\$ 18,849,000
216.32	Total	\$ 6,849,000	\$ 11,800,000	\$ 18,649,000

216.33 **Sec. 2. APPROPRIATIONS.**

217.1 The sums shown in the columns marked "Appropriations" are added to or, if shown
217.2 in parentheses, subtracted from the appropriations in Laws 2007, chapter 143, article 1, to
217.3 the agencies and for the purposes specified in this article. The appropriations are from the
217.4 general fund or another named fund and are available for the fiscal years indicated for
217.5 each purpose. The figures "2008" and "2009" used in this article mean that the addition
217.6 to or subtraction from the appropriation listed under them is available for the fiscal year
217.7 ending June 30, 2008, or June 30, 2009, respectively. Supplemental appropriations and
217.8 reductions to appropriations for the fiscal year ending June 30, 2008, are effective the
217.9 day following final enactment.

217.10			<u>APPROPRIATIONS</u>
217.11			<u>Available for the Year</u>
217.12			<u>Ending June 30</u>
217.13			<u>2008</u> <u>2009</u>

217.14 Sec. 3. **TRANSPORTATION**

217.15	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>6,849,000</u>	<u>\$</u>	<u>(21,000)</u>

217.16	<u>Appropriations by Fund</u>			
217.17		<u>2008</u>	<u>2009</u>	
217.18	<u>General</u>	<u>0</u>	<u>(21,000)</u>	
217.19	<u>Trunk Highway</u>	<u>6,849,000</u>	<u>0</u>	

217.20 The amounts that may be spent or must be
217.21 reduced for each purpose are specified in the
217.22 following subdivisions.

217.23	<u>Subd. 2. Transit</u>	<u>-0-</u>	<u>(19,000)</u>

217.24 This reduction is from the appropriation from
217.25 the general fund for transit in Laws 2007,
217.26 chapter 143, article 1, section 3, subdivision
217.27 2, paragraph (b). The base appropriation for
217.28 fiscal years 2010 and 2011 is \$18,796,000
217.29 per year.

217.30	<u>Subd. 3. Freight</u>	<u>-0-</u>	<u>(2,000)</u>

217.31 This reduction is from the appropriation from
217.32 the general fund for freight in Laws 2007,
217.33 chapter 143, article 1, section 3, subdivision
217.34 2, paragraph (c).

218.1	Subd. 4. <u>State Roads</u>	6,849,000	-0-
218.2	<u>This appropriation is spending authority for</u>		
218.3	<u>additional federal bridge funding authorized</u>		
218.4	<u>and appropriated by Congress in 2008, and</u>		
218.5	<u>is for the actual construction, reconstruction,</u>		
218.6	<u>and improvement of trunk highways,</u>		
218.7	<u>including design-build contracts and</u>		
218.8	<u>consultant usage to support these activities.</u>		
218.9	<u>This includes the cost of actual payments to</u>		
218.10	<u>landowners for lands acquired for highway</u>		
218.11	<u>rights-of-way, payments to lessees, interest</u>		
218.12	<u>subsidies, and relocation expenses. This is a</u>		
218.13	<u>onetime appropriation.</u>		
218.14	Sec. 4. <u>METROPOLITAN COUNCIL</u>	\$ -0-	\$ (94,000)
218.15	<u>This reduction is from the appropriation from</u>		
218.16	<u>the general fund for bus system operations in</u>		
218.17	<u>Laws 2007, chapter 143, article 1, section 4,</u>		
218.18	<u>subdivision 2, and Hiawatha light rail transit</u>		
218.19	<u>in Laws 2007, chapter 143, article 1, section</u>		
218.20	<u>4, subdivision 3. The base appropriation for</u>		
218.21	<u>fiscal years 2010 and 2011 is \$78,635,000</u>		
218.22	<u>per year.</u>		
218.23	Sec. 5. <u>PUBLIC SAFETY</u>		
218.24	Subdivision 1. <u>Total Appropriation</u>	\$ -0-	\$ 11,940,000
218.25	<u>Appropriations by Fund</u>		
218.26	<u>2008 2009</u>		
218.27	<u>General 0 (60,000)</u>		
218.28	<u>Trunk Highway 0 12,000,000</u>		
218.29	<u>The amounts that may be spent or must be</u>		
218.30	<u>reduced for each purpose are specified in the</u>		
218.31	<u>following subdivisions.</u>		
218.32	Subd. 2. <u>Public Safety Support</u>	-0-	(45,000)

H.F. No. 1812, 2nd Engrossment - 2007-2008th Legislative Session (2007-2008)

219.1 Of this reduction, \$28,000 is from the
219.2 appropriation from the general fund
219.3 for a security coordinator to coordinate
219.4 planning efforts for the Republican National
219.5 Convention in Laws 2007, chapter 143,
219.6 article 1, section 5, subdivision 2, paragraph
219.7 (b).

219.8 Of this reduction, \$17,000 is from the
219.9 appropriation from the general fund in
219.10 Laws 2007, chapter 143, article 1, section 5,
219.11 subdivision 2, paragraph (b).

219.12 The base appropriation for fiscal years 2010
219.13 and 2011 is \$3,296,000 per year.

219.14 Subd. 3. **Capitol Security** -0- (15,000)

219.15 This reduction is from the appropriation from
219.16 the general fund in Laws 2007, chapter 143,
219.17 article 1, section 5, subdivision 3, paragraph
219.18 (c).

219.19 Subd. 4. **Driver and Vehicle Services** -0- 12,000,000

219.20 This appropriation is from the trunk
219.21 highway fund for research, development,
219.22 deployment, and maintenance of a driver and
219.23 vehicle services information system. This
219.24 appropriation is available until June 30, 2010.

219.25 Sec. 6. Minnesota Statutes 2006, section 171.29, subdivision 1, is amended to read:

219.26 Subdivision 1. **Examination required.** No person whose driver's license has been
219.27 revoked by reason of conviction, plea of guilty, or forfeiture of bail not vacated, under
219.28 section 169.791, 169.797, ~~or~~ 171.17, or 171.172, or revoked under section 169.792
219.29 or 169A.52 shall be issued another license unless and until that person shall have
219.30 successfully passed an examination as required by the commissioner of public safety.
219.31 This subdivision does not apply to an applicant for early reinstatement under section
219.32 169.792, subdivision 7a.

219.33 Sec. 7. Laws 2008, chapter 152, article 1, section 6, subdivision 2, is amended to read:

Subd. 2. **Appropriation; study.** ~~\$325,000~~ \$300,000 is appropriated from the general fund to the Board of Regents of the University of Minnesota for the Center for Transportation Studies to complete a study to assess the public policy implications of financing new and improved transportation infrastructure in Minnesota through capturing the value of the benefits created, to prepare a report on its findings, and to conduct a series of workshops. This is a onetime appropriation and is available in fiscal years 2008 and 2009.

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

Sec. 8. **REPEALER.**

Minnesota Statutes 2006, section 168.123, subdivision 2a, is repealed.

ARTICLE 11
PUBLIC SAFETY

Section 1. **SUMMARY OF APPROPRIATIONS.**

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

	<u>2008</u>	<u>2009</u>	<u>Total</u>
<u>General</u>	\$ <u>360,000</u>	\$ <u>(10,408,000)</u>	\$ <u>(10,048,000)</u>
<u>Special Revenue Fund</u>	<u>(25,000)</u>	<u>50,000</u>	<u>25,000</u>
<u>Total</u>	\$ <u>335,000</u>	\$ <u>(10,358,000)</u>	\$ <u>(10,023,000)</u>

Sec. 2. **PUBLIC SAFETY APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2007, chapter 54, 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 "2008" and "2009" used in this article mean that the addition to or subtraction from the appropriations listed under them are available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2008, are effective the day following final enactment. "The first year" is fiscal year 2008. "The second year" is fiscal year 2009. "The biennium" is fiscal years 2008 and 2009.

APPROPRIATIONS
Available for the Year

H.F. No. 1812, 2nd Engrossment - 2007-2008th Legislative Session (2007-2008)

221.1 221.2	<u>Ending June 30</u>		
	<u>2008</u>	<u>2009</u>	
221.3	Sec. 3. <u>SUPREME COURT</u>	\$ <u>-0-</u>	\$ <u>(778,000)</u>
221.4	\$650,000 in the second year is to reduce		
221.5	<u>funding for Supreme Court operations.</u>		
221.6	\$128,000 in the second year is to reduce		
221.7	<u>funding for civil legal services.</u>		
221.8	Sec. 4. <u>COURT OF APPEALS</u>	\$ <u>-0-</u>	\$ <u>(141,000)</u>
221.9	Sec. 5. <u>DISTRICT COURTS</u>	\$ <u>-0-</u>	\$ <u>(3,608,000)</u>
221.10	Sec. 6. <u>BOARD OF PUBLIC DEFENSE</u>	\$ <u>-0-</u>	\$ <u>(1,690,000)</u>
221.11	Sec. 7. <u>PUBLIC SAFETY</u>		
221.12	Subdivision 1. <u>Total Appropriation</u>	\$ <u>360,000</u>	\$ <u>(1,598,000)</u>
221.13	Subd. 2. <u>Emergency Management</u>	<u>360,000</u>	<u>(40,000)</u>
221.14	\$360,000 in the first year is to provide a		
221.15	<u>match for FEMA money received for natural</u>		
221.16	<u>disaster assistance payments and is added</u>		
221.17	<u>to appropriations in Laws 2007, chapter 54,</u>		
221.18	<u>article 1, section 10, subdivision 2. This</u>		
221.19	<u>appropriation is available until June 30,</u>		
221.20	<u>2010. This is a onetime appropriation.</u>		
221.21	<u>The appropriation from the general fund in</u>		
221.22	<u>the second year to reimburse local chemical</u>		
221.23	<u>assessment and hazardous materials teams</u>		
221.24	<u>when they respond to incidents is reduced</u>		
221.25	<u>by \$40,000. Reimbursements up to \$40,000</u>		
221.26	<u>per year are to be made from revenues in</u>		
221.27	<u>the special revenue fund from billings to</u>		
221.28	<u>responsible companies.</u>		
221.29	Subd. 3. <u>Criminal Apprehension</u>	<u>-0-</u>	<u>(708,000)</u>

222.1	<u>\$608,000 in the second year is to reduce the</u>			
222.2	<u>funding for CriMNet justice information</u>			
222.3	<u>integration. The base is reduced by an</u>			
222.4	<u>additional \$209,000 in fiscal year 2010 and</u>			
222.5	<u>each year after.</u>			
222.6	<u>The general fund appropriation includes</u>			
222.7	<u>a reduction of \$100,000 in fiscal year</u>			
222.8	<u>2009. This reduction may be applied to</u>			
222.9	<u>any program funded under Laws 2007,</u>			
222.10	<u>chapter 54, article 1, section 10, with the</u>			
222.11	<u>exception of Office of Justice Programs and</u>			
222.12	<u>forensic lab scientists. All budget reductions</u>			
222.13	<u>should be made with an emphasis on cutting</u>			
222.14	<u>administration and overhead expenses, with</u>			
222.15	<u>as little impact as possible on programs and</u>			
222.16	<u>services.</u>			
222.17	<u>Subd. 4. Fire Marshal</u>			
222.18	<u>By May 1, 2009, \$1,000,000 must be</u>			
222.19	<u>transferred from the fire marshal account in</u>			
222.20	<u>the special revenue fund to the general fund.</u>			
222.21	<u>Subd. 5. Office of Justice Programs</u>	<u>-0-</u>		<u>(850,000)</u>
222.22	<u>\$350,000 in the second year are reductions</u>			
222.23	<u>for grants to the Financial Crimes Task Force.</u>			
222.24	<u>The base is reduced by an additional \$10,000</u>			
222.25	<u>in fiscal year 2010 and each year after.</u>			
222.26	<u>\$500,000 in the second year are for</u>			
222.27	<u>reductions in squad car cameras.</u>			
222.28	<u>Sec. 8. HUMAN RIGHTS</u>	<u>\$</u>	<u>-0- \$</u>	<u>(149,000)</u>
222.29	<u>This reduction is from Laws 2007, chapter</u>			
222.30	<u>54, article 1, section 13.</u>			
222.31	<u>Sec. 9. DEPARTMENT OF CORRECTIONS</u>			
222.32	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>-0- \$</u>	<u>(2,444,000)</u>

H.F. No. 1812, 2nd Engrossment - 2007-2008th Legislative Session (2007-2008)

223.1	<u>Subd. 2. Community Services</u>	<u>-0-</u>	<u>(2,100,000)</u>
223.2	<u>Short-Term Offenders</u>	<u>-0-</u>	<u>(1,500,000)</u>
223.3	<u>This reduction is from Laws 2007, chapter</u>		
223.4	<u>54, article 1, section 14, subdivision 3.</u>		
223.5	<u>Sentencing to Service</u>	<u>-0-</u>	<u>(600,000)</u>
223.6	<u>This reduction is from Laws 2007, chapter</u>		
223.7	<u>54, article 1, section 14, subdivision 3.</u>		
223.8	<u>Subd. 3. Operations Support</u>	<u>-0-</u>	<u>(344,000)</u>
223.9	<u>This reduction is from Laws 2007, chapter</u>		
223.10	<u>54, article 1, section 14, subdivision 4.</u>		
223.11	<u>The base is reduced by an additional \$56,000</u>		
223.12	<u>in fiscal year 2010 and each year after.</u>		
223.13	Sec. 10. Minnesota Statutes 2006, section 13.851, is amended by adding a subdivision		
223.14	to read:		
223.15	<u>Subd. 9. Civil commitment of sexual offenders. Data relating to the preparation</u>		
223.16	<u>of a petition to commit an individual as a sexual psychopathic personality or sexually</u>		
223.17	<u>dangerous person is governed by section 253B.185, subdivision 1b.</u>		
223.18	Sec. 11. Minnesota Statutes 2006, section 253B.045, subdivision 1, is amended to read:		
223.19	Subdivision 1. Restriction. Except when ordered by the court pursuant to a finding		
223.20	of necessity to protect the life of the proposed patient or others <u>or as provided under</u>		
223.21	<u>subdivision 1a</u> , no person subject to the provisions of this chapter shall be confined in a		
223.22	jail or correctional institution, except pursuant to chapter 242 or 244.		
223.23	<u>EFFECTIVE DATE. This section is effective the day following final enactment.</u>		
223.24	Sec. 12. Minnesota Statutes 2006, section 253B.045, is amended by adding a		
223.25	subdivision to read:		
223.26	<u>Subd. 1a. Exception. A person who is being petitioned for commitment</u>		
223.27	<u>under section 253B.185 and who is placed under a judicial hold order under section</u>		
223.28	<u>253B.07, subdivision 2b or 7, may be confined at a Department of Corrections or a</u>		
223.29	<u>county correctional or detention facility, rather than a secure treatment facility, until a</u>		
223.30	<u>determination of the commitment petition as specified in this subdivision.</u>		

224.1 (a) A court may order that a person who is being petitioned for commitment under
224.2 section 253B.185 be confined in a Department of Corrections facility pursuant to the
224.3 judicial hold order under the following circumstances and conditions:

224.4 (1) The person is currently serving a sentence in a Department of Corrections
224.5 facility and the court determines that the person has made a knowing and voluntary (i)
224.6 waiver of the right to be held in a secure treatment facility and (ii) election to be held in a
224.7 Department of Corrections facility. The order confining the person in the Department of
224.8 Corrections facility shall remain in effect until the court vacates the order or the person's
224.9 criminal sentence and conditional release term expire.

224.10 In no case may the person be held in a Department of Corrections facility pursuant
224.11 only to this subdivision, and not pursuant to any separate correctional authority, for more
224.12 than 210 days.

224.13 (2) A person who has elected to be confined in a Department of Corrections facility
224.14 under this subdivision may revoke the election by filing a written notice of intent to revoke
224.15 the election with the court and serving the notice upon the Department of Corrections and
224.16 the county attorney. The court shall order the person transferred to a secure treatment
224.17 facility within 15 days of the date that the notice of revocation was filed with the court,
224.18 except that, if the person has additional time to serve in prison at the end of the 15-day
224.19 period, the person shall not be transferred to a secure treatment facility until the person's
224.20 prison term expires. After a person has revoked an election to remain in a Department of
224.21 Corrections facility under this subdivision, the court may not adopt another election to
224.22 remain in a Department of Corrections facility without the agreement of both parties and
224.23 the Department of Corrections.

224.24 (3) Upon petition by the commissioner of corrections, after notice to the parties
224.25 and opportunity for hearing and for good cause shown, the court may order that the
224.26 person's place of confinement be changed from the Department of Corrections to a secure
224.27 treatment facility.

224.28 (4) While at a Department of Corrections facility pursuant to this subdivision, the
224.29 person shall remain subject to all rules and practices applicable to correctional inmates in
224.30 the facility in which the person is placed, including, but not limited to, the powers and
224.31 duties of the commissioner of corrections under section 241.01, powers relating to use of
224.32 force under section 243.52, and the right of the commissioner of corrections to determine
224.33 the place of confinement in a prison, reformatory, or other facility.

224.34 (5) A person may not be confined in a Department of Corrections facility under this
224.35 provision beyond the end of the person's executed sentence or the end of any applicable
224.36 conditional release period, whichever is later. If a person confined in a Department of

225.1 Corrections facility pursuant to this provision reaches the person's supervised release
225.2 date and is subject to a period of conditional release, the period of conditional release
225.3 shall commence on the supervised release date even though the person remains in the
225.4 Department of Corrections facility pursuant to this provision. At the end of the later of
225.5 the executed sentence or any applicable conditional release period, the person shall be
225.6 transferred to a secure treatment facility.

225.7 (6) Nothing in this section may be construed to establish a right of an inmate in a
225.8 state correctional facility to participate in sex offender treatment. This section must be
225.9 construed in a manner consistent with the provisions of section 244.03.

225.10 (b) The committing county may offer a person who is being petitioned for
225.11 commitment under section 253B.185 and who is placed under a judicial hold order under
225.12 section 253B.07, subdivision 2b or 7, the option to be held in a county correctional or
225.13 detention facility rather than a secure treatment facility, under such terms as may be agreed
225.14 to by the county, the commitment petitioner, and the commitment respondent. If a person
225.15 makes such an election under this paragraph, the court hold order shall specify the terms
225.16 of the agreement, including the conditions for revoking the election.

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

225.18 Sec. 13. Minnesota Statutes 2006, section 253B.045, subdivision 2, is amended to read:

225.19 Subd. 2. **Facilities.** Each county or a group of counties shall maintain or provide
225.20 by contract a facility for confinement of persons held temporarily for observation,
225.21 evaluation, diagnosis, treatment, and care. When the temporary confinement is provided
225.22 at a regional treatment center, the commissioner shall charge the county of financial
225.23 responsibility for the costs of confinement of persons hospitalized under section 253B.05,
225.24 subdivisions 1 and 2, and section 253B.07, subdivision 2b, except that the commissioner
225.25 shall bill the responsible health plan first. If the person has health plan coverage, but the
225.26 hospitalization does not meet the criteria in subdivision 6 or section 62M.07, 62Q.53,
225.27 or 62Q.535, the county is responsible. When a person is temporarily confined in a
225.28 Department of Corrections facility solely under subdivision 1a, and not based on any
225.29 separate correctional authority: (i) the commissioner of corrections may charge the
225.30 county of financial responsibility for the costs of confinement; and (ii) the Department of
225.31 Human Services shall use existing appropriations to fund all remaining nonconfinement
225.32 costs. "County of financial responsibility" means the county in which the person resides
225.33 at the time of confinement or, if the person has no residence in this state, the county
225.34 which initiated the confinement. The charge for confinement in a facility operated by the
225.35 commissioner of human services shall be based on the commissioner's determination of

226.1 the cost of care pursuant to section 246.50, subdivision 5. When there is a dispute as to
226.2 which county is the county of financial responsibility, the county charged for the costs of
226.3 confinement shall pay for them pending final determination of the dispute over financial
226.4 responsibility. Disputes about the county of financial responsibility shall be submitted to
226.5 the commissioner to be settled in the manner prescribed in section 256G.09.

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

226.7 Sec. 14. Minnesota Statutes 2007 Supplement, section 253B.185, subdivision 1b,
226.8 is amended to read:

226.9 Subd. 1b. **County attorney access to data.** Notwithstanding sections 144.291
226.10 to 144.298; 245.467, subdivision 6; 245.4876, subdivision 7; 260B.171; 260B.235,
226.11 subdivision 8; 260C.171; and 609.749, subdivision 6, or any provision of chapter 13
226.12 or other state law, prior to filing a petition for commitment as a sexual psychopathic
226.13 personality or as a sexually dangerous person, and upon notice to the proposed patient,
226.14 the county attorney or the county attorney's designee may move the court for an order
226.15 granting access to any records or data, to the extent it relates to the proposed patient, for
226.16 the purpose of determining whether good cause exists to file a petition and, if a petition
226.17 is filed, to support the allegations set forth in the petition.

226.18 The court may grant the motion if: (1) the Department of Corrections refers the case
226.19 for commitment as a sexual psychopathic personality or a sexually dangerous person; or
226.20 (2) upon a showing that the requested category of data or records may be relevant to
226.21 the determination by the county attorney or designee. The court shall decide a motion
226.22 under this subdivision within 48 hours after a hearing on the motion. Notice to the
226.23 proposed patient need not be given upon a showing that such notice may result in harm or
226.24 harassment of interested persons or potential witnesses. Notwithstanding any provision
226.25 of chapter 13 or other state law, a county attorney considering the civil commitment of a
226.26 person under this section may obtain records and data from the Department of Corrections
226.27 or any probation or parole agency in this state upon request, without a court order, for the
226.28 purpose of determining whether good cause exists to file a petition and, if a petition is
226.29 filed, to support the allegations set forth in the petition. At the time of the request for
226.30 the records, the county attorney shall provide notice of the request to the person who is
226.31 the subject of the records.

226.32 Data collected pursuant to this subdivision shall retain their original status and, if not
226.33 public, are inadmissible in any court proceeding unrelated to civil commitment, unless
226.34 otherwise permitted.

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

227.2 Sec. 15. Minnesota Statutes 2006, section 253B.185, subdivision 5, is amended to read:

227.3 Subd. 5. **Financial responsibility.** (a) For purposes of this subdivision, "state
227.4 facility" has the meaning given in section 246.50 and also includes a Department of
227.5 Corrections facility when the proposed patient is confined in such a facility pursuant to
227.6 section 253B.045, subdivision 1a.

227.7 (b) Notwithstanding sections 246.54, 253B.045, and any other law to the contrary,
227.8 when a petition is filed for commitment under this section pursuant to the notice required
227.9 in section 244.05, subdivision 7, the state and county are each responsible for 50 percent of
227.10 the cost of the person's confinement at a state facility or county jail, prior to commitment.

227.11 (c) The county shall submit an invoice to the state court administrator for
227.12 reimbursement of the state's share of the cost of confinement.

227.13 (d) Notwithstanding paragraph (b), the state's responsibility for reimbursement is
227.14 limited to the amount appropriated for this purpose.

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

227.16 Sec. 16. Laws 2007, chapter 54, article 1, section 11, is amended to read:

227.17	Sec. 11. PEACE OFFICER STANDARDS		~~4,296,000~~		~~4,278,000~~
227.18	AND TRAINING (POST) BOARD	\$	<u>4,271,000</u>	\$	<u>4,328,000</u>

227.19 **Excess Amounts Transferred.** This
227.20 appropriation is from the peace officer
227.21 training account in the special revenue fund.

227.22 Any new receipts credited to that account
227.23 in the first year in excess of ~~\$4,296,000~~
227.24 \$4,271,000 must be transferred and credited
227.25 to the general fund. Any new receipts
227.26 credited to that account in the second year
227.27 in excess of ~~\$4,278,000~~ \$4,328,000 must be
227.28 transferred and credited to the general fund.

227.29 **Peace Officer Training Reimbursements.**
227.30 \$3,159,000 the first year and \$ 3,159,000 the
227.31 second year are for reimbursements to local
227.32 governments for peace officer training costs.

228.1 **No Contact Orders.** The board shall: (1)
228.2 revise and update preservice courses and
228.3 develop in-service training courses related
228.4 to no contact orders in domestic violence
228.5 cases and domestic violence dynamics; and
228.6 (2) reimburse peace officers who have taken
228.7 training courses described in clause (1).
228.8 At a minimum, the training must include
228.9 instruction in the laws relating to no contact
228.10 orders and address how to best coordinate
228.11 law enforcement resources relating to no
228.12 contact orders. In addition, the training
228.13 must include a component to instruct peace
228.14 officers on doing risk assessments of the
228.15 escalating factors of lethality in domestic
228.16 violence cases. The board must consult with
228.17 a statewide domestic violence organization
228.18 in developing training courses. The board
228.19 shall utilize a request for proposal process in
228.20 awarding training contracts. The recipient
228.21 of the training contract must conduct these
228.22 trainings with advocates or instructors from
228.23 a statewide domestic violence organization.
228.24 Beginning on January 1, 2008, the board may
228.25 not approve an in-service training course
228.26 relating to domestic abuse that does not
228.27 comply with this section.

228.28 Sec. 17. **WORKING GROUP ON CONTROLLED SUBSTANCE LAWS;**
228.29 **REPORT TO LEGISLATURE.**

228.30 **Subdivision 1. Establishment; membership; staff.** (a) By July 1, 2008, the chair
228.31 of the house Public Safety Finance Division and the chair of the senate Public Safety
228.32 Budget Division shall jointly appoint a working group on the state's controlled substance
228.33 laws. The working group shall include:

228.34 (1) two representatives of the Minnesota County Attorneys Association;

228.35 (2) two representatives of the Board of Public Defense;

229.1 (3) three representatives of state law enforcement associations, including one
229.2 sheriff, one chief of police, and one member of the Minnesota Police and Peace Officers
229.3 Association;

229.4 (4) two representatives of the Judicial Council;

229.5 (5) one representative from community corrections or probation;

229.6 (6) one expert in the fields of drug treatment and controlled substance laws;

229.7 (7) one individual who is not affiliated with any of the associations in clauses (1) to
229.8 (6) and who has relevant experience related to sentencing policy or the criminal justice
229.9 field; and

229.10 (8) four community members who reside in an area adversely affected by controlled
229.11 substance crimes and violent crimes, one of whom is a member of a community crime
229.12 prevention organization.

229.13 (b) Staff support for the working group shall be provided by the Sentencing
229.14 Guidelines Commission.

229.15 Subd. 2. **Subject matter.** (a) The working group must review, assess, and make
229.16 specific recommendations regarding the following alternatives for modification and
229.17 application of Minnesota's controlled substance laws:

229.18 (1) revising the threshold amounts for Minnesota's controlled substance crimes;

229.19 (2) establishing a separate sentencing guidelines grid for drug offenses;

229.20 (3) establishing additional aggravating factors so as to target certain particularly
229.21 dangerous offenders;

229.22 (4) revising the criminal history point calculations for repeat drug offenders;

229.23 (5) maximizing the use of deferred prosecutions for low-level drug offenders under
229.24 Minnesota Statutes, section 152.18 throughout the state; and

229.25 (6) increasing the use of the early release program for nonviolent controlled
229.26 substance offenders who successfully complete drug treatment while incarcerated as
229.27 provided in Minnesota Statutes, section 244.055.

229.28 (b) As part of its review of the various possible reforms, the working group may
229.29 also study and consider:

229.30 (1) the significance, if any, of current rates of departure from presumptive guidelines
229.31 sentences for controlled substance crimes;

229.32 (2) the significance, if any, of current rates of departure from presumptive guidelines
229.33 sentences for controlled substance crimes for identifiable categories of offenders;

229.34 (3) the impact that recent United States Supreme Court criminal sentencing decisions
229.35 have on implementing further reform;

229.36 (4) the barriers to comparing Minnesota's sentencing data with data from other states;

(5) strategies for imposing probation and supervised release violations on drug offenders;

(6) strategies for increasing the efficacy of programs that are now available to treat drug offenders;

(7) the likely impact of any recommended change in policy upon victims of drug-related crimes and the neighborhoods in which these crimes occur;

(8) the likely impact of any recommended change in policy upon the efficacy of law enforcement, prosecution, public defender, or court personnel; or

(9) any other sentencing-related matter that the working group sees fit to consider.

Subd. 3. **Report to legislature.** The working group shall report its findings and recommendations to the chair of the house Public Safety Finance Division and the chair of the senate Public Safety Budget Division by January 16, 2009.

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

ARTICLE 12

STATE GOVERNMENT FINANCE

Section 1. **SUMMARY OF APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2007, chapter 148, 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 "2008" and "2009" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2008, are effective the day following final enactment.

APPROPRIATIONS	
Available for the Year	
Ending June 30	
2008	2009

Sec. 2. LEGISLATURE	\$	-0-	\$	(1,662,000)
Subdivision 1. Senate		-0-		(710,000)
The base budget for the senate shall				
be \$22,724,000 in fiscal year 2010 and				
\$22,724,000 in fiscal year 2011.				

H.F. No. 1812, 2nd Engrossment - 2007-2008th Legislative Session (2007-2008)

231.1	<u>Subd. 2. House of Representatives</u>		<u>-0-</u>	<u>(952,000)</u>
231.2	<u>The base budget for the house of</u>			
231.3	<u>representatives shall be \$30,551,000 in fiscal</u>			
231.4	<u>year 2010 and \$30,551,000 in fiscal year</u>			
231.5	<u>2011.</u>			
231.6	Sec. 3. <u>GOVERNOR</u>	<u>\$</u>	<u>-0-</u> <u>\$</u>	<u>(113,000)</u>
231.7	Sec. 4. <u>STATE AUDITOR</u>	<u>\$</u>	<u>-0-</u> <u>\$</u>	<u>(42,000)</u>
231.8	Sec. 5. <u>ATTORNEY GENERAL</u>	<u>\$</u>	<u>-0-</u> <u>\$</u>	<u>(749,000)</u>
231.9	Sec. 6. <u>SECRETARY OF STATE</u>	<u>\$</u>	<u>-0-</u> <u>\$</u>	<u>(195,000)</u>
231.10	<u>The base budget for the secretary of state</u>			
231.11	<u>shall be \$6,134,000 in fiscal year 2010 and</u>			
231.12	<u>\$6,301,000 in fiscal year 2011.</u>			
231.13	Sec. 7. <u>OFFICE OF ENTERPRISE</u>			
231.14	<u>TECHNOLOGY</u>	<u>\$</u>	<u>-0-</u> <u>\$</u>	<u>(157,000)</u>
231.15	<u>The base budget for the Office of Enterprise</u>			
231.16	<u>Technology shall be \$6,202,000 in fiscal year</u>			
231.17	<u>2010 and \$6,202,000 in fiscal year 2011.</u>			
231.18	Sec. 8. <u>ADMINISTRATION</u>	<u>\$</u>	<u>-0-</u> <u>\$</u>	<u>(1,039,000)</u>
231.19	<u>(a) \$885,000 of the reduction in this section</u>			
231.20	<u>is from the appropriation for Department of</u>			
231.21	<u>Public Safety relocation expenses.</u>			
231.22	<u>(b) The reduction in this section must not be</u>			
231.23	<u>applied to the Land Management Information</u>			
231.24	<u>Center or the Environmental Quality Board.</u>			
231.25	<u>(c) \$2,000,000 of the balance in the facilities</u>			
231.26	<u>repair and replacement account in the special</u>			
231.27	<u>revenue fund is cancelled to the general</u>			
231.28	<u>fund. This amount is in addition to amounts</u>			
231.29	<u>transferred under Minnesota Statutes, section</u>			
231.30	<u>16B.24, subdivision 5, paragraph (d).</u>			

H.F. No. 1812, 2nd Engrossment - 2007-2008th Legislative Session (2007-2008)

232.1	Sec. 9. <u>FINANCE</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>(312,000)</u>
232.2	Subdivision 1. <u>State Financial Management</u>		<u>-0-</u>		<u>(178,000)</u>
232.3	Subd. 2. <u>Information and Management</u>				
232.4	<u>Services</u>		<u>-0-</u>		<u>(134,000)</u>
232.5	<u>After the Departments of Finance and</u>				
232.6	<u>Employee Relations merge as directed in</u>				
232.7	<u>Laws 2007, chapter 148, article 2, section 80,</u>				
232.8	<u>the commissioner of finance may reallocate</u>				
232.9	<u>fiscal year 2009 general fund appropriation</u>				
232.10	<u>reductions between programs within the</u>				
232.11	<u>merged agency. Any reallocation of funds</u>				
232.12	<u>shall be shown in the program appropriations</u>				
232.13	<u>base for fiscal years 2010 and 2011 according</u>				
232.14	<u>to Minnesota Statutes, section 16A.11,</u>				
232.15	<u>subdivision 3, paragraph (b).</u>				
232.16	Sec. 10. <u>EMPLOYEE RELATIONS</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>(109,000)</u>
232.17	<u>The base budget for employee relations</u>				
232.18	<u>shall be \$5,350,000 in fiscal year 2010 and</u>				
232.19	<u>\$5,350,000 in fiscal year 2011 to reflect the</u>				
232.20	<u>reduction and a transfer to the Department of</u>				
232.21	<u>Health for the merger in Laws 2007, chapter</u>				
232.22	<u>148, article 2, section 80.</u>				
232.23	Sec. 11. <u>REVENUE</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>1,361,000</u>
232.24	Subdivision 1. <u>Tax Compliance; Appropriation</u>				
232.25	<u>(a) The commissioner of revenue shall</u>				
232.26	<u>undertake expanded tax compliance and</u>				
232.27	<u>collection activities sufficient to collect</u>				
232.28	<u>\$6,723,000 in revenue for the general fund</u>				
232.29	<u>for fiscal year 2009 in excess of the sum of:</u>				
232.30	<u>(1) the amount forecast to be collected by the</u>				
232.31	<u>commissioner of finance for that fiscal year</u>				
232.32	<u>in the February 2008 forecast; and</u>				
232.33	<u>(2) the appropriation under paragraph (c).</u>				

233.1 (b) The commissioner shall periodically
233.2 report to the chairs of committees of the
233.3 house of representative and senate with
233.4 jurisdiction over taxation or state government
233.5 operations on the measures undertaken
233.6 under this section. The commissioner
233.7 may make recommendations to the 2009
233.8 legislature for changes in the law to
233.9 improve compliance with the tax law,
233.10 such as expanded information reporting or
233.11 withholding requirements that would permit
233.12 the commissioner to satisfy the requirements
233.13 of this section in the most cost effective and
233.14 reasonable manner possible.

233.15 (c) \$2,241,000 is appropriated from the
233.16 general fund for fiscal year 2009 to the
233.17 commissioner of revenue to finance the
233.18 activities authorized by this section.

233.19 (d) The commissioner must maximize the
233.20 use of telecommuting by employees when
233.21 implementing any tax compliance and
233.22 collection activities.

233.23 **Subd. 2. Appropriation to the Commissioner**
233.24 **of Revenue; Financial Institution Data Match**
233.25 **and Payment of Fees and Administrative Costs**

233.26 \$250,000 is appropriated annually from the
233.27 general fund to the commissioner of revenue
233.28 to make payments to financial institutions
233.29 in exchange for performing data matches
233.30 between account information held by
233.31 financial institutions and the commissioner's
233.32 database of tax debtors as authorized
233.33 by Minnesota Statutes, section 13B.07,
233.34 subdivision 7. \$110,000 is appropriated
233.35 annually from the general fund to the
233.36 commissioner of revenue for the costs of

234.1 administering the data match system under
234.2 Minnesota Statutes, section 13B.07.
234.3 Subd. 3. **Appropriation to the Commissioner of**
234.4 **Finance; 2008 Budget Reserve Escrow Account**

234.5 \$14,000,000 is appropriated from the budget
234.6 reserve to the commissioner of finance and
234.7 shall be placed in the budget reserve escrow
234.8 account. The commissioner of finance may
234.9 use this appropriation to support a guarantee
234.10 by the state of Minnesota that private money
234.11 will be raised to pay the Minneapolis-St. Paul
234.12 Host Committee's share of expenses for the
234.13 2008 Republican National Convention in St.
234.14 Paul. The terms of the state guarantee will be
234.15 negotiated by the commissioner of finance.
234.16 Any money advanced to the Host Committee
234.17 under the state guarantee must be repaid by
234.18 the Host Committee to the commissioner
234.19 of finance no later than June 30, 2009, and
234.20 deposited in the budget reserve fund. Any
234.21 unspent portion of the appropriation cancels
234.22 to the budget reserve on June 30, 2009.

234.23 Sec. 12. Minnesota Statutes 2006, section 3.855, subdivision 3, is amended to read:

234.24 Subd. 3. **Other salaries and compensation plans.** The commission shall also:

234.25 (1) review and approve, reject, or modify a plan for compensation and terms and
234.26 conditions of employment prepared and submitted by the commissioner of employee
234.27 relations under section 43A.18, subdivision 2, covering all state employees who are not
234.28 represented by an exclusive bargaining representative and whose compensation is not
234.29 provided for by chapter 43A or other law;

234.30 (2) review and approve, reject, or modify a plan for total compensation and terms
234.31 and conditions of employment for employees in positions identified as being managerial
234.32 under section 43A.18, subdivision 3, whose salaries and benefits are not otherwise
234.33 provided for in law or other plans established under chapter 43A;

(3) review and approve, reject, or modify recommendations for salaries submitted by the governor or other appointing authority under section 15A.0815, subdivision 5, covering agency head positions listed in section 15A.0815;

(4) review and approve, reject, or modify recommendations for salaries of officials of higher education systems under section 15A.081, subdivisions 7b and 7c; ~~and~~

(5) review and approve, reject, or modify plans for compensation, terms, and conditions of employment proposed under section 43A.18, subdivisions 3a and 4; and

(6) review and approve, reject, or modify the plan for compensation, terms, and conditions of employment of classified employees in the office of the legislative auditor under section 3.971, subdivision 2.

EFFECTIVE DATE. This section is effective January 1, 2009.

Sec. 13. Minnesota Statutes 2006, section 3.971, subdivision 2, is amended to read:

Subd. 2. **Staff; compensation.** The legislative auditor shall establish a Financial Audits Division and a Program Evaluation Division to fulfill the duties prescribed in this section. Each division may be supervised by a deputy auditor, appointed by the legislative auditor, with the approval of the commission, for a term coterminous with the legislative auditor's term. The deputy auditors may be removed before the expiration of their terms only for cause. The legislative auditor and deputy auditors may each appoint a confidential secretary to serve at pleasure. The salaries and benefits of the legislative auditor, deputy auditors and confidential secretaries shall be determined by the compensation plan approved by the Legislative Coordinating Commission. The deputy auditors may perform and exercise the powers, duties and responsibilities imposed by law on the legislative auditor when authorized by the legislative auditor. The deputy auditors and the confidential secretaries serve in the unclassified civil service, but all other employees of the legislative auditor are in the classified civil service. Compensation for employees of the legislative auditor in the classified service shall be governed by a plan prepared by the legislative auditor and approved by the Legislative Coordinating Commission and the legislature under section 3.855. While in office, a person appointed deputy for the Financial Audit Division must hold an active license as a certified public accountant.

EFFECTIVE DATE. This section is effective January 1, 2009. Classified employees of the legislative auditor retain compensation provided on December 31, 2008, until a new compensation plan is adopted under section 12.

Sec. 14. **[5.33] RETURNING COMBAT VETERANS.**

If any Minnesota business or nonprofit corporation, limited liability company, cooperative, limited partnership, or limited liability partnership has been administratively or statutorily dissolved, revoked, or terminated after December 31, 2006, for failure to file an annual or periodic report with the Office of the Secretary of State during a calendar year when an individual with substantial responsibility for the operation of the dissolved, revoked, or terminated business or nonprofit corporation, limited liability company, cooperative, limited partnership, or limited liability partnership was serving in active military service in the armed forces of the United States, including the reserves or National Guard, as defined in section 190.05, subdivision 5b or 5c, or was engaged in employment outside of the United States essential to the prosecution of a war or to the national defense, as designated by the United States Congress or the United States Department of Defense, the secretary of state shall waive any reinstatement fee otherwise required by law.

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

Sec. 15. Minnesota Statutes 2006, section 10A.071, subdivision 3, is amended to read:

Subd. 3. **Exceptions.** (a) The prohibitions in this section do not apply if the gift is:

(1) a contribution as defined in section 10A.01, subdivision 11;

(2) services to assist an official in the performance of official duties, including but not limited to providing advice, consultation, information, and communication in connection with legislation, and services to constituents;

(3) services of insignificant monetary value;

(4) a plaque or similar memento ~~recognizing individual services in a field of specialty or to a charitable cause;~~

(5) a trinket or memento ~~costing~~ with a resale value of \$5 or less;

(6) informational material of unexceptional value; or

(7) food or a beverage given at a reception, meal, or meeting away from the recipient's place of work by an organization before whom the recipient appears to make a speech or answer questions as part of a program.

(b) The prohibitions in this section do not apply if the gift is given:

(1) because of the recipient's membership in a group, a majority of whose members are not officials, and an equivalent gift is given to the other members of the group; or

(2) by a lobbyist or principal who is a member of the family of the recipient, unless the gift is given on behalf of someone who is not a member of that family.

Sec. 16. **[13B.07] TAX DEBTOR DATA MATCHES.**

Subdivision 1. Definitions. The definitions in this subdivision apply to this section.

237.1 (a) "Account" means demand deposit account, checking account, negotiable order of
237.2 withdrawal account, savings account, time deposit account, money market mutual fund
237.3 account, or certificate of deposit account, and any funds or property held by a financial
237.4 institution, as defined in paragraph (e).

237.5 (b) "Account information" means the type of account, the account number, whether
237.6 the account is singly or jointly owned, and in the case of jointly owned accounts the name
237.7 and address of the nondebtor account owner if available.

237.8 (c) "Commissioner" means the commissioner of revenue.

237.9 (d) "Debtor" means a person whose property is subject to a tax lien and a notice of
237.10 lien has been filed by the commissioner as provided by section 270C.63, subdivision 2.

237.11 (e) "Financial institution" means any of the following that do business in this state:

237.12 (1) federal or state commercial banks and federal or state savings banks, including
237.13 savings and loan associations and cooperative banks;

237.14 (2) federal and state chartered credit unions;

237.15 (3) benefit associations;

237.16 (4) life insurance companies;

237.17 (5) safe deposit companies;

237.18 (6) money market mutual funds; or

237.19 (7) a similar entity that holds property or maintains accounts reflecting property
237.20 belonging to others.

237.21 (f) "Person" means a person as defined in section 270C.01, subdivision 6.

237.22 Subd. 2. **Data match system established.** The commissioner shall establish a
237.23 process for the comparison of account information data held by financial institutions with
237.24 the Department of Revenue's database of debtors. The commissioner shall inform the
237.25 financial industry of the requirements of this section and the means by which financial
237.26 institutions can comply.

237.27 Subd. 3. **Duty to provide data.** Within 30 days of a request by the commissioner,
237.28 a financial institution shall provide to the commissioner the name, address, and account
237.29 information for each debtor who maintains an account at the financial institution. The
237.30 commissioner may request from a financial institution the data concerning any debtor
237.31 not more than four times a year.

237.32 Subd. 4. **Method to provide data.** The commissioner must provide an electronic
237.33 list of debtors to the financial institution that includes debtors' name, address, and if an
237.34 individual, the last four digits of the Social Security number. The financial institution must
237.35 compare that data to the data maintained at the financial institution to identify which of the
237.36 listed debtors maintains an account at the financial institution.

238.1 Subd. 5. **Means to provide data.** A financial institution must provide the required
238.2 data in encrypted form by secure electronic means authorized by the commissioner.

238.3 Subd. 6. **Access to data.** (a) With regard to data on debtors provided by the
238.4 commissioner to a financial institution under subdivision 4, the financial institution shall
238.5 retain the reported information only until the financial institution's database is compared
238.6 against the commissioner's database. Data that does not pertain to an account holder at
238.7 the financial institution must be immediately destroyed, and no retention or publication
238.8 of that data shall be made by the financial institution. None of the data provided by the
238.9 commissioner may be used for solicitation or other commercial purposes by the financial
238.10 institutions or other commercial entities.

238.11 (b) All account information provided by a financial institution that pertains to a
238.12 debtor listed in the commissioner's database must be incorporated into the commissioner's
238.13 database. Access to that data is governed by chapters 13 and 270B. Notwithstanding
238.14 section 16D.06, data collected pursuant to this section is available for the collection of
238.15 delinquent taxes only and is not available for other debt collection activities undertaken by
238.16 the state.

238.17 Subd. 7. **Fees.** A financial institution may charge and collect a fee from the
238.18 commissioner for providing account information to the commissioner. The commissioner
238.19 may pay a financial institution up to \$150 each quarter. The commissioner shall develop
238.20 procedures for the financial institutions to charge and collect the fee. Payment of the fee
238.21 is limited by the amount of the appropriation for this purpose. If the appropriation is
238.22 insufficient, or if fund availability in the fourth quarter would allow payments for actual
238.23 costs in excess of \$150, the commissioner shall prorate the available funds among the
238.24 financial institutions that have submitted a claim for the fee. No financial institution shall
238.25 charge or collect a fee that exceeds its actual costs of complying with this section.

238.26 Subd. 8. **Failure to respond to request for information.** The commissioner shall
238.27 send a written notice of noncompliance to a financial institution that fails to respond to a
238.28 first written request for information under this section. The notice must be sent by certified
238.29 mail and must explain the requirements of this section and advise the financial institution
238.30 of the penalty for noncompliance. A financial institution that receives a second notice of
238.31 noncompliance is subject to a civil penalty of \$1,000 for its failure to comply. A financial
238.32 institution that continues to fail to comply with this section is subject to a civil penalty of
238.33 \$5,000 for the third and each subsequent failure to comply. These penalties are imposed
238.34 and collected under section 270C.33, subdivision 4, paragraph (a), clause (5).

Subd. 9. **Confidentiality.** A financial institution furnishing a report to the commissioner under this section is prohibited from disclosing to a debtor that the name of the debtor has been received from or furnished to the commissioner.

Subd. 10. **Immunity.** A financial institution that provides or reasonably attempts to provide information to the commissioner in compliance with this section is not liable to any person for disclosing the information or for taking any other action in good faith as authorized by this section.

Subd. 11. **Civil action for unauthorized disclosure by financial institution.** (a) An account holder may bring a civil action in district court against a financial institution for unauthorized disclosure of data received from the commissioner under subdivision 4. A financial institution found to have violated this subdivision shall be liable as provided in paragraph (b) or (c).

(b) Any financial institution that willfully and maliciously discloses data received from the commissioner under subdivision 4 is liable to that account holder in an amount equal to the sum of:

(1) any actual damages sustained by the account holder as a result of the disclosure; and

(2) in the case of any successful action to enforce any liability under this subdivision, the costs of the action taken plus reasonable attorney fees as determined by the court.

(c) Any financial institution that negligently discloses data received from the commissioner under subdivision 4 is liable to that account holder in an amount equal to any actual damages sustained by the account holder as a result of the disclosure.

(d) A financial institution shall not be held liable in any action brought under this subdivision if the financial institution shows, by a preponderance of evidence, that the disclosure was not intentional and resulted from a bona fide error notwithstanding the maintenance of procedures reasonably adopted to avoid any error.

EFFECTIVE DATE. This section is effective July 1, 2008.

Sec. 17. Minnesota Statutes 2006, section 16A.133, subdivision 1, is amended to read:

Subdivision 1. **Payroll direct deposit and deductions.** An agency head in the executive, judicial, and legislative branch shall, upon written request signed by an employee, directly deposit all or part of an employee's pay to those credit unions or financial institutions, as defined in section 47.015, designated by the employee.

An agency head in any branch may, upon written request of an employee, deduct from the pay of the employee a requested amount to be paid to the Minnesota Benefit Association, ~~or~~ to any organization contemplated by section 179A.06, of which the

240.1 employee is a member, or to a political action committee covered under a collective
240.2 bargaining agreement. If an employee has more than one account with the Minnesota
240.3 Benefit Association or more than one organization under section 179A.06, only the
240.4 Minnesota Benefit Association ~~and~~ one organization, as defined under section 179A.06,
240.5 and one political action committee may be paid money by payroll deduction from the
240.6 employee's pay.

240.7 Sec. 18. **[16A.1395] USE OF STATE FUNDS TO MISIDENTIFY AN AGENCY**
240.8 **PROHIBITED.**

240.9 A state appropriation may not be used to identify an executive branch state agency by
240.10 a name other than the name assigned to it by law. It is a misuse of state funds for the head
240.11 of an executive branch state agency to use state funds to print agency stationery or other
240.12 official materials that identify the agency with a name other than the name assigned by law.

240.13 Sec. 19. Minnesota Statutes 2006, section 16B.281, subdivision 3, is amended to read:

240.14 Subd. 3. **Notice to agencies; determination of surplus.** ~~On or before October 1 of~~
240.15 ~~each year, the commissioner shall review the certifications of heads of each department or~~
240.16 ~~agency provided for in this section.~~ The commissioner of administration shall send written
240.17 notice to all state departments, agencies, and the University of Minnesota describing any
240.18 lands or tracts that may be declared surplus. If a department or agency or the University of
240.19 Minnesota desires custody of the lands or tracts, it shall submit a written request to the
240.20 commissioner, no later than four calendar weeks after mailing of the notice, setting forth
240.21 in detail its reasons for desiring to acquire and its intended use of the land or tract. The
240.22 commissioner shall then determine whether any of the lands described ~~in the certifications~~
240.23 ~~of the heads of the departments or agencies~~ should be declared surplus and offered for
240.24 sale or otherwise disposed of by transferring custodial control to other requesting state
240.25 departments or agencies or to the Board of Regents of the University of Minnesota for
240.26 educational purposes, provided however that transfer to the Board of Regents shall not be
240.27 determinative of tax exemption or immunity. If the commissioner determines that any of
240.28 the lands are no longer needed for state purposes, the commissioner shall make findings of
240.29 fact, describe the lands, declare the lands to be surplus state land, and state the reasons for
240.30 the sale or disposition of the lands, ~~and notify the Executive Council of the determination.~~

240.31 Sec. 20. Minnesota Statutes 2006, section 16B.282, is amended to read:

240.32 **16B.282 SURVEYS, APPRAISALS, AND SALE.**

241.1 Subdivision 1. **Appraisal; notice and offer to public bodies.** (a) Before offering
241.2 any surplus state-owned lands for sale, the commissioner of administration may survey the
241.3 lands and, if the value of the lands is estimated to be ~~\$40,000~~ \$50,000 or less, may have
241.4 the lands appraised. The commissioner shall have the lands appraised if the estimated
241.5 value is in excess of ~~\$40,000~~ \$50,000.

241.6 (b) ~~The appraiser shall, before entering upon the duties of the office, take and~~
241.7 ~~subscribe an oath that the appraiser will faithfully and impartially discharge the duties~~
241.8 ~~of appraiser according to the best of the appraiser's ability and that the appraiser is not~~
241.9 ~~interested, directly or indirectly, in any of the lands to be appraised or the timber or~~
241.10 ~~improvements on the lands or in the purchase of the lands, timber, or improvements~~
241.11 ~~and has entered into no agreement or combination to purchase any of the lands, timber,~~
241.12 ~~or improvements. The oath shall be attached to the appraisal report. Appraisals must~~
241.13 ~~be made by an appraiser that holds a state appraiser license issued by the Department~~
241.14 ~~of Commerce. The appraisal must be in conformity with the Uniform Standards of~~
241.15 ~~Professional Appraisal Practice of the Appraisal Foundation.~~

241.16 (c) Before offering surplus state-owned lands for public sale, the lands shall first be
241.17 offered to the city, county, town, school district, or other public body corporate or politic
241.18 in which the lands are situated for public purposes and the lands may be sold for public
241.19 purposes for not less than the appraised value of the lands. To determine whether a public
241.20 body desires to purchase the surplus land, the commissioner shall give a written notice to
241.21 the governing body of each political subdivision whose jurisdictional boundaries include
241.22 or are adjacent to the surplus land. If a public body desires to purchase the surplus land,
241.23 it shall submit a written offer to the commissioner no later than two weeks after receipt
241.24 of notice setting forth in detail its reasons for desiring to acquire and its intended use of
241.25 the land. In the event that more than one public body tenders an offer, the commissioner
241.26 shall determine which party shall receive the property and shall submit written findings
241.27 regarding the decision. If lands are offered for sale for public purposes and if a public
241.28 body notifies the commissioner of its desire to acquire the lands, the public body may have
241.29 up to two years from the date of the accepted offer to commence payment for the lands
241.30 in the manner provided by law.

241.31 Subd. 2. **Public sale requirements.** (a) ~~Lands certified as surplus by the head of~~
241.32 ~~a department or agency under section 16B.281 shall be offered for public sale by the~~
241.33 ~~commissioner as provided in this subdivision. After complying with subdivision 1 and~~
241.34 ~~before any public sale of surplus state-owned land is made and at least 30 days before the~~
241.35 ~~sale, the commissioner of administration shall publish a notice of the sale at least once each~~
241.36 ~~week for four successive weeks in a legal newspaper and also in a newspaper of general~~

242.1 distribution in the ~~city or~~ county in which the real property to be sold is situated. The notice
242.2 shall specify the time and place at which the sale will commence, a general description of
242.3 the lots or tracts to be offered, and a general statement of the terms of sale. ~~Each tract or~~
242.4 ~~lot shall be sold separately and shall be sold for no less than its appraised value.~~

242.5 (b) Surplus state-owned land shall be sold for no less than the estimated or appraised
242.6 value. The minimum bid may include expenses incurred by the commissioner in rendering
242.7 the property saleable, including survey, appraisal, legal, advertising, and other expenses.

242.8 ~~(b)~~ (c) Parcels remaining unsold after the offering may be sold to anyone agreeing
242.9 to pay the appraised value. The sale shall continue until all parcels are sold or until the
242.10 commissioner orders a reappraisal or withdraws the remaining parcels from sale.

242.11 ~~(c) Except as provided in section 16B.283, the cost of any survey or appraisal as~~
242.12 ~~provided in subdivision 1 shall be added to and made a part of the appraised value of the~~
242.13 ~~lands to be sold, whether to any political subdivision of the state or to a private purchaser~~
242.14 ~~as provided in this subdivision.~~

242.15 Sec. 21. Minnesota Statutes 2006, section 16B.283, is amended to read:

242.16 **16B.283 TERMS OF PAYMENT.**

242.17 ~~No less than ten percent of the purchase price shall be paid at the time of sale with~~
242.18 ~~the balance payable according to this section. If the purchase price of any lot or parcel is~~
242.19 ~~\$5,000 or less, the balance shall be paid within 90 days of the date of sale. If the purchase~~
242.20 ~~price of any lot or parcel is in excess of \$5,000, the balance shall be paid in equal annual~~
242.21 ~~installments for no more than five years, at the option of the purchaser, with principal~~
242.22 ~~and interest payable annually in advance at a rate equal to the rate in effect at the time~~
242.23 ~~under section 549.09 on the unpaid balance, payable to the state treasury on or before~~
242.24 ~~June 1 each year. Any installment of principal or interest may be prepaid. The purchaser~~
242.25 must pay at the time of sale ten percent of the total amount bid and the remainder of the
242.26 payment is due within 90 days of the sale date. A person who fails to make final payment
242.27 within 90 days of the sale date is in default. On default, all right, title, and interest of
242.28 the purchaser or heirs, representatives, or assigns of the purchaser in the premises shall
242.29 terminate without the state doing any act or thing. A record of the default must be made in
242.30 the state land records of the commissioner.

242.31 Sec. 22. Minnesota Statutes 2006, section 16B.284, is amended to read:

242.32 **16B.284 ~~CONTRACT FOR DEED AND~~ QUITCLAIM DEED.**

242.33 ~~In the event a purchaser elects to purchase surplus real property on an installment~~
242.34 ~~basis, the commissioner shall enter into a contract for deed with the purchaser, in which~~

243.1 ~~shall be set forth the description of the real property sold and the price of the property,~~
243.2 ~~the consideration paid and to be paid for the property, the rate of interest, and time and~~
243.3 ~~terms of payment. The contract for deed shall be made assignable and shall further set~~
243.4 ~~forth that in case of the nonpayment of the annual principal or interest payment due by the~~
243.5 ~~purchaser, or any person claiming under the purchaser, then the contract for deed, from the~~
243.6 ~~time of the failure, is entirely void and of no effect and the state may be repossessed of the~~
243.7 ~~lot or tract and may resell the lot or tract as provided in sections 16B.281 to 16B.287. In~~
243.8 ~~the event the terms and conditions of a contract for deed are completely fulfilled or if a~~
243.9 ~~purchaser makes a lump-sum payment for the subject property in lieu of entering into a~~
243.10 ~~contract for deed; The commissioner of administration shall sign and cause to be issued a~~
243.11 quitclaim deed on behalf of the state. The quitclaim deed shall be in a form prescribed by
243.12 the attorney general and shall vest in the purchaser all of the state's interest in the subject
243.13 property except as provided in section ~~16B.286~~ 16B.285.

243.14 Sec. 23. Minnesota Statutes 2006, section 16B.287, subdivision 2, is amended to read:

243.15 Subd. 2. **Payment of expenses.** A portion of the proceeds from the sale equal in
243.16 amount to the survey, appraisal, legal, advertising, and other expenses incurred by the
243.17 commissioner of administration or other state official in rendering the property salable shall
243.18 be remitted to the account from which the expenses were paid and are appropriated and
243.19 immediately available for expenditure in the same manner as other money in the account.

243.20 Sec. 24. Minnesota Statutes 2006, section 16C.16, subdivision 5, is amended to read:

243.21 Subd. 5. **Designation of targeted groups.** (a) The commissioner of administration
243.22 shall periodically designate businesses that are majority owned and operated by women,
243.23 persons with a substantial physical disability, or specific minorities as targeted group
243.24 businesses within purchasing categories as determined by the commissioner. A group
243.25 may be targeted within a purchasing category if the commissioner determines there is a
243.26 statistical disparity between the percentage of purchasing from businesses owned by
243.27 group members and the representation of businesses owned by group members among all
243.28 businesses in the state in the purchasing category.

243.29 (b) In addition to designations under paragraph (a), an individual business may be
243.30 included as a targeted group business if the commissioner determines that inclusion is
243.31 necessary to remedy discrimination against the owner based on race, gender, or disability
243.32 in attempting to operate a business that would provide goods or services to public agencies.

243.33 (c) In addition to the designations under paragraphs (a) and (b), the commissioner of
243.34 administration shall designate businesses that are majority owned and operated by veterans

244.1 who have served in federal active service as defined in section 190.05, subdivision 5c, in
244.2 support of Operation Enduring Freedom or Operation Iraqi Freedom as targeted group
244.3 businesses within purchasing categories as determined by the commissioner. "Veteran"
244.4 has the meaning given in section 197.447, and also includes both currently serving and
244.5 honorably discharged members of the national guard and other military reserves.

244.6 ~~(e)~~ (d) The designations of purchasing categories and businesses under paragraphs
244.7 (a) ~~and~~, (b), and (c) are not rules for purposes of chapter 14, and are not subject to
244.8 rulemaking procedures of that chapter.

244.9 **EFFECTIVE DATE.** This section is effective July 1, 2008, and applies to
244.10 procurement contract bid solicitations issued on and after that date.

244.11 Sec. 25. Minnesota Statutes 2006, section 16E.01, subdivision 3, is amended to read:

244.12 Subd. 3. **Duties.** (a) The office shall:

244.13 (1) manage the efficient and effective use of available federal, state, local, and
244.14 public-private resources to develop statewide information and telecommunications
244.15 technology systems and services and its infrastructure;

244.16 (2) approve state agency and intergovernmental information and telecommunications
244.17 technology systems and services development efforts involving state or intergovernmental
244.18 funding, including federal funding, provide information to the legislature regarding
244.19 projects reviewed, and recommend projects for inclusion in the governor's budget under
244.20 section 16A.11;

244.21 (3) ensure cooperation and collaboration among state and local governments in
244.22 developing intergovernmental information and telecommunications technology systems
244.23 and services, and define the structure and responsibilities of a representative governance
244.24 structure;

244.25 (4) cooperate and collaborate with the legislative and judicial branches in the
244.26 development of information and communications systems in those branches;

244.27 (5) continue the development of North Star, the state's official comprehensive online
244.28 service and information initiative;

244.29 (6) promote and collaborate with the state's agencies in the state's transition to an
244.30 effectively competitive telecommunications market;

244.31 (7) collaborate with entities carrying out education and lifelong learning initiatives
244.32 to assist Minnesotans in developing technical literacy and obtaining access to ongoing
244.33 learning resources;

245.1 (8) promote and coordinate public information access and network initiatives,
245.2 consistent with chapter 13, to connect Minnesota's citizens and communities to each
245.3 other, to their governments, and to the world;

245.4 (9) promote and coordinate electronic commerce initiatives to ensure that Minnesota
245.5 businesses and citizens can successfully compete in the global economy;

245.6 (10) manage and promote the regular and periodic reinvestment in the information
245.7 and telecommunications technology systems and services infrastructure so that state and
245.8 local government agencies can effectively and efficiently serve their customers;

245.9 (11) facilitate the cooperative development of and ensure compliance with standards
245.10 and policies for information and telecommunications technology systems and services,
245.11 electronic data practices and privacy, and electronic commerce among international,
245.12 national, state, and local public and private organizations;

245.13 (12) eliminate unnecessary duplication of existing information and
245.14 telecommunications technology systems and services provided by other public and private
245.15 organizations while building on the existing governmental, educational, business, health
245.16 care, and economic development infrastructures;

245.17 (13) identify, sponsor, develop, and execute shared information and
245.18 telecommunications technology projects and ongoing operations; and

245.19 (14) ensure overall security of the state's information and technology systems and
245.20 services.

245.21 (b) The chief information officer in consultation with the commissioner of finance
245.22 must determine when it is cost-effective for agencies to develop and use shared
245.23 information and telecommunications technology systems and services for the delivery of
245.24 electronic government services. The chief information officer may require agencies to
245.25 use shared information and telecommunications technology systems and services. The
245.26 chief information officer shall establish reimbursement rates in cooperation with the
245.27 commissioner of finance to be billed to agencies and other governmental entities sufficient
245.28 to cover the actual development, operating, maintenance, and administrative costs of
245.29 the shared systems. The methodology for billing may include the use of interagency
245.30 agreements, or other means as allowed by law.

245.31 (c) A state agency with any information and telecommunications technology project
245.32 that has a total expected project cost of more than \$1,000,000, whether funded as part of
245.33 the biennial budget or by any other means, shall for the purpose of registration with the
245.34 office submit basic project startup documentation as specified by the office in both content
245.35 and format. Registration must occur prior to the date of commencement of the project
245.36 and before any project funding is requested or committed. Project leaders must: (1)

246.1 demonstrate that acceptable and sustainable project management methodology is being
246.2 followed for the project; (2) provide updates to the project documentation as changes
246.3 are proposed; and (3) regularly report on the current status of the project on a schedule
246.4 agreed to by the office.

246.5 (d) The office must monitor progress on any active information and
246.6 telecommunications technology project that has a total expected project cost of more than
246.7 \$1,000,000 and report on performance against plan in terms of time, scope, and budget.
246.8 Based on the determination of the chief information officer, the office must conduct an
246.9 independent project audit of the project. The audit analysis and evaluation by the office
246.10 of the projects registered under paragraph (c) must be presented to agency executive
246.11 sponsors, the project governance bodies, and the chief information officer. All reports and
246.12 responses must become part of the project record.

246.13 (e) For any active information and telecommunications technology project that has a
246.14 total expected project cost of more than \$5,000,000, an annual independent audit must be
246.15 performed that conforms to project audit principles published by the office.

246.16 (f) The chief information officer shall report to the legislative committees with
246.17 jurisdiction over the office by January 15 of each year regarding the review process
246.18 required under paragraph (a), clause (2). The report must include a description of the
246.19 current status of each project reviewed by the office. The report must include the rationale
246.20 used for the determination made for each project.

246.21 Sec. 26. Minnesota Statutes 2006, section 16E.03, subdivision 1, is amended to read:

246.22 Subdivision 1. **Definitions.** For the purposes of chapter 16E, the following terms
246.23 have the meanings given them.

246.24 (a) "Information and telecommunications technology systems and services" means
246.25 all computing and telecommunications hardware and software, the activities undertaken
246.26 to secure that hardware and software, and the activities undertaken to acquire, transport,
246.27 process, analyze, store, and disseminate information electronically. "Information and
246.28 telecommunications technology systems and services" includes all proposed expenditures
246.29 for computing and telecommunications hardware and software, security for that hardware
246.30 and software, and related consulting or other professional services.

246.31 (b) "Information and telecommunications technology project" means an effort to
246.32 acquire or produce information and telecommunications technology systems and services.

246.33 (c) "Telecommunications" means voice, video, and data electronic transmissions
246.34 transported by wire, wireless, fiber-optic, radio, or other available transport technology.

247.1 (d) "Cyber security" means the protection of data and systems in networks connected
247.2 to the Internet.

247.3 (e) "State agency" means an agency in the executive branch of state government and
247.4 includes the Minnesota Office of Higher Education, but does not include the Minnesota
247.5 State Colleges and Universities unless specifically provided elsewhere in this chapter.

247.6 (f) "Total expected project cost" includes direct staff costs, all supplemental contract
247.7 staff and vendor costs, and costs of hardware and software development or purchase.
247.8 Breaking a project into several phases does not affect the cost threshold which must be
247.9 computed on the full cost of all aspects of the related subprojects.

247.10 Sec. 27. Minnesota Statutes 2006, section 16E.04, subdivision 2, is amended to read:

247.11 Subd. 2. **Responsibilities.** (a) In addition to other activities prescribed by law, the
247.12 office shall carry out the duties set out in this subdivision.

247.13 (b) The office shall develop and establish a state information architecture to ensure
247.14 that state agency development and purchase of information and communications systems,
247.15 equipment, and services is designed to ensure that individual agency information systems
247.16 complement and do not needlessly duplicate or conflict with the systems of other agencies.
247.17 When state agencies have need for the same or similar public data, the chief information
247.18 officer, in coordination with the affected agencies, shall manage the most efficient and
247.19 cost-effective method of producing and storing data for or sharing data between those
247.20 agencies. The development of this information architecture must include the establishment
247.21 of standards and guidelines to be followed by state agencies. The office shall ensure
247.22 compliance with the architecture.

247.23 (c) The office shall assist state agencies in the planning and management of
247.24 information systems so that an individual information system reflects and supports
247.25 the state agency's mission and the state's requirements and functions. Each agency
247.26 shall develop a strategic information technology plan. The office shall review and
247.27 approve agency technology plans to ensure consistency with enterprise information and
247.28 telecommunications technology strategy. By December 1 of each year, the office must
247.29 report to the legislative committees with jurisdiction over the office regarding the plans
247.30 under this paragraph.

247.31 (d) The office shall review and approve agency requests for funding for the
247.32 development or purchase of information systems equipment or software before the
247.33 requests may be included in the governor's budget.

247.34 (e) The office shall review major purchases of information systems equipment to:

248.1 (1) ensure that the equipment follows the standards and guidelines of the state
248.2 information architecture;

248.3 (2) ensure the agency's proposed purchase reflects a cost-effective policy regarding
248.4 volume purchasing; and

248.5 (3) ensure that the equipment is consistent with other systems in other state agencies
248.6 so that data can be shared among agencies, unless the office determines that the agency
248.7 purchasing the equipment has special needs justifying the inconsistency.

248.8 (f) The office shall review the operation of information systems by state agencies
248.9 and ensure that these systems are operated efficiently and securely and continually meet
248.10 the standards and guidelines established by the office. The standards and guidelines must
248.11 emphasize uniformity that is cost-effective for the enterprise, that encourages information
248.12 interchange, open systems environments, and portability of information whenever
248.13 practicable and consistent with an agency's authority and chapter 13.

248.14 (g) The office shall conduct a comprehensive review at least every three years of
248.15 the information systems investments that have been made by state agencies and higher
248.16 education institutions. The review must include recommendations on any information
248.17 systems applications that could be provided in a more cost-beneficial manner by an outside
248.18 source. The office must report the results of its review to the legislature and the governor.

248.19 Sec. 28. **[43A.1816] LEAVE TO CARE FOR SIGNIFICANT OTHER.**

248.20 (a) An employee must be granted leave to the extent the employee's attendance is
248.21 necessary to care for a significant other due to the significant other's illness or disability,
248.22 up to a period of five days within a 12-month period. The leave must be unpaid, unless
248.23 otherwise provided in a collective bargaining agreement or compensation plan.

248.24 (b) For purposes of this section, "significant other" means a person who has entered
248.25 into a committed interdependent relationship with another adult, where the adults:

248.26 (1) are responsible for each other's basic common welfare;

248.27 (2) share a common residence and intend to do so indefinitely;

248.28 (3) are not related by blood or adoption to an extent that would prohibit marriage in
248.29 this state; and

248.30 (4) are legally competent and qualified to enter into a contract.

248.31 For purposes of this section, significant others may share a common residence even
248.32 if they do not have a legal right to possess the residence or one or both domestic partners
248.33 possess additional real property. If one significant other temporarily leaves the common
248.34 residence with the intention to return, the significant others continue to share a common
248.35 residence for the purposes of this section.

Sec. 29. [43A.187] BLOOD DONATION LEAVE.

A state employee must be granted leave from work with 100 percent of pay to donate blood at a location away from the place of work. The total amount of leave used under this paragraph may not exceed three hours in a 12-month period, and must be determined by the employee. A state employee seeking leave from work under this section must provide 14 days notice to the appointing authority. This leave must not affect the employee's vacation leave, pension, compensatory time, personal vacation days, sick leave, earned overtime accumulation, or cause a loss of seniority. For the purposes of this section, "state employee" does not include an employee of the Minnesota State Colleges and Universities.

Sec. 30. Laws 2006, chapter 282, article 2, section 27, subdivision 4, is amended to read:

Subd. 4. **Expiration.** The commission expires ~~December 31, 2008~~ June 30, 2009.

Sec. 31. Laws 2007, chapter 148, article 1, section 7, is amended to read:

Sec. 7. SECRETARY OF STATE	\$	9,019,000	\$	6,497,000

Appropriations by Fund			
	2008	2009	
General	6,175,000	6,497,000	
Special Revenue	2,844,000		

(a) \$310,000 of this appropriation must be transferred to the Help America Vote Act account and is designated as a portion of the match required by section 253(b)(5) of the Help America Vote Act.

(b) \$2,844,000 the first year is appropriated from the Help America Vote Act account for the purposes and uses authorized by federal law. This appropriation is available until June 30, 2009.

(c) Notwithstanding Laws 2005, chapter 162, section 34, subdivision 7, any balance remaining in the Help America Vote Act account after previous appropriations and the appropriations in this section is appropriated

250.1 to the secretary of state for the purposes of
250.2 the account. This appropriation is available
250.3 until June 30, 2011.

250.4 (d) The amount necessary to meet federal
250.5 requirements for interest payments and the
250.6 additional match for the Help America Vote
250.7 Act account is transferred from the general
250.8 fund appropriation to the Help America Vote
250.9 Act account.

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

250.11 Sec. 32. Laws 2007, chapter 148, article 1, section 12, subdivision 4, is amended to
250.12 read:

250.13	Subd. 4. Administrative Management Services	5,672,000	5,218,000

250.14 (a) \$125,000 the first year is to create an
250.15 Office of Grants Management to standardize
250.16 state grants management policies and
250.17 procedures. For the fiscal year beginning
250.18 July 1, 2008, the commissioner must
250.19 deduct up to \$125,000 from state grants
250.20 that are subject to Minnesota Statutes,
250.21 section 16B.97, to ~~nongovernmental~~
250.22 nonstate entities, as necessary to fund the
250.23 commissioner's duties under new Minnesota
250.24 Statutes, sections 16B.97 and 16B.98.

250.25 The amount deducted from appropriations
250.26 for these grants is transferred to the
250.27 commissioner for purposes of administering
250.28 these sections.

250.29 (b) \$250,000 the first year and \$250,000
250.30 the second year are to establish a small
250.31 agency resource team to consolidate and
250.32 streamline the human resources and financial
250.33 management activities for small state
250.34 agencies, boards, and councils.

251.1 (c) \$500,000 the first year is a onetime
251.2 appropriation for a targeted group business
251.3 disparity study. The commissioner
251.4 must cooperate with units of local
251.5 government conducting similar studies. The
251.6 commissioner shall ensure that the results of
251.7 the study are kept current and that any new or
251.8 upgraded accounting or procurement systems
251.9 properly record purchases from minority and
251.10 female-owned businesses through the use of
251.11 state contracts, and the availability of bids
251.12 from those businesses.

251.13 (d) \$74,000 the first year and \$74,000
251.14 the second year are for the Council on
251.15 Developmental Disabilities.

251.16 (e) \$140,000 in fiscal year 2008 and \$140,000
251.17 in fiscal year 2009 are for a grant to the
251.18 Council on Developmental Disabilities
251.19 for the purpose of establishing a statewide
251.20 self-advocacy network for persons with
251.21 intellectual and developmental disabilities
251.22 (ID/DD). The self-advocacy network shall:

251.23 (1) ensure that persons with ID/DD are
251.24 informed of their rights in employment,
251.25 housing, transportation, voting, government
251.26 policy, and other issues pertinent to the
251.27 ID/DD community;

251.28 (2) provide public education and awareness
251.29 of the civil and human rights issues persons
251.30 with ID/DD face;

251.31 (3) provide funds, technical assistance, and
251.32 other resources for self-advocacy groups
251.33 across the state; and

252.1 (4) organize systems of communications
252.2 to facilitate an exchange of information
252.3 between self-advocacy groups.
252.4 This appropriation is in addition to any other
252.5 appropriations and must be added to the base
252.6 appropriation beginning in fiscal year 2010.

252.7 Sec. 33. **MANAGERIAL POSITION REDUCTIONS.**

252.8 The governor must reduce the total number of deputy commissioners, assistant
252.9 commissioners, positions designated as unclassified under authority of Minnesota Statutes,
252.10 section 43A.08, subdivision 1a, and governor's office personnel supported by interagency
252.11 agreements by 25 percent. This reduction must be achieved by June 30, 2009.

252.12 Sec. 34. **MINNEAPOLIS PARK AND RECREATION BOARD;**
252.13 **CONDEMNATION PROCEEDS.**

252.14 Notwithstanding the provisions of Minnesota Statutes, section 16A.695, or any
252.15 other law, the Minneapolis Park and Recreation Board may retain the proceeds from the
252.16 condemnation of park lands or its interest in land necessary for the reconstruction and
252.17 expansion of marked Interstate Highway 35W at the Mississippi River in Minneapolis.
252.18 Proceeds received by the park board from the condemnation proceeding must be deposited
252.19 into a park land acquisition account controlled by the Minneapolis Park and Recreation
252.20 Board. Money in the account must be invested pursuant to Minnesota Statutes, chapter
252.21 118A, and interest shall accrue to this account. The park land acquisition account must
252.22 be used solely to acquire land for public park purposes adjacent to the Mississippi River
252.23 in Minneapolis. Lands acquired from the account must be included in the metropolitan
252.24 regional recreation open space system and are subject to the provisions of Minnesota
252.25 Statutes, section 16A.695, and laws governing metropolitan regional park land. The park
252.26 board shall provide an annual report to the commissioner of finance and the Metropolitan
252.27 Council regional administrator outlining the use of the funds in the park land acquisition
252.28 account until such time as no funds remain in the account.

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

252.30 Sec. 35. **LEGISLATORS' FORUM.**

252.31 During the biennium ending June 30, 2009, the Legislative Coordinating
252.32 Commission must pay expenses associated with Minnesota legislators' participation in

253.1 a legislators' forum, through which Minnesota legislators meet with counterparts from
253.2 South Dakota, North Dakota, and Manitoba to discuss issues of mutual concern.

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

253.4 Sec. 36. **LCC STUDY.**

253.5 The Legislative Coordinating Commission must report to the chairs of the house
253.6 and senate Finance Committees by January 15, 2009, on potential savings that could be
253.7 achieved by having the Legislative Coordinating Commission perform administrative
253.8 functions that currently are performed separately by the house of representatives and
253.9 the senate.

253.10 Sec. 37. **TEMPORARY HOURS OF SALE.**

253.11 From August 29, 2008, through September 8, 2008, holders of an on-sale liquor
253.12 license may remain open and may serve alcohol until 4:00 a.m. each day, and holders of
253.13 an off-sale license may be open and sell alcohol between 8:00 a.m. and 10:00 p.m. on
253.14 Sunday, under the following conditions:

253.15 (1) the holder of an on-sale intoxicating liquor license or the holder of an off-sale
253.16 liquor license must be located within a city or township, any part of which is within ten
253.17 miles of the site of the Republican National Convention; and

253.18 (2) the licensing jurisdiction where the licensee is located must have approved the
253.19 additional hours of sale authorized in this section for all licensees within its jurisdiction.

253.20 Sec. 38. **REPEALER.**

253.21 Minnesota Statutes 2006, sections 16B.281, subdivisions 2, 4, and 5; 16B.285;
253.22 and 645.44, subdivision 19, are repealed.

253.23 Sec. 39. **EFFECTIVE DATE.**

253.24 Except for those sections with a different effective date, this article is effective the
253.25 day following final enactment.

253.26 **ARTICLE 13**

253.27 **MILITARY AFFAIRS**

253.28 Section 1. **SUMMARY OF APPROPRIATIONS.**

253.29 The sums shown in the columns marked "Appropriations" are added to or, if shown
253.30 in parentheses, subtracted from the appropriations in Laws 2007, chapter 45, articles 1
253.31 to 3, to the agencies and for the purposes specified in this article. The appropriations

254.1 are from the general fund or another named fund and are available for the fiscal years
254.2 indicated for each purpose. The figures "2008" and "2009" used in this article mean
254.3 that the addition to or subtraction from the appropriation listed under them is available
254.4 for the fiscal year ending June 30, 2008, or June 30, 2009, respectively. Supplemental
254.5 appropriations and reductions to appropriations for the fiscal year ending June 30, 2008,
254.6 are effective the day following final enactment.

254.7	<u>APPROPRIATIONS</u>
254.8	<u>Available for the Year</u>
254.9	<u>Ending June 30</u>
254.10	<u>2008</u> <u>2009</u>

254.11	Sec. 2. <u>MILITARY AFFAIRS</u>	<u>\$</u>	<u>\$</u>	<u>52,000</u>

254.12	<u>Appropriations by Fund</u>	
254.13	<u>General</u>	<u>390,000</u>
254.14	<u>Special Revenue</u>	<u>(338,000)</u>

254.15 \$75,000 in fiscal year 2009 is to establish a
254.16 state enhancement of the employer support of
254.17 the guard and reserve program. The funding
254.18 base for this activity is \$35,000 each year in
254.19 fiscal years 2010 and 2011.

254.20 \$135,000 in fiscal year 2009 is to make
254.21 \$1,000 biannual bonus payments to National
254.22 Guard medics who meet recertification
254.23 requirements during the fiscal year.

254.24 \$180,000 in fiscal year 2009 is to add "state
254.25 navigator" positions to coordinate state
254.26 agency programs and activities to support
254.27 and assist soldiers and their families during
254.28 and after the reintegration process.

254.29 \$338,000 is a reduction in fiscal year
254.30 2009 from the special revenue fund
254.31 appropriation from the account established
254.32 in Minnesota Statutes, section 190.19. The
254.33 base appropriation in fiscal year 2010 and
254.34 2011 is \$0.

255.1 Sec. 3. Minnesota Statutes 2006, section 190.19, subdivision 1, is amended to read:

255.2 Subdivision 1. **Establishment.** The Minnesota "Support Our Troops" account is
255.3 established in the special revenue fund. The account shall consist of contributions from
255.4 private sources and appropriations. Money in the account is appropriated in equal shares
255.5 to the Department of Military Affairs and the Department of Veterans Affairs.

255.6 **EFFECTIVE DATE.** Notwithstanding Laws 2007, chapter 45, article 2, section
255.7 1, and article 3, section 2, subdivision 3, this section is effective for distribution of the
255.8 Minnesota "Support Our Troops" account the day following final enactment.

255.9 Sec. 4. Minnesota Statutes 2007 Supplement, section 190.19, subdivision 2, is
255.10 amended to read:

255.11 Subd. 2. **Uses.** (a) Money appropriated from the Minnesota "Support Our Troops"
255.12 account to the Department of Military Affairs may be used for:

255.13 (1) grants directly to eligible individuals;

255.14 (2) grants to one or more eligible foundations for the purpose of making grants to
255.15 eligible individuals, as provided in this section; ~~or~~

255.16 (3) veterans' services; or

255.17 (4) grants to family readiness groups chartered by the adjutant general.

255.18 (b) As used in paragraph (a), the term; "eligible individual" includes any person
255.19 who is:

255.20 (1) a member of the Minnesota National Guard or a reserve unit based in Minnesota
255.21 who has been called to active service as defined in section 190.05, subdivision 5;

255.22 (2) a Minnesota resident who is a member of a military reserve unit not based
255.23 in Minnesota, if the member is called to active service as defined in section 190.05,
255.24 subdivision 5;

255.25 (3) any other Minnesota resident performing active service for any branch of the
255.26 military of the United States;

255.27 (4) a person who served in one of the capacities listed in clause (1), (2), or (3) who
255.28 has current financial needs directly related to that service; and

255.29 (5) a member of the immediate family of an individual identified in clause (1), (2),
255.30 (3), or (4). For purposes of this clause, "immediate family" means the individual's spouse
255.31 and minor children and, if they are dependents of the member of the military, the member's
255.32 parents, grandparents, siblings, stepchildren, and adult children.

255.33 (c) As used in paragraph (a), the term "eligible foundation" includes any organization
255.34 that:

256.1 (1) is a tax-exempt organization under section 501(c)(3) of the Internal Revenue
256.2 Code;

256.3 (2) has articles of incorporation under chapter 317A specifying the purpose of
256.4 the organization as including the provision of financial assistance to members of the
256.5 Minnesota National Guard and other United States armed forces reserves and their
256.6 families and survivors; and

256.7 (3) agrees in writing to distribute any grant money received from the adjutant general
256.8 under this section to eligible individuals as defined in this section and in accordance
256.9 with any written policies and rules the adjutant general may impose as conditions of the
256.10 grant to the foundation.

256.11 (d) The maximum grant awarded to an eligible individual under paragraph (a) in a
256.12 calendar year with funds from the Minnesota "Support Our Troops" account, either through
256.13 an eligible institution or directly from the adjutant general, may not exceed \$2,000.

256.14 Sec. 5. **[192.341] STATE ENHANCED EMPLOYER SUPPORT OF GUARD**
256.15 **AND RESERVE (ESGR) PROGRAM.**

256.16 The adjutant general is authorized to establish and administer a state enhancement
256.17 to the federal Employer Support of Guard and Reserve (ESGR) Program. The adjutant
256.18 general shall develop policy and guidelines for the administration of the program
256.19 established under this section.

256.20 Sec. 6. Minnesota Statutes 2006, section 192.501, is amended by adding a subdivision
256.21 to read:

256.22 Subd. 1c. **Medic recertification bonus program.** (a) The adjutant general
256.23 may establish a program to provide a recertification bonus to eligible members of the
256.24 Minnesota National Guard who recertify as emergency medical technicians (EMTs) in
256.25 the National Guard within the limitations of this subdivision. The bonus payments are
256.26 intended to generally encourage a member's continuing certification as an EMT.

256.27 (b) Eligibility for the recertification bonus is limited to a member of the National
256.28 Guard who:

256.29 (1) is serving satisfactorily as determined by the adjutant general; and

256.30 (2) has successfully completed the training required for recertification and warrants
256.31 the payment of a bonus.

256.32 (c) The adjutant general may, within the limitations of this subdivision and other
256.33 applicable laws, determine additional eligibility criteria for the bonus, and must specify all
256.34 of the criteria in regulations and publish changes as necessary.

257.1 (d) Payments under this subdivision must be made on a schedule that is determined
257.2 and published in department regulations by the adjutant general.

257.3 Sec. 7. Minnesota Statutes 2006, section 192.501, is amended by adding a subdivision
257.4 to read:

257.5 Subd. 2a. **Usage of tuition and textbook reimbursement grant program by**
257.6 **spouse permitted.** (a) Notwithstanding the eligibility limitations of subdivision 2,
257.7 paragraph (b), the spouse of a person eligible under subdivision 2, paragraph (b), is
257.8 eligible to use up to 12 semester hours per year, or the equivalent amount of quarter
257.9 credits, of that eligible person's unused tuition reimbursement benefit for each year of
257.10 service in the Minnesota National Guard after the eighth year of such service.

257.11 (b) Total benefits under this subdivision cannot exceed the total unused portion of
257.12 the service member's benefit. A service member's and spouse's eligibility for tuition
257.13 reimbursement under this subdivision is limited by the provisions of subdivision 2,
257.14 paragraph (g).

257.15 Sec. 8. Minnesota Statutes 2006, section 197.585, subdivision 5, is amended to read:

257.16 Subd. 5. **Expiration.** This section expires at the end of the first fiscal year in which
257.17 the number of veterans enrolled in Minnesota public institutions of higher education is
257.18 fewer than 4,000, ~~but no later than June 30, 2011.~~

257.19 Sec. 9. **STARBASE STUDY.**

257.20 The appropriation in Laws 2007, chapter 45, article 3, section 2, subdivision 3, for
257.21 a longitudinal study measuring improvement in academic achievement as a result of
257.22 participation in the Starbase program is available until June 30, 2009. The Department of
257.23 Military Affairs must contract with the Wilder Foundation to conduct the study.

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

257.25 Sec. 10. **NATIONAL GUARD YOUTH CHALLENGE PROGRAM STUDY.**

257.26 The adjutant general and the Department of Military Affairs shall study participation
257.27 by the Minnesota National Guard in the National Guard Youth Challenge Program
257.28 promoted by the National Guard Youth Foundation. The adjutant general shall report on
257.29 the study and make recommendations to the governor and the committees of the senate
257.30 and the house of representatives with jurisdiction over National Guard programs by
257.31 January 15, 2009. The study must include:

257.32 (1) possible locations for the Minnesota National Guard Youth Challenge Program;

258.1 (2) estimated start-up costs for the program;
258.2 (3) application and establishment procedures and resources required to apply for
258.3 and establish the program; and
258.4 (4) a survey of similar programs established in other states and how each state comes
258.5 up with the state match required to obtain federal funds.

ARTICLE 14

EXECUTIVE BRANCH COMPENSATION

258.8 Section 1. Minnesota Statutes 2006, section 15A.081, subdivision 8, is amended to
258.9 read:

Subd. 8. **Expense allowance.** Notwithstanding any law to the contrary, positions listed in section 15A.0815, ~~subdivisions 2 and 3,~~ constitutional officers, the commissioner of Iron Range resources and rehabilitation, and the director of the State Lottery are authorized an annual expense allowance not to exceed \$1,500 for necessary expenses in the normal performance of their duties for which no other reimbursement is provided. The expenditures under this subdivision are subject to any laws and rules relating to budgeting, allotment and encumbrance, preaudit and postaudit. The commissioner of finance may adopt rules to assure the proper expenditure of these funds and to provide for reimbursement.

258.19 Sec. 2. Minnesota Statutes 2006, section 15A.0815, is amended to read:

258.20 **15A.0815 SALARY LIMITS FOR CERTAIN EMPLOYEES.**

Subdivision 1. **Salary limits.** The governor or other appropriate appointing authority shall set the salary rates for positions listed in ~~this section~~ subdivision 2 within the salary limits listed in ~~subdivisions~~ subdivision 2 to 4 and section 43A.17, subdivision 9, subject to approval of the Legislative Coordinating Commission and the legislature as provided by subdivision 5 and sections 3.855 and 15A.081, subdivision 7b.

258.26 Subd. 2. ~~Group I salary limits~~ Positions. The salaries for positions in this

258.27 ~~subdivision may not exceed 95 percent of the salary of the governor.~~

258.28 Commissioner of administration;

258.29 Commissioner of agriculture;

258.30 Commissioner of education;

258.31 Commissioner of commerce:

258.32 Commissioner of corrections;

258.33 Commissioner of employee relations;

258.34 Commissioner of employment and economic development;

- 259.1 Commissioner of finance;
- 259.2 Director, Gambling Control Board;
- 259.3 Commissioner of health;
- 259.4 Executive director, Minnesota Office of Higher Education;
- 259.5 Commissioner, Housing Finance Agency;
- 259.6 Commissioner of human rights;
- 259.7 Commissioner of human services;
- 259.8 Commissioner, Iron Range Resources and Rehabilitation Board;
- 259.9 Commissioner of labor and industry;
- 259.10 Commissioner, Bureau of Mediation Services;
- 259.11 Ombudsman for Mental Health and Developmental Disabilities;
- 259.12 Chair, Metropolitan Airports Commission;
- 259.13 Chair, Metropolitan Council;
- 259.14 Director, Minnesota State Lottery;
- 259.15 Commissioner of natural resources;
- 259.16 ~~Director of Office of Strategic and Long-Range Planning;~~
- 259.17 Commissioner, Pollution Control Agency;
- 259.18 Executive director, Public Employees Retirement Association;
- 259.19 Commissioner of public safety;
- 259.20 Commissioner, Public Utilities Commission;
- 259.21 Director, Minnesota Racing Commission;
- 259.22 Commissioner of revenue;
- 259.23 ~~Commissioner of employment and economic development;~~
- 259.24 Executive director, State Retirement System;
- 259.25 Executive director, Teachers Retirement Association;
- 259.26 Commissioner of transportation; and
- 259.27 Commissioner of veterans affairs.
- 259.28 ~~Subd. 3. Group II salary limits. The salaries for positions in this subdivision may~~
- 259.29 ~~not exceed 85 percent of the salary of the governor:~~
- 259.30 ~~Executive director of Gambling Control Board;~~
- 259.31 ~~Commissioner, Iron Range Resources and Rehabilitation Board;~~
- 259.32 ~~Commissioner, Bureau of Mediation Services;~~
- 259.33 ~~Ombudsman for Mental Health and Developmental Disabilities;~~
- 259.34 ~~Chair, Metropolitan Council;~~
- 259.35 ~~Executive director of pari-mutuel racing;~~
- 259.36 ~~Executive director, Public Employees Retirement Association;~~

~~Commissioner, Public Utilities Commission;~~

~~Executive director, State Retirement System; and~~

~~Executive director, Teachers Retirement Association.~~

~~Subd. 4. **Group III salary limits.** The salary for a position in this subdivision may not exceed 25 percent of the salary of the governor.~~

~~Chair, Metropolitan Airports Commission.~~

Subd. 5. **Appointing authorities to recommend certain salaries.** (a) The governor, or other appropriate appointing authority, may submit to the Legislative Coordinating Commission recommendations for salaries within the salary limits for the positions listed in subdivisions 2 to 4. An appointing authority may also propose additions or deletions of positions from those listed.

(b) Before submitting the recommendations, the appointing authority shall consult with the commissioner of employee relations concerning the recommendations.

(c) In making recommendations, the appointing authority shall consider the criteria established in section 43A.18, subdivision 8, and the performance of individual incumbents. The performance evaluation must include a review of an incumbent's progress toward attainment of affirmative action goals. The appointing authority shall establish an objective system for quantifying knowledge, abilities, duties, responsibilities, and accountabilities, and in determining recommendations, rate each position by this system.

(d) Before the appointing authority's recommended salaries take effect, the recommendations must be reviewed and approved, rejected, or modified by the Legislative Coordinating Commission and the legislature under section 3.855, subdivisions 2 and 3. If, when the legislature is not in session, the commission fails to reject or modify salary recommendations of the governor within 30 calendar days of their receipt, the recommendations are deemed to be approved.

(e) The appointing authority shall set the initial salary of a head of a new agency or a chair of a new metropolitan board or commission whose salary is not specifically prescribed by law after consultation with the commissioner, whose recommendation is advisory only. The amount of the new salary must be comparable to the salary of an agency head or commission chair having similar duties and responsibilities.

(f) The salary of a newly appointed head of an agency or chair of a metropolitan agency listed in ~~subdivisions~~ subdivision 2 to 4, may be increased or decreased by the appointing authority from the salary previously set for that position within 30 days of the new appointment after consultation with the commissioner. If the appointing authority increases a salary under this paragraph, the appointing authority shall submit the new salary to the Legislative Coordinating Commission and the full legislature

261.1 for approval, modification, or rejection under section 3.855, subdivisions 2 and 3.
261.2 If, when the legislature is not in session, the commission fails to reject or modify
261.3 salary recommendations of the governor within 30 calendar days of their receipt, the
261.4 recommendations are deemed to be approved.

261.5 Sec. 3. Minnesota Statutes 2006, section 43A.01, subdivision 3, is amended to read:

261.6 Subd. 3. **Equitable compensation relationships.** It is the policy of this state to
261.7 ~~attempt to~~ establish equitable compensation relationships between female-dominated,
261.8 male-dominated, and balanced classes of employees in the executive branch.
261.9 Compensation relationships are equitable within the meaning of this subdivision when the
261.10 primary consideration in negotiating, establishing, recommending, and approving total
261.11 compensation is comparability of the value of the work in relationship to other positions in
261.12 the executive branch. A recognized system for classification analysis and its concurrent
261.13 point allocation system must be used in order to attain compensation equity. Classification
261.14 range maximums must fall within the system's point allocation window. Market-driven
261.15 forces are recognized as acceptable in order to maintain employee recruitment and
261.16 retention efforts whenever the compensation rates exceed the allocated points. No contract
261.17 executed under chapter 179A may modify, waive, or abridge this section and sections
261.18 43A.07 to 43A.121, 43A.15, and 43A.17 to 43A.21, except to the extent expressly
261.19 permitted in those sections. Any compensation equity adjustments must be made from
261.20 agency appropriations. Fifty percent of the compensation governed by this system must be
261.21 adjusted in fiscal year 2009 and the remaining compensation in fiscal year 2010.

261.22 Sec. 4. Minnesota Statutes 2006, section 43A.17, subdivision 9, is amended to read:

261.23 Subd. 9. ~~Political subdivision~~ **Compensation limit.** (a) The salary and the value
261.24 of all other forms of compensation of the positions in section 15A.0815 and a person
261.25 employed by a political subdivision of this state, excluding a school district, or employed
261.26 under section 422A.03 may not exceed 110 percent of the salary of the governor as set
261.27 under section 15A.082, except as provided in this subdivision. For purposes of this
261.28 subdivision, "political subdivision of this state" includes a statutory or home rule charter
261.29 city, county, town, metropolitan or regional agency, or other political subdivision, but
261.30 does not include a hospital, clinic, or health maintenance organization owned by such a
261.31 governmental unit.

261.32 (b) Beginning in 2006, the limit in paragraph (a) shall be adjusted annually in
261.33 January. The limit shall equal the limit for the prior year increased by the percentage

262.1 increase, if any, in the Consumer Price Index for all-urban consumers from October of the
262.2 second prior year to October of the immediately prior year.

262.3 (c) Deferred compensation and payroll allocations to purchase an individual annuity
262.4 contract for an employee are included in determining the employee's salary. Other forms
262.5 of compensation which shall be included to determine an employee's total compensation
262.6 are all other direct and indirect items of compensation which are not specifically excluded
262.7 by this subdivision. Other forms of compensation which shall not be included in a
262.8 determination of an employee's total compensation for the purposes of this subdivision are:

262.9 (1) employee benefits that are also provided for the majority of all other full-time
262.10 employees of the political subdivision, vacation and sick leave allowances, health and
262.11 dental insurance, disability insurance, term life insurance, and pension benefits or like
262.12 benefits the cost of which is borne by the employee or which is not subject to tax as
262.13 income under the Internal Revenue Code of 1986;

262.14 (2) dues paid to organizations that are of a civic, professional, educational, or
262.15 governmental nature; and

262.16 (3) reimbursement for actual expenses incurred by the employee which the
262.17 governing body determines to be directly related to the performance of job responsibilities,
262.18 including any relocation expenses paid during the initial year of employment.

262.19 The value of other forms of compensation shall be the annual cost to the political
262.20 subdivision for the provision of the compensation.

262.21 (d) The salary of a medical doctor or doctor of osteopathy occupying a position that
262.22 the governing body of the political subdivision has determined requires an M.D. or D.O.
262.23 degree is excluded from the limitation in this subdivision.

262.24 (e) The commissioner may increase the limitation in this subdivision for a position
262.25 that the commissioner has determined requires special expertise necessitating a higher
262.26 salary to attract or retain a qualified person. The commissioner shall review each
262.27 proposed increase giving due consideration to salary rates paid to other persons with
262.28 similar responsibilities in the state and nation. The commissioner may not increase the
262.29 limitation until the commissioner has presented the proposed increase to the Legislative
262.30 Coordinating Commission and received the commission's recommendation on it. The
262.31 recommendation is advisory only. If the commission does not give its recommendation
262.32 on a proposed increase within 30 days from its receipt of the proposal, the commission
262.33 is deemed to have made no recommendation. If the commissioner grants or granted an
262.34 increase under this paragraph, the new limitation shall be adjusted beginning in August
262.35 2005 and in each subsequent calendar year in January by the percentage increase equal to

263.1 the percentage increase, if any, in the Consumer Price Index for all-urban consumers from
263.2 October of the second prior year to October of the immediately prior year.

263.3 Sec. 5. Minnesota Statutes 2006, section 119A.03, subdivision 1, is amended to read:

263.4 Subdivision 1. **General.** The department is under the administrative control of
263.5 the commissioner. The commissioner is appointed by the governor with the advice and
263.6 consent of the senate. The commissioner must possess broad knowledge and experience
263.7 in strengthening children and families. The commissioner has the general powers as
263.8 provided in section 15.06, subdivision 6.

263.9 The commissioner's salary must be established according to the procedure in section
263.10 15A.0815, ~~in the same range as that specified for the commissioner of finance.~~

263.11 Sec. 6. Minnesota Statutes 2006, section 124D.385, subdivision 4, is amended to read:

263.12 Subd. 4. **Delegation to nonprofit.** The commission may create a private nonprofit
263.13 corporation that is exempt from taxation under section 501(c)(3) of the federal Internal
263.14 Revenue Code of 1986. If the commission creates a private nonprofit corporation, the
263.15 commission must serve as the corporation's board of directors. The private nonprofit
263.16 corporation is not subject to laws governing state agencies or political subdivisions,
263.17 except the provisions of chapter 13, the Open Meeting Law under chapter 13D, salary
263.18 limits under section 15A.0815, ~~subdivision 2,~~ and audits by the legislative auditor under
263.19 chapter 3 apply. Further provided that the board of directors and the executive director
263.20 of the nonprofit corporation are each considered an "official" for purposes of section
263.21 10A.071. The commission may delegate any or all of its powers and duties under federal
263.22 law or under sections 124D.37 to 124D.45 to the corporation if the nonprofit corporation
263.23 is approved under federal law to administer the National and Community Service Trust
263.24 Act. The commission may revoke a delegation of powers and duties at any time, and must
263.25 revoke the delegation if the corporation is no longer approved under federal law as the
263.26 administrator in the state of Minnesota for the National and Community Service Trust Act.

263.27 Sec. 7. Minnesota Statutes 2007 Supplement, section 216C.052, subdivision 2, is
263.28 amended to read:

263.29 Subd. 2. **Administrative issues.** (a) The commissioner may select the administrator.
263.30 The administrator must have at least five years of experience working as a power systems
263.31 engineer or transmission planner, or in a position dealing with power system reliability
263.32 issues, and may not have been a party or a participant in a commission energy proceeding
263.33 for at least one year prior to selection by the commissioner. The commissioner shall

oversee and direct the work of the administrator, annually review the expenses of the administrator, and annually approve the budget of the administrator. The administrator may hire staff and may contract for technical expertise in performing duties when existing state resources are required for other state responsibilities or when special expertise is required. The salary of the administrator is governed by section 15A.0815, ~~subdivision 2~~.

(b) Costs relating to a specific proceeding, analysis, or project are not general administrative costs. For purposes of this section, "energy utility" means public utilities, generation and transmission cooperative electric associations, and municipal power agencies providing natural gas or electric service in the state.

(c) The Department of Commerce shall pay:

(1) the general administrative costs of the administrator, not to exceed \$1,000,000 in a fiscal year, and shall assess energy utilities for those administrative costs. These costs must be consistent with the budget approved by the commissioner under paragraph (a). The department shall apportion the costs among all energy utilities in proportion to their respective gross operating revenues from sales of gas or electric service within the state during the last calendar year, and shall then render a bill to each utility on a regular basis; and

(2) costs relating to a specific proceeding analysis or project and shall render a bill to the specific energy utility or utilities participating in the proceeding, analysis, or project directly, either at the conclusion of a particular proceeding, analysis, or project, or from time to time during the course of the proceeding, analysis, or project.

(d) For purposes of administrative efficiency, the department shall assess energy utilities and issue bills in accordance with the billing and assessment procedures provided in section 216B.62, to the extent that these procedures do not conflict with this subdivision. The amount of the bills rendered by the department under paragraph (c) must be paid by the energy utility into an account in the special revenue fund in the state treasury within 30 days from the date of billing and is appropriated to the department for the purposes provided in this section. The commission shall approve or approve as modified a rate schedule providing for the automatic adjustment of charges to recover amounts paid by utilities under this section. All amounts assessed under this section are in addition to amounts appropriated to the commission and the department by other law.

Sec. 8. Minnesota Statutes 2006, section 349A.02, subdivision 1, is amended to read:

Subdivision 1. **Director.** A State Lottery is established under the supervision and control of a director. The director of the State Lottery shall be appointed by the governor with the advice and consent of the senate. The director serves in the unclassified service at

the pleasure of the governor. ~~The annual salary rate authorized for the director is equal to 95 percent of the salary rate prescribed for the governor.~~

ARTICLE 15
MINNESOTA HERITAGE

Section 1. SUMMARY OF HERITAGE FINANCE APPROPRIATIONS.

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

	<u>2008</u>	<u>2009</u>	<u>Total</u>
<u>General</u>	\$ <u>-0-</u>	\$ <u>750,000</u>	\$ <u>750,000</u>

Sec. 2. HERITAGE FINANCE APPROPRIATIONS AND REDUCTIONS.

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2007, chapter 135, or other law to the specified 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 "2008" and "2009" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively. "The first year" is fiscal year 2008. "The second year" is fiscal year 2009. "The biennium" is fiscal years 2008 and 2009. Appropriations for the fiscal year ending June 30, 2008, are effective the day following final enactment.

<u>APPROPRIATIONS</u>
<u>Available for the Year</u>
<u>Ending June 30</u>
<u>2008</u> <u>2009</u>

Sec. 3. EXPLORE MINNESOTA TOURISM \$ -0- \$ -0-

Of the unexpended balance in the special marketing account established pursuant to Laws 2005, First Special Session chapter 1, article 3, section 6, \$500,000 is appropriated for a onetime grant to the Minnesota Film and TV Board for the filming of a movie in Minnesota in 2008 and 2009. The grant is in addition to any payments made for the same purpose from the film production jobs

266.1 program under Minnesota Statutes, section
266.2 116U.26. This appropriation is available
266.3 until expended.

266.4	Sec. 4. <u>MINNESOTA HISTORICAL</u>			
266.5	<u>SOCIETY</u>	<u>\$</u>	<u>-0-</u> <u>\$</u>	<u>750,000</u>
266.6	<u>\$750,000 in the second year is a</u>			
266.7	<u>onetime appropriation for the Minnesota</u>			
266.8	<u>Sesquicentennial Commission. The</u>			
266.9	<u>Minnesota Historical Society, the State Arts</u>			
266.10	<u>Board, and Explore Minnesota Tourism</u>			
266.11	<u>may assist the commission in designing</u>			
266.12	<u>and implementing the grants program.</u>			
266.13	<u>The commission shall encourage private</u>			
266.14	<u>contributions to match the state funds to the</u>			
266.15	<u>greatest extent possible. Any gifts, pledges,</u>			
266.16	<u>membership fees, or contributions received</u>			
266.17	<u>by the commission are appropriated to the</u>			
266.18	<u>commission. The commission is encouraged</u>			
266.19	<u>to solicit and select a state song for the state</u>			
266.20	<u>of Minnesota.</u>			

266.21 Sec. 5. Minnesota Statutes 2007 Supplement, section 3.922, is amended by adding a
266.22 subdivision to read:

266.23 Subd. 4a. **Meetings by electronic means.** (a) Notwithstanding section 13D.01, the
266.24 Indian Affairs Council may conduct a meeting of its members by telephone or other
266.25 electronic means so long as the following conditions are met:

266.26 (1) all members of the council participating in the meeting, wherever their physical
266.27 location, can hear one another and can hear all discussion and testimony;

266.28 (2) members of the public present at the regular meeting location of the council can
266.29 hear all discussion and all votes of members of the council and participate in testimony;

266.30 (3) at least one member of the council is physically present at the regular meeting
266.31 location; and

266.32 (4) all votes are conducted by roll call, so each member's vote on each issue can be
266.33 identified and recorded.

267.1 (b) Each member of the council participating in a meeting by telephone or other
267.2 electronic means is considered present at the meeting for purposes of determining a
267.3 quorum and participating in all proceedings.

267.4 (c) If telephone or another electronic means is used to conduct a meeting, the council,
267.5 to the extent practical, shall allow a person to monitor the meeting electronically from a
267.6 remote location. The council may require the person making such a connection to pay for
267.7 documented marginal costs that the council incurs as a result of the additional connection.

267.8 (d) If telephone or another electronic means is used to conduct a regular, special, or
267.9 emergency meeting, the council shall provide notice of the regular meeting location, of
267.10 the fact that some members may participate by electronic means, and of the provisions of
267.11 paragraph (c). The timing and method of providing notice is governed by section 13D.04.

267.12 Sec. 6. Minnesota Statutes 2007 Supplement, section 10A.01, subdivision 35, is
267.13 amended to read:

267.14 Subd. 35. **Public official.** "Public official" means any:

267.15 (1) member of the legislature;

267.16 (2) individual employed by the legislature as secretary of the senate, legislative
267.17 auditor, chief clerk of the house, revisor of statutes, or researcher, legislative analyst, or
267.18 attorney in the Office of Senate Counsel and Research or House Research;

267.19 (3) constitutional officer in the executive branch and the officer's chief administrative
267.20 deputy;

267.21 (4) solicitor general or deputy, assistant, or special assistant attorney general;

267.22 (5) commissioner, deputy commissioner, or assistant commissioner of any state
267.23 department or agency as listed in section 15.01 or 15.06, or the state chief information
267.24 officer;

267.25 (6) member, chief administrative officer, or deputy chief administrative officer of a
267.26 state board or commission that has either the power to adopt, amend, or repeal rules under
267.27 chapter 14, or the power to adjudicate contested cases or appeals under chapter 14;

267.28 (7) individual employed in the executive branch who is authorized to adopt, amend,
267.29 or repeal rules under chapter 14 or adjudicate contested cases under chapter 14;

267.30 (8) executive director of the State Board of Investment;

267.31 (9) deputy of any official listed in clauses (7) and (8);

267.32 (10) judge of the Workers' Compensation Court of Appeals;

267.33 (11) administrative law judge or compensation judge in the State Office of
267.34 Administrative Hearings or referee in the Department of Employment and Economic
267.35 Development;

268.1 (12) member, regional administrator, division director, general counsel, or operations
268.2 manager of the Metropolitan Council;
268.3 (13) member or chief administrator of a metropolitan agency;
268.4 (14) director of the Division of Alcohol and Gambling Enforcement in the
268.5 Department of Public Safety;
268.6 (15) member or executive director of the Higher Education Facilities Authority;
268.7 (16) member of the board of directors or president of Minnesota Technology, Inc.;
268.8 (17) member of the board of directors or executive director of the Minnesota State
268.9 High School League;
268.10 (18) member of the Minnesota Ballpark Authority established in section 473.755;
268.11 (19) citizen member of the Legislative-Citizen Commission on Minnesota Resources;
268.12 (20) manager of a watershed district, or member of a watershed management
268.13 organization as defined under section 103B.205, subdivision 13; ~~or~~
268.14 (21) supervisor of a soil and water conservation district; or
268.15 (22) director of Explore Minnesota Tourism.

268.16 Sec. 7. Minnesota Statutes 2006, section 116U.26, is amended to read:

268.17 **116U.26 FILM JOBS PRODUCTION PROGRAM.**

268.18 (a) The film production jobs program is created. The program shall be operated
268.19 by the Minnesota Film and TV Board with administrative oversight and control by the
268.20 director of Explore Minnesota Tourism. The program shall make payment to producers of
268.21 feature films, national television programs, documentaries, music videos, and commercials
268.22 that directly create new film jobs in Minnesota. To be eligible for a payment, a producer
268.23 must submit documentation to the Minnesota Film and TV Board of expenditures for
268.24 production costs incurred in Minnesota that are directly attributable to the production
268.25 in Minnesota of a film product.

268.26 The Minnesota Film and TV Board shall make recommendations to the director of
268.27 Explore Minnesota Tourism about program payment, but the director has the authority to
268.28 make the final determination on payments. The director's determination must be based
268.29 on proper documentation of eligible production costs submitted for payments. No more
268.30 than five percent of the funds appropriated for the program in any year may be expended
268.31 for administration.

268.32 (b) For the purposes of this section:

268.33 (1) "production costs" means the cost of the following:

268.34 (i) a story and scenario to be used for a film;

(ii) salaries of talent, management, and labor, including payments to personal services corporations for the services of a performing artist;

(iii) set construction and operations, wardrobe, accessories, and related services;

(iv) photography, sound synchronization, lighting, and related services;

(v) editing and related services;

(vi) rental of facilities and equipment; or

(vii) other direct costs of producing the film in accordance with generally accepted entertainment industry practice; and

(2) "film" means a movie, television show, documentary, music video, or television commercial, whether on film or video. Film does not include news, current events, public programming, or a program that includes weather or market reports; a talk show; a production with respect to a questionnaire or contest; a sports event or sports activity; a gala presentation or awards show; a finished production that solicits funds; or a production for which the production company is required under United States Code, title 18, section 2257, to maintain records with respect to a performer portrayed in a single-media or multimedia program.

(c) Notwithstanding any other law to the contrary, the Minnesota Film and TV Board may make reimbursements of up to 20 percent of film production costs for films that incur production costs in excess of \$5,000,000 in Minnesota within a 12-month period.

EFFECTIVE DATE. This section is effective for films that begin filming on or after the day following final enactment.

Sec. 8. **MINNESOTA VACATION RENTAL LODGING STUDY.**

Explore Minnesota Tourism shall conduct a study of vacation rental lodging in Minnesota and report to the legislature any recommendations needed to protect consumers, ensure tax compliance, promote safe rentals, and promote tourism in Minnesota.

Explore Minnesota Tourism shall consult with the Minnesota Department of Revenue, Minnesota Department of Health, political subdivisions, and representatives of the tourism industry including resorts, bed and breakfast establishments, cabin owner associations, convention and visitor bureaus, and others to determine and recommend regulations or legislation to define and promote the vacation rental lodging.

Explore Minnesota Tourism shall report by January 15, 2009, to the chairs of the house of representatives and senate committees with jurisdiction over any recommendations developed from the study, including any proposed legislation.

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

ARTICLE 16
HOUSING

Section 1. Minnesota Statutes 2006, section 462A.22, subdivision 1, is amended to read:

Subdivision 1. **Debt ceiling.** The aggregate principal amount of bonds and notes which are outstanding at any time, excluding the principal amount of any bonds and notes refunded by the issuance of new bonds or notes, shall not exceed the sum of ~~\$3,000,000,000~~ \$5,000,000,000.

ARTICLE 17
PUBLIC HEALTH

Section 1. **SUMMARY OF APPROPRIATIONS.**

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

	<u>2008</u>	<u>2009</u>	<u>Total</u>
<u>General</u>	\$	(1,650,000) \$	(1,650,000)
<u>State Government Special</u>			
<u>Revenue</u>	114,000	833,000	947,000
<u>Total</u>	\$ <u>114,000</u> \$	<u>(817,000)</u> \$	<u>(703,000)</u>

Sec. 2. **HEALTH APPROPRIATION.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2007, chapter 147, or other law 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 "2008" and "2009" used in this article mean that the addition or subtraction from appropriations listed under them are available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively. "The first year" is fiscal year 2008. "The second year" is fiscal year 2009. "The biennium" is fiscal years 2008 and 2009. Supplemental appropriations and reductions for the fiscal year ending June 30, 2008, are effective the day following final enactment.

APPROPRIATIONS
Available for the Year
Ending June 30
2008 **2009**

271.1	Sec. 3. <u>COMMISSIONER OF HEALTH</u>		
271.2	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>\$ (1,017,000)</u>
271.3	<u>Appropriations by Fund</u>		
271.4	<u>2008</u>	<u>2009</u>	
271.5	<u>General</u>	<u>(1,650,000)</u>	
271.6	<u>State Government</u>		
271.7	<u>Special Revenue</u>	<u>633,000</u>	
271.8	<u>Subd. 2. Health Protection</u>		<u>633,000</u>
271.9	<u>Base Adjustment. The state government</u>		
271.10	<u>special revenue fund base is increased</u>		
271.11	<u>\$633,000 in fiscal year 2009 and \$722,000 in</u>		
271.12	<u>fiscal years 2010 and 2011.</u>		
271.13	<u>Subd. 3. Administrative Support Services</u>		<u>(1,650,000)</u>
271.14	<u>Base Adjustment. The general fund base is</u>		
271.15	<u>reduced \$1,650,000 in fiscal year 2009 and</u>		
271.16	<u>\$1,581,000 in fiscal years 2010 and 2011.</u>		
271.17	<u>Operating Budget. The Department of</u>		
271.18	<u>Health must implement this reduction in</u>		
271.19	<u>a manner that does not result in the loss</u>		
271.20	<u>of federal funds. All budget reductions</u>		
271.21	<u>must be made with an emphasis on cutting</u>		
271.22	<u>administrative and overhead expenses,</u>		
271.23	<u>including, but not limited to, outstate travel,</u>		
271.24	<u>instate travel, compensation, and supplies</u>		
271.25	<u>with as little impact as possible on programs</u>		
271.26	<u>and services.</u>		
271.27	Sec. 4. <u>HEALTH-RELATED BOARDS.</u>		
271.28	<u>Subdivision 1. Total Appropriation</u>		
271.29	<u>State Government Special</u>		
271.30	<u>Revenue</u>	<u>\$ 114,000</u>	<u>\$ 200,000</u>
271.31	<u>Subd. 2. Board of Nursing Home</u>		
271.32	<u>Administrators</u>		
271.33	<u>State Government Special Revenue</u>	<u>100,000</u>	<u>200,000</u>

272.1 **Administrative Services Unit.** The amounts
272.2 appropriated are for the administrative
272.3 services unit to pay for costs of contested
272.4 case hearings and other unanticipated costs
272.5 of legal proceedings involving health-related
272.6 boards funded under Laws 2007, chapter
272.7 147, article 19, section 6. Upon certification
272.8 of a health-related board to the administrative
272.9 services unit that such costs will be
272.10 incurred and that there are insufficient
272.11 funds available to pay for such costs out of
272.12 funds currently available to that board, the
272.13 administrative services unit is authorized
272.14 to transfer funds from this appropriation
272.15 to the board for payment of those costs
272.16 with the approval of the commissioner of
272.17 finance. This appropriation shall not cancel.
272.18 Any unencumbered and unspent balances
272.19 remain available for these expenditures in
272.20 subsequent fiscal years.

272.21 **Subd. 3. Board of Marriage and Family**
272.22 **Therapy**

272.23 State Government Special Revenue 14,000

272.24 Sec. 5. Minnesota Statutes 2006, section 144.1222, subdivision 1a, is amended to read:

272.25 Subd. 1a. **Fees.** All plans and specifications for public swimming pool and spa
272.26 construction, installation, or alteration or requests for a variance that are submitted to the
272.27 commissioner according to Minnesota Rules, part 4717.3975, shall be accompanied by the
272.28 appropriate fees. All public pool construction plans submitted for review after January 1,
272.29 2009, must be certified by a professional engineer registered in the state of Minnesota.

272.30 If the commissioner determines, upon review of the plans, that inadequate fees were
272.31 paid, the necessary additional fees shall be paid before plan approval. For purposes of
272.32 determining fees, a project is defined as a proposal to construct or install a public pool,
272.33 spa, special purpose pool, or wading pool and all associated water treatment equipment
272.34 and drains, gutters, decks, water recreation features, spray pads, and those design and
272.35 safety features that are within five feet of any pool or spa. The commissioner shall charge

273.1 the following fees for plan review and inspection of public pools and spas and for requests
273.2 for variance from the public pool and spa rules:

273.3 (1) each ~~spa~~ pool, ~~\$500~~ \$800;

273.4 (2) ~~projects valued at \$250,000 or less, a minimum of \$800 per pool plus: each~~
273.5 spa pool, \$500;

273.6 ~~(i) (3) for each slide, an additional \$400; and~~

273.7 ~~(ii) for each spa pool, an additional \$500;~~

273.8 ~~(3) (4) projects valued at \$250,000 or more, the greater of the sum of the fees in~~
273.9 clauses (1), (2), and (3) or 0.5 percent of the documented estimated project cost to a
273.10 maximum fee of \$10,000;

273.11 ~~(4) (5) alterations to an existing pool without changing the size or configuration~~
273.12 of the pool, \$400;

273.13 ~~(5) (6) removal or replacement of pool disinfection equipment only, \$75; and~~

273.14 ~~(6) (7) request for variance from the public pool and spa rules, \$500.~~

273.15 Sec. 6. Minnesota Statutes 2006, section 144.1222, is amended by adding a subdivision
273.16 to read:

273.17 Subd. 1b. **Public pool construction.** For all public pools constructed after January
273.18 1, 2009, without a gravity outlet or drain, each pump must be connected to at least two
273.19 suction outlets, connected in parallel with suction outlet covers that meet ASME/ANSI
273.20 standards.

273.21 Sec. 7. Minnesota Statutes 2006, section 144.1222, is amended by adding a subdivision
273.22 to read:

273.23 Subd. 1c. **Public pools; required equipment.** (a) Beginning January 1, 2010, all
273.24 public pools with the deepest water being less than four feet deep must have either:

273.25 (1) an unblockable suction outlet or drain;

273.26 (2) at least two suction outlets, connected in parallel with suction outlet covers that
273.27 meet ASME/ANSI standards; or

273.28 (3) a gravity outlet or drain.

273.29 (b) Beginning January 1, 2011, all other existing public pools must have either:

273.30 (1) an unblockable suction outlet or drain;

273.31 (2) at least two suction outlets, connected in parallel with suction outlet covers that
273.32 meet ASME/ANSI standards; or

273.33 (3) a gravity outlet or drain.

274.1 (c) By June 1, 2008, all drain covers and grates must be installed with screws that
274.2 meet the manufacturer's specifications.

274.3 (d) By July 1, 2008, and annually thereafter, all public pool owners must certify to
274.4 the commissioner on a form prescribed by the commissioner that:

274.5 (1) all outlets except for unblockable drains and gravity drains are equipped with
274.6 covers that have been stamped by the manufacturer that they are in compliance with
274.7 ASME/ANSI standards; and

274.8 (2) all covers and grates, including mounting rings, have been inspected to ensure
274.9 that they have been properly installed and are not broken or loose.

274.10 Sec. 8. Minnesota Statutes 2006, section 144.1222, is amended by adding a subdivision
274.11 to read:

274.12 Subd. 1d. **Safety inspections.** (a) The pool operator is required to conduct a
274.13 physical inspection of the drain covers and grates on a daily basis. The record required
274.14 under Minnesota Rules, part 4717.0750, must indicate that this inspection was completed
274.15 every day the pool is open for use.

274.16 (b) If at any time an outlet cover or grate is missing, broken, or loose, the pool must
274.17 be closed immediately. The pool may not open until the missing or broken cover or grate
274.18 has been replaced according to the manufacturer's specifications, or the loose cover or
274.19 grate has been reattached according to the manufacturer's specifications.

274.20 Sec. 9. Minnesota Statutes 2006, section 144.1222, is amended by adding a subdivision
274.21 to read:

274.22 Subd. 4. **Definitions.** (a) For purposes of this section, the following terms have
274.23 the meanings given them.

274.24 (b) "ASME/ANSI standard" means a safety standard accredited by the American
274.25 National Standards Institute and published by the American Society of Mechanical
274.26 Engineers.

274.27 (c) "ASTM standard" means a safety standard issued by ASTM International,
274.28 formerly known as the American Society for Testing and Materials.

274.29 (d) "Public pool" means any pool other than a private residential pool, that is open to
274.30 the public generally, whether for a fee or free of charge; open exclusively to members of
274.31 an organization and their guests; residents of a multiunit apartment building, apartment
274.32 complex, residential real estate development, or other multifamily residential area; or
274.33 patrons of a hotel or lodging or other public accommodation facility; or operated by
274.34 a person in a park, school, licensed child care facility, group home, motel, camp, resort,

275.1 club, condominium, manufactured home park, or political subdivision with the exception
275.2 of swimming pools at family day care homes licensed under section 245A.14, subdivision
275.3 11, paragraph (a).

275.4 (e) "Unblockable suction outlet or drain" means a drain of any size and shape that a
275.5 human body cannot sufficiently block to create a suction entrapment hazard and meets
275.6 ASME/ANSI standards.

275.7 Sec. 10. Minnesota Statutes 2006, section 144.1222, is amended by adding a
275.8 subdivision to read:

275.9 Subd. 5. **Swimming pond exemption.** (a) A public swimming pond in existence
275.10 before January 1, 2008, as defined in paragraph (b) is not a public pool for purposes of this
275.11 section and section 157.16, and is exempt from the requirements for public swimming
275.12 pools under Minnesota Rules, part 4717.

275.13 (b) For purposes of this subdivision, a public swimming pond means an artificial
275.14 body of water contained within a lined, sand-bottom basin, meant for public swimming,
275.15 relaxation, or recreational use that includes a water recirculation system for maintaining
275.16 water quality and does not include any portion of a naturally occurring lake or stream.

275.17 (c) Notwithstanding paragraph (a), a public swimming pond must meet the
275.18 requirements for public pools described in subdivisions 1d and 1e.

275.19 (d) This subdivision expires June 30, 2011.

275.20 Sec. 11. Minnesota Statutes 2006, section 157.16, as amended by Laws 2007, chapter
275.21 147, article 9, section 34, is amended to read:

275.22 **157.16 LICENSES REQUIRED; FEES.**

275.23 Subdivision 1. **License required annually.** A license is required annually for
275.24 every person, firm, or corporation engaged in the business of conducting a food and
275.25 beverage service establishment, hotel, motel, lodging establishment, public pool, or
275.26 resort. Any person wishing to operate a place of business licensed in this section shall
275.27 first make application, pay the required fee specified in this section, and receive approval
275.28 for operation, including plan review approval. Seasonal and temporary food stands and
275.29 special event food stands are not required to submit plans. Nonprofit organizations
275.30 operating a special event food stand with multiple locations at an annual one-day event
275.31 shall be issued only one license. Application shall be made on forms provided by the
275.32 commissioner and shall require the applicant to state the full name and address of the
275.33 owner of the building, structure, or enclosure, the lessee and manager of the food and
275.34 beverage service establishment, hotel, motel, lodging establishment, public pool, or resort;

the name under which the business is to be conducted; and any other information as may be required by the commissioner to complete the application for license.

Subd. 2. **License renewal.** Initial and renewal licenses for all food and beverage service establishments, hotels, motels, lodging establishments, public pools, and resorts shall be issued for the calendar year for which application is made and shall expire on December 31 of such year. Any person who operates a place of business after the expiration date of a license or without having submitted an application and paid the fee shall be deemed to have violated the provisions of this chapter and shall be subject to enforcement action, as provided in the Health Enforcement Consolidation Act, sections 144.989 to 144.993. In addition, a penalty of \$50 shall be added to the total of the license fee for any food and beverage service establishment operating without a license as a mobile food unit, a seasonal temporary or seasonal permanent food stand, or a special event food stand, and a penalty of \$100 shall be added to the total of the license fee for all restaurants, food carts, hotels, motels, lodging establishments, public pools, and resorts operating without a license for a period of up to 30 days. A late fee of \$300 shall be added to the license fee for establishments operating more than 30 days without a license.

Subd. 2a. **Food manager certification.** An applicant for certification or certification renewal as a food manager must submit to the commissioner a \$28 nonrefundable certification fee payable to the Department of Health.

Subd. 3. **Establishment fees; definitions.** (a) The following fees are required for food and beverage service establishments, hotels, motels, lodging establishments, public pools, and resorts licensed under this chapter. Food and beverage service establishments must pay the highest applicable fee under paragraph (d), clause (1), (2), (3), or (4), and establishments serving alcohol must pay the highest applicable fee under paragraph (d), clause (6) or (7). The license fee for new operators previously licensed under this chapter for the same calendar year is one-half of the appropriate annual license fee, plus any penalty that may be required. The license fee for operators opening on or after October 1 is one-half of the appropriate annual license fee, plus any penalty that may be required.

(b) All food and beverage service establishments, except special event food stands, and all hotels, motels, lodging establishments, public pools, and resorts shall pay an annual base fee of \$150.

(c) A special event food stand shall pay a flat fee of \$40 annually. "Special event food stand" means a fee category where food is prepared or served in conjunction with celebrations, county fairs, or special events from a special event food stand as defined in section 157.15.

277.1 (d) In addition to the base fee in paragraph (b), each food and beverage service
277.2 establishment, other than a special event food stand, and each hotel, motel, lodging
277.3 establishment, public pool, and resort shall pay an additional annual fee for each fee
277.4 category, additional food service, or required additional inspection specified in this
277.5 paragraph:

277.6 (1) Limited food menu selection, \$50. "Limited food menu selection" means a fee
277.7 category that provides one or more of the following:

277.8 (i) prepackaged food that receives heat treatment and is served in the package;

277.9 (ii) frozen pizza that is heated and served;

277.10 (iii) a continental breakfast such as rolls, coffee, juice, milk, and cold cereal;

277.11 (iv) soft drinks, coffee, or nonalcoholic beverages; or

277.12 (v) cleaning for eating, drinking, or cooking utensils, when the only food served
277.13 is prepared off site.

277.14 (2) Small establishment, including boarding establishments, \$100. "Small
277.15 establishment" means a fee category that has no salad bar and meets one or more of
277.16 the following:

277.17 (i) possesses food service equipment that consists of no more than a deep fat fryer, a
277.18 grill, two hot holding containers, and one or more microwave ovens;

277.19 (ii) serves dipped ice cream or soft serve frozen desserts;

277.20 (iii) serves breakfast in an owner-occupied bed and breakfast establishment;

277.21 (iv) is a boarding establishment; or

277.22 (v) meets the equipment criteria in clause (3), item (i) or (ii), and has a maximum
277.23 patron seating capacity of not more than 50.

277.24 (3) Medium establishment, \$260. "Medium establishment" means a fee category
277.25 that meets one or more of the following:

277.26 (i) possesses food service equipment that includes a range, oven, steam table, salad
277.27 bar, or salad preparation area;

277.28 (ii) possesses food service equipment that includes more than one deep fat fryer,
277.29 one grill, or two hot holding containers; or

277.30 (iii) is an establishment where food is prepared at one location and served at one or
277.31 more separate locations.

277.32 Establishments meeting criteria in clause (2), item (v), are not included in this fee
277.33 category.

277.34 (4) Large establishment, \$460. "Large establishment" means either:

278.1 (i) a fee category that (A) meets the criteria in clause (3), items (i) or (ii), for a
278.2 medium establishment, (B) seats more than 175 people, and (C) offers the full menu
278.3 selection an average of five or more days a week during the weeks of operation; or

278.4 (ii) a fee category that (A) meets the criteria in clause (3), item (iii), for a medium
278.5 establishment, and (B) prepares and serves 500 or more meals per day.

278.6 (5) Other food and beverage service, including food carts, mobile food units,
278.7 seasonal temporary food stands, and seasonal permanent food stands, \$50.

278.8 (6) Beer or wine table service, \$50. "Beer or wine table service" means a fee
278.9 category where the only alcoholic beverage service is beer or wine, served to customers
278.10 seated at tables.

278.11 (7) Alcoholic beverage service, other than beer or wine table service, \$135.

278.12 "Alcohol beverage service, other than beer or wine table service" means a fee
278.13 category where alcoholic mixed drinks are served or where beer or wine are served from
278.14 a bar.

278.15 (8) Lodging per sleeping accommodation unit, \$8, including hotels, motels,
278.16 lodging establishments, and resorts, up to a maximum of \$800. "Lodging per sleeping
278.17 accommodation unit" means a fee category including the number of guest rooms, cottages,
278.18 or other rental units of a hotel, motel, lodging establishment, or resort; or the number of
278.19 beds in a dormitory.

278.20 (9) First public swimming pool, \$180; each additional public swimming pool, \$100.
278.21 "Public swimming pool" means a fee category that has the meaning given in Minnesota
278.22 Rules, ~~part 4717.0250, subpart 8~~ section 144.1222, subdivision 4.

278.23 (10) First spa, \$110; each additional spa, \$50. "Spa pool" means a fee category that
278.24 has the meaning given in Minnesota Rules, part 4717.0250, subpart 9.

278.25 (11) Private sewer or water, \$50. "Individual private water" means a fee category
278.26 with a water supply other than a community public water supply as defined in Minnesota
278.27 Rules, chapter 4720. "Individual private sewer" means a fee category with an individual
278.28 sewage treatment system which uses subsurface treatment and disposal.

278.29 (12) Additional food service, \$130. "Additional food service" means a location at
278.30 a food service establishment, other than the primary food preparation and service area,
278.31 used to prepare or serve food to the public.

278.32 (13) Additional inspection fee, \$300. "Additional inspection fee" means a fee to
278.33 conduct the second inspection each year for elementary and secondary education facility
278.34 school lunch programs when required by the Richard B. Russell National School Lunch
278.35 Act.

279.1 (e) A fee of \$350 for review of the construction plans must accompany the initial
279.2 license application for restaurants, hotels, motels, lodging establishments, or resorts with
279.3 five or more sleeping units.

279.4 (f) When existing food and beverage service establishments, hotels, motels, lodging
279.5 establishments, or resorts are extensively remodeled, a fee of \$250 must be submitted
279.6 with the remodeling plans. A fee of \$250 must be submitted for new construction or
279.7 remodeling for a restaurant with a limited food menu selection, a seasonal permanent
279.8 food stand, a mobile food unit, or a food cart, or for a hotel, motel, resort, or lodging
279.9 establishment addition of less than five sleeping units.

279.10 (g) Seasonal temporary food stands and special event food stands are not required to
279.11 submit construction or remodeling plans for review.

279.12 Subd. 3a. **Statewide hospitality fee.** Every person, firm, or corporation that
279.13 operates a licensed boarding establishment, food and beverage service establishment,
279.14 seasonal temporary or permanent food stand, special event food stand, mobile food unit,
279.15 food cart, resort, hotel, motel, or lodging establishment in Minnesota must submit to the
279.16 commissioner a \$35 annual statewide hospitality fee for each licensed activity. The fee
279.17 for establishments licensed by the Department of Health is required at the same time the
279.18 licensure fee is due. For establishments licensed by local governments, the fee is due by
279.19 July 1 of each year.

279.20 Subd. 4. **Posting requirements.** Every food and beverage service establishment,
279.21 hotel, motel, lodging establishment, public pool, or resort must have the license posted in
279.22 a conspicuous place at the establishment.

279.23 Sec. 12. **[325F.172] DEFINITIONS.**

279.24 For the purposes of sections 325F.172 to 325F.175, the following terms have the
279.25 meanings given them.

279.26 (a) "BBP" means benzyl butyl phthalate, CAS # 85-68-7.

279.27 (b) "Child" means a person under three years of age.

279.28 (c) "Children's product" means a product, other than a food or beverage product
279.29 contained in a can, except in those used for infant formulas, designed or intended by a
279.30 manufacturer to be used by a child:

279.31 (1) as a toy or an article of clothing;

279.32 (2) to facilitate sleep, relaxation, or feeding; or

279.33 (3) to be rubbed, poured, sprinkled, sprayed on, introduced into, or otherwise
279.34 applied to the human body or any part thereof, including any article used as a component
279.35 of such a product.

(d) "DBP" means di-n-butyl phthalate, CAS # 84-74-2.

(e) "DEHP" means di (2-ethylhexyl) phthalate, CAS # 117-81-7.

(f) "DIDP" means di-isodecyl phthalate, CAS # 26761-40-0.

(g) "DINP" means di-iso-nonyl phthalate, CAS # 71549-78-5.

(h) "DNOP" means di-n-octyl phthalate, CAS # 117-84-6.

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

Sec. 13. **[325F.173] BISPHENOL-A IN CHILDREN'S PRODUCTS; BAN.**

Beginning January 1, 2009, no manufacturer may sell or offer for initial sale at retail in this state a children's product that contains bisphenol-A. For purposes of this section, "bisphenol-A" means an estrogen-mimicking endocrine disrupting chemical used in the production of epoxy resins and polycarbonate plastics.

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

Sec. 14. **[325F.174] PHTHALATES IN CHILDREN'S PRODUCTS; BAN.**

(a) Beginning January 1, 2009, no manufacturer may sell or offer for initial sale at retail in this state a children's product that contains one of the following phthalates: DEHP, DBP, or BBP, in concentrations exceeding 0.1 percent, including plastic tubing used to deliver a solution intravenously to a child under three years of age.

(b) Beginning January 1, 2009, no manufacturer may sell or offer for initial sale at retail in this state any children's product that can be placed in a child's mouth and contains one of the following phthalates: DINP, DIDP, or DNOP, in concentrations exceeding 0.1 percent.

(c) For purposes of this section, "phthalates" means a class of chemicals used to provide flexibility to polyvinyl chloride (PVC) plastic.

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

Sec. 15. **[325F.175] REPLACEMENT CHEMICALS.**

A manufacturer shall not replace bisphenol-A or phthalates as a result of the prohibitions in section 325F.173 or 325F.174 with a chemical that is:

(1) classified as "known to be a human carcinogen" or "reasonably anticipated to be a human carcinogen" in the most recent Report on Carcinogens published by the National Toxicology Program in the United States Department of Health and Human Services; or

(2) identified by the federal Environmental Protection Agency as causing birth defects or reproductive or environmental harm.

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

281.2 Sec. 16. **[325F.176] PARTICIPATION IN INTERSTATE CLEARINGHOUSE.**

281.3 The Pollution Control Agency may participate in the establishment and
281.4 implementation of a multistate clearinghouse to identify children's products containing
281.5 bisphenol-A and phthalates and to evaluate safer alternatives that may be substituted
281.6 for those chemicals.

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

281.8 Sec. 17. **DEPARTMENT OF HEALTH.**

281.9 The positions held by the most recently hired deputy commissioner of health and the
281.10 most recently hired assistant commissioner of health are abolished.

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

281.12 Sec. 18. **REVISOR'S INSTRUCTION.**

281.13 The revisor of statutes shall change the public pool definition in Minnesota Rules,
281.14 part 4717.0250, subpart 8, with the following language: "public pool" means any pool,
281.15 other than a residential pool, that is open to the public generally, whether for a fee or free
281.16 of charge; open exclusively to members of an organization and their guests; residents of
281.17 a multiunit apartment building, apartment complex, residential real estate development,
281.18 or other multifamily residential area; or patrons of a hotel or lodging or other public
281.19 accommodation facility; or operated by a person in a park, school, licensed child care
281.20 facility, group home, motel, camp, resort, club, condominium, manufactured home park,
281.21 or political subdivision with the exception of swimming pools at family day care homes
281.22 licensed under Minnesota Statutes, section 245A.14, subdivision 11, paragraph (a).

281.23 **ARTICLE 18**

281.24 **ADOPTION**

281.25 Section 1. Minnesota Statutes 2006, section 13.465, subdivision 8, is amended to read:

281.26 Subd. 8. **Adoption records.** Various adoption records are classified under section
281.27 259.53, subdivision 1. Access to the original birth record of a person who has been
281.28 adopted is governed by section ~~259.89~~ 144.2253.

281.29 Sec. 2. Minnesota Statutes 2006, section 144.218, subdivision 1, is amended to read:

282.1 Subdivision 1. **Adoption.** (a) Upon receipt of a certified copy of an order, decree,
282.2 or certificate of adoption, the state registrar shall register a replacement vital record in
282.3 the new name of the adopted person. Except as provided in paragraph (b), the original
282.4 record of birth is confidential pursuant to private data on individuals as defined in section
282.5 13.02, subdivision 3 12, and shall not be disclosed except pursuant to court order or
282.6 section 144.2252 or 144.2253.

282.7 (b) The information contained on the original birth record, except for the registration
282.8 number, shall be provided on request to: (1) a parent who is named on the original birth
282.9 record; or (2) the adopted person who is subject of the record if the person is at least 19
282.10 years of age, unless there is an affidavit of nondisclosure on file with the state registrar.
282.11 Upon the receipt of a certified copy of a court order of annulment of adoption the state
282.12 registrar shall restore the original vital record to its original place in the file.

282.13 Sec. 3. Minnesota Statutes 2006, section 144.225, subdivision 2, is amended to read:

282.14 Subd. 2. **Data about births.** (a) Except as otherwise provided in this subdivision,
282.15 data pertaining to the birth of a child to a woman who was not married to the child's father
282.16 when the child was conceived nor when the child was born, including the original record
282.17 of birth and the certified vital record, are confidential data. At the time of the birth of a
282.18 child to a woman who was not married to the child's father when the child was conceived
282.19 nor when the child was born, the mother may designate demographic data pertaining to
282.20 the birth as public. Notwithstanding the designation of the data as confidential, it may
282.21 be disclosed:

282.22 (1) to a parent or guardian of the child;
282.23 (2) to the child when the child is 16 years of age or older;
282.24 (3) under paragraph (b) or (e); or
282.25 (4) pursuant to a court order. For purposes of this section, a subpoena does not
282.26 constitute a court order.

282.27 (b) Unless the child is adopted, data pertaining to the birth of a child that are not
282.28 accessible to the public become public data if 100 years have elapsed since the birth of
282.29 the child who is the subject of the data, or as provided under section 13.10, whichever
282.30 occurs first.

282.31 (c) If a child is adopted, data pertaining to the child's birth are governed by the
282.32 provisions relating to adoption records, including sections 13.10, subdivision 5; 144.218,
282.33 subdivision 1; 144.2252; 144.2253; and 259.89.

283.1 (d) The name and address of a mother under paragraph (a) and the child's date of
283.2 birth may be disclosed to the county social services or public health member of a family
283.3 services collaborative for purposes of providing services under section 124D.23.

283.4 (e) The commissioner of human services shall have access to birth records for:

283.5 (1) the purposes of administering medical assistance, general assistance medical
283.6 care, and the MinnesotaCare program;

283.7 (2) child support enforcement purposes; and

283.8 (3) other public health purposes as determined by the commissioner of health.

283.9 Sec. 4. Minnesota Statutes 2006, section 144.2252, is amended to read:

283.10 **144.2252 ACCESS TO ORIGINAL BIRTH RECORD AFTER ADOPTION.**

283.11 (a) Whenever an adopted person requests the state registrar to disclose the
283.12 information on the adopted person's original birth record, the state registrar shall act
283.13 according to section ~~259.89~~ 144.2253.

283.14 (b) The state registrar shall provide a transcript of an adopted person's original birth
283.15 record to an authorized representative of a federally recognized American Indian tribe
283.16 for the sole purpose of determining the adopted person's eligibility for enrollment or
283.17 membership. Information contained in the birth record may not be used to provide the
283.18 adopted person information about the person's birth parents, except as provided in this
283.19 section or section ~~259.83~~ 144.2253.

283.20 Sec. 5. **[144.2253] ACCESS TO ORIGINAL BIRTH RECORDS BY ADOPTED**
283.21 **PERSON; DEPARTMENT DUTIES.**

283.22 Subdivision 1. **Affidavits.** The department shall prepare affidavit of disclosure and
283.23 nondisclosure forms under which a birth parent may agree to or object to the release of the
283.24 original birth record to the adopted person. The department shall make the forms readily
283.25 accessible to birth parents on the department's Web site.

283.26 Subd. 2. **Disclosure.** Upon request, the state registrar shall provide a noncertified
283.27 copy of the original birth record to an adopted person age 19 or older unless there is an
283.28 affidavit of nondisclosure on file. The state registrar must comply with the terms of the
283.29 affidavits of disclosure or affidavits of nondisclosure.

283.30 Subd. 3. **Rescission of affidavit.** A birth parent may rescind an affidavit of disclosure
283.31 or an affidavit of nondisclosure at any time.

283.32 Subd. 4. **Affidavit of nondisclosure; access to birth record.** (a) If an affidavit
283.33 of nondisclosure is on file with the state registrar, an adopted person age 19 or older
283.34 may petition the appropriate court for disclosure of the original birth record according to

section 259.61. The court shall grant the petition, if, after consideration of the interests of all known persons affected by the petition, the court determines that the benefits of disclosure of the information are greater than the benefits of nondisclosure.

(b) An adopted person age 19 or older may request the state registrar to search the state death records to determine if the birth parent is deceased. The state registrar may impose a fee for the record search. If the birth parent is deceased, a noncertified copy of the original birth record must be released only to the adopted person making the request.

Subd. 5. **Information provided.** (a) The department shall, in consultation with adoption agencies and adoption advocates, provide information and educational materials to adopted persons and birth parents about the changes in the law affecting accessibility to birth records. For purposes of this subdivision, an adoption advocate is a nonprofit organization that works with adoption issues in Minnesota.

(b) The department shall provide notice on the department Web site about the change in the law under this article, and will direct individuals to private agencies and advocates for postadoption resources.

Sec. 6. Minnesota Statutes 2006, section 144.226, subdivision 1, is amended to read:

Subdivision 1. **Which services are for fee.** The fees for the following services shall be the following or an amount prescribed by rule of the commissioner:

(a) The fee for the issuance of a certified vital record or a certification that the vital record cannot be found is \$9. No fee shall be charged for a certified birth, stillbirth, or death record that is reissued within one year of the original issue, if an amendment is made to the vital record and if the previously issued vital record is surrendered. The fee is nonrefundable.

(b) The fee for processing a request for the replacement of a birth record for all events, except when filing a recognition of parentage pursuant to section 257.73, subdivision 1, is \$40. The fee is payable at the time of application and is nonrefundable.

(c) The fee for processing a request for the filing of a delayed registration of birth, stillbirth, or death is \$40. The fee is payable at the time of application and is nonrefundable. This fee includes one subsequent review of the request if the request is not acceptable upon the initial receipt.

(d) The fee for processing a request for the amendment of any vital record when requested more than 45 days after the filing of the vital record is \$40. No fee shall be charged for an amendment requested within 45 days after the filing of the vital record. The fee is payable at the time of application and is nonrefundable. This fee includes one subsequent review of the request if the request is not acceptable upon the initial receipt.

285.1 (e) The fee for processing a request for the verification of information from vital
285.2 records is \$9 when the applicant furnishes the specific information to locate the vital
285.3 record. When the applicant does not furnish specific information, the fee is \$20 per hour
285.4 for staff time expended. Specific information includes the correct date of the event and
285.5 the correct name of the registrant. Fees charged shall approximate the costs incurred in
285.6 searching and copying the vital records. The fee is payable at the time of application
285.7 and is nonrefundable.

285.8 (f) The fee for processing a request for the issuance of a copy of any document on
285.9 file pertaining to a vital record or statement that a related document cannot be found is \$9.
285.10 The fee is payable at the time of application and is nonrefundable.

285.11 (g) The department shall charge a fee of \$18 for noncertified copies of birth records
285.12 provided to adopted persons age 19 or older. The fee shall cover the costs of providing
285.13 the birth record and any costs associated with the distribution of information to adopted
285.14 persons and birth parents in subdivision 5.

285.15 Sec. 7. Minnesota Statutes 2006, section 259.89, subdivision 1, is amended to read:

285.16 Subdivision 1. **Request.** An adopted person who is 19 years of age or over may
285.17 request the commissioner of health to disclose the information on the adopted person's
285.18 original birth record. ~~The commissioner of health shall, within five days of receipt of~~
285.19 ~~the request, notify the commissioner of human services in writing of the request by the~~
285.20 ~~adopted person.~~

285.21 Sec. 8. Minnesota Statutes 2006, section 260C.317, subdivision 4, is amended to read:

285.22 Subd. 4. **Rights of terminated parent.** Upon entry of an order terminating the
285.23 parental rights of any person who is identified as a parent on the original birth record of
285.24 the child as to whom the parental rights are terminated, the court shall cause written
285.25 notice to be made to that person setting forth:

285.26 (1) the right of the person to file at any time with the state registrar of vital statistics
285.27 a consent to disclosure, as defined in section 144.212, subdivision 11;

285.28 (2) the right of the person to file at any time with the state registrar of vital statistics
285.29 an affidavit stating that the information on the original birth record shall not be disclosed
285.30 as provided in section ~~144.2252~~ 144.2253; and

285.31 (3) the effect of a failure to file either a consent to disclosure, as defined in section
285.32 144.212, subdivision 11, or an affidavit stating that the information on the original birth
285.33 record shall not be disclosed.

Sec. 9. ADOPTION AGENCIES; FEE.

Adoption agencies may charge a fee for counseling and support services provided to adopted persons and birth parents.

Sec. 10. REPEALER.

Minnesota Statutes 2006, sections 259.83, subdivision 3; and 259.89, subdivisions 2, 3, 4, and 5, are repealed.

Sec. 11. EFFECTIVE DATE.

This article is effective July 1, 2009.

ARTICLE 19
DEPARTMENT OF HUMAN SERVICES

Section 1. SUMMARY OF APPROPRIATIONS.

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

	<u>2008</u>		<u>2009</u>		<u>Total</u>
<u>General</u>	\$	\$	<u>1,237,000</u>	\$	<u>1,237,000</u>
<u>Total</u>	\$	\$	<u>1,237,000</u>	\$	<u>1,237,000</u>

Sec. 2. HEALTH AND HUMAN SERVICES APPROPRIATION.

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2007, chapter 147, or other law 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 "2008" and "2009" used in this article mean that the addition or subtraction from appropriations listed under them are available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively. "The first year" is fiscal year 2008. "The second year" is fiscal year 2009. "The biennium" is fiscal years 2008 and 2009. Supplemental appropriations and reductions for the fiscal year ending June 30, 2008, are effective the day following final enactment.

<u>APPROPRIATIONS</u>
<u>Available for the Year</u>
<u>Ending June 30</u>
<u>2008</u> <u>2009</u>

H.F. No. 1812, 2nd Engrossment - 2007-2008th Legislative Session (2007-2008)

287.1	Sec. 3. <u>APPROPRIATION FOR</u>			
287.2	FOODSHELF PROGRAMS.	\$	\$	619,000

287.3 \$619,000 is appropriated in fiscal year 2009
287.4 from the general fund to the commissioner of
287.5 human services for foodshelf programs under
287.6 Minnesota Statutes, section 256E.34. This
287.7 is a onetime appropriation and is available
287.8 until expended.

287.9	Sec. 4. <u>APPROPRIATION FOR</u>			
287.10	<u>LONG-TERM HOMELESS SUPPORTIVE</u>			
287.11	<u>SERVICES.</u>	\$	\$	618,000

287.12 \$618,000 is appropriated from the general
287.13 fund to the commissioner of human services
287.14 in fiscal year 2009 for the long-term homeless
287.15 supportive services fund under Minnesota
287.16 Statutes, section 256K.26. This is a onetime
287.17 appropriation and is available until expended.

287.18 Sec. 5. Laws 2007, chapter 147, article 19, section 3, subdivision 4, is amended to read:

287.19 Subd. 4. **Children and Economic Assistance**
287.20 **Grants**

287.21 The amounts that may be spent from this
287.22 appropriation for each purpose are as follows:

287.23 (a) MFIP/DWP Grants

287.24	Appropriations by Fund		
287.25	General	62,069,000	62,405,000
287.26	Federal TANF	75,904,000	80,841,000

287.27 (b) Support Services Grants

287.28	Appropriations by Fund		
287.29	General	8,715,000	8,715,000
287.30	Federal TANF	113,429,000	115,902,000

287.31 TANF Prior Appropriation Cancellation.

287.32 Notwithstanding Laws 2001, First Special
287.33 Session chapter 9, article 17, section
287.34 2, subdivision 11, paragraph (b), any

288.1 unexpended TANF funds appropriated to the
288.2 commissioner to contract with the Board of
288.3 Trustees of Minnesota State Colleges and
288.4 Universities, to provide tuition waivers to
288.5 employees of health care and human service
288.6 providers that are members of qualifying
288.7 consortia operating under Minnesota
288.8 Statutes, sections 116L.10 to 116L.15, must
288.9 cancel at the end of fiscal year 2007.

288.10 **MFIP Pilot Program.** Of the TANF
288.11 appropriation, \$100,000 in fiscal year 2008
288.12 and \$750,000 in fiscal year 2009 are for a
288.13 grant to the Stearns-Benton Employment and
288.14 Training Council for the Workforce U pilot
288.15 program. Base level funding for this program
288.16 shall be \$750,000 in 2010 and \$0 in 2011.

288.17 **Supported Work.** (1) Of the TANF
288.18 appropriation, \$5,468,000 in fiscal year
288.19 2008 and \$7,291,000 in fiscal year
288.20 2009 are for supported work for MFIP
288.21 participants, to be allocated to counties
288.22 and tribes based on the criteria under
288.23 clauses (2) and (3). Paid transitional work
288.24 experience and other supported employment
288.25 under this rider provides a continuum of
288.26 employment assistance, including outreach
288.27 and recruitment, program orientation
288.28 and intake, testing and assessment, job
288.29 development and marketing, preworksite
288.30 training, supported worksite experience, job
288.31 coaching, and postplacement follow-up, in
288.32 addition to extensive case management and
288.33 referral services. * (The preceding text "and
288.34 \$7,291,000 in fiscal year 2009" was indicated
288.35 as vetoed by the governor.)

289.1 (2) A county or tribe is eligible to receive an
289.2 allocation under this rider if:

289.3 (i) the county or tribe is not meeting the
289.4 federal work participation rate;

289.5 (ii) the county or tribe has participants who
289.6 are required to perform work activities under
289.7 Minnesota Statutes, chapter 256J, but are not
289.8 meeting hourly work requirements; and

289.9 (iii) the county or tribe has assessed
289.10 participants who have completed six weeks
289.11 of job search or are required to perform
289.12 work activities and are not meeting the
289.13 hourly requirements, and the county or tribe
289.14 has determined that the participant would
289.15 benefit from working in a supported work
289.16 environment.

289.17 (3) A county or tribe may also be eligible for
289.18 funds in order to contract for supplemental
289.19 hours of paid work at the participant's child's
289.20 place of education, child care location, or the
289.21 child's physical or mental health treatment
289.22 facility or office. This grant to counties and
289.23 tribes is specifically for MFIP participants
289.24 who need to work up to five hours more
289.25 per week in order to meet the hourly work
289.26 requirement, and the participant's employer
289.27 cannot or will not offer more hours to the
289.28 participant.

289.29 **Work Study.** Of the TANF appropriation,
289.30 \$750,000 each year are to the commissioner
289.31 to contract with the Minnesota Office of
289.32 Higher Education for the biennium beginning
289.33 July 1, 2007, for work study grants under
289.34 Minnesota Statutes, section 136A.233,
289.35 specifically for low-income individuals who

290.1 receive assistance under Minnesota Statutes,
290.2 chapter 256J, and for grants to opportunities
290.3 industrialization centers. * (The preceding
290.4 text beginning "Work Study. Of the TANF
290.5 appropriation," was indicated as vetoed by
290.6 the governor.)

290.7 **Integrated Service Projects.** \$2,500,000
290.8 in fiscal year 2008 and \$2,500,000 in fiscal
290.9 year 2009 are appropriated from the TANF
290.10 fund to the commissioner to continue to
290.11 fund the existing integrated services projects
290.12 for MFIP families, and if funding allows,
290.13 additional similar projects.

290.14 **Base Adjustment.** The TANF base for fiscal
290.15 year 2010 is \$115,902,000 and for fiscal year
290.16 2011 is \$115,152,000.

290.17 **(c) MFIP Child Care Assistance Grants**

290.18	General	74,654,000	71,951,000

290.19 **(d) Basic Sliding Fee Child Care Assistance**
290.20 **Grants**

290.21	General	42,995,000	45,008,000

290.22 **Base Adjustment.** The general fund base
290.23 is \$44,881,000 for fiscal year 2010 and
290.24 \$44,852,000 for fiscal year 2011.

290.25 **At-Home Infant Care Program.** No
290.26 funding shall be allocated to or spent on
290.27 the at-home infant care program under
290.28 Minnesota Statutes, section 119B.035.

290.29 **(e) Child Care Development Grants**

290.30	General	4,390,000	6,390,000

290.31 **Prekindergarten Exploratory Projects.** Of
290.32 the general fund appropriation, \$2,000,000
290.33 the first year and \$4,000,000 the second

291.1 year are for grants to the city of St. Paul,
291.2 Hennepin County, and Blue Earth County to
291.3 establish scholarship demonstration projects
291.4 to be conducted in partnership with the
291.5 Minnesota Early Learning Foundation to
291.6 promote children's school readiness. This
291.7 appropriation is available until June 30, 2009.

291.8 **Child Care Services Grants.** Of this
291.9 appropriation, \$500,000 each year are for
291.10 the purpose of providing child care services
291.11 grants under Minnesota Statutes, section
291.12 119B.21, subdivision 5. This appropriation
291.13 is for the 2008-2009 biennium only, and does
291.14 not increase the base funding.

291.15 **Early Childhood Professional**
291.16 **Development System.** Of this appropriation,
291.17 \$500,000 each year are for purposes of the
291.18 early childhood professional development
291.19 system, which increases the quality and
291.20 continuum of professional development
291.21 opportunities for child care practitioners.
291.22 This appropriation is for the 2008-2009
291.23 biennium only, and does not increase the
291.24 base funding.

291.25 **Base Adjustment.** The general fund base
291.26 is \$1,515,000 for each of fiscal years 2010
291.27 and 2011.

291.28 **(f) Child Support Enforcement Grants**

291.29	General	11,038,000	3,705,000

291.30 **Child Support Enforcement.** \$7,333,000
291.31 for fiscal year 2008 is to make grants to
291.32 counties for child support enforcement
291.33 programs to make up for the loss under the
291.34 2005 federal Deficit Reduction Act of federal

292.1 matching funds for federal incentive funds
292.2 passed on to the counties by the state.
292.3 This appropriation is available until June 30,
292.4 2009.

292.5 (g) **Children's Services Grants**

292.6	Appropriations by Fund		
292.7	General	63,647,000	71,147,000
292.8	Health Care Access	250,000	-0-
292.9	TANF	240,000	340,000

292.10 **Grants for Programs Serving Young**
292.11 **Parents.** Of the TANF fund appropriation,
292.12 \$140,000 each year is for a grant to a program
292.13 or programs that provide comprehensive
292.14 services through a private, nonprofit agency
292.15 to young parents in Hennepin County who
292.16 have dropped out of school and are receiving
292.17 public assistance. The program administrator
292.18 shall report annually to the commissioner on
292.19 skills development, education, job training,
292.20 and job placement outcomes for program
292.21 participants.

292.22 **County Allocations for Rate Increases.**
292.23 County Children and Community Services
292.24 Act allocations shall be increased by
292.25 \$197,000 effective October 1, 2007, and
292.26 \$696,000 effective October 1, 2008, to help
292.27 counties pay for the rate adjustments to
292.28 day training and habilitation providers for
292.29 participants paid by county social service
292.30 funds. Notwithstanding the provisions of
292.31 Minnesota Statutes, section 256M.40, the
292.32 allocation to a county shall be based on
292.33 the county's proportion of social services
292.34 spending for day training and habilitation
292.35 services as determined in the most recent

293.1 social services expenditure and grant

293.2 reconciliation report.

293.3 **Privatized Adoption Grants.** Federal

293.4 reimbursement for privatized adoption grant

293.5 and foster care recruitment grant expenditures

293.6 is appropriated to the commissioner for

293.7 adoption grants and foster care and adoption

293.8 administrative purposes.

293.9 **Adoption Assistance Incentive Grants.**

293.10 Federal funds available during fiscal year

293.11 2008 and fiscal year 2009 for the adoption

293.12 incentive grants are appropriated to the

293.13 commissioner for these purposes.

293.14 **Adoption Assistance and Relative Custody**

293.15 **Assistance.** The commissioner may transfer

293.16 unencumbered appropriation balances for

293.17 adoption assistance and relative custody

293.18 assistance between fiscal years and between

293.19 programs.

293.20 **Children's Mental Health Grants.** Of the

293.21 general fund appropriation, \$5,913,000 in

293.22 fiscal year 2008 and \$6,825,000 in fiscal year

293.23 2009 are for children's mental health grants.

293.24 The purpose of these grants is to increase and

293.25 maintain the state's children's mental health

293.26 service capacity, especially for school-based

293.27 mental health services. The commissioner

293.28 shall require grantees to utilize all available

293.29 third party reimbursement sources as a

293.30 condition of using state grant funds. At

293.31 least 15 percent of these funds shall be

293.32 used to encourage efficiencies through early

293.33 intervention services. At least another 15

293.34 percent shall be used to provide respite care

294.1 services for children with severe emotional
294.2 disturbance at risk of out-of-home placement.

294.3 **Mental Health Crisis Services.** Of the
294.4 general fund appropriation, \$2,528,000 in
294.5 fiscal year 2008 and \$2,850,000 in fiscal year
294.6 2009 are for statewide funding of children's
294.7 mental health crisis services. Providers must
294.8 utilize all available funding streams.

294.9 **Children's Mental Health Evidence-Based**
294.10 **and Best Practices.** Of the general fund
294.11 appropriation, \$375,000 in fiscal year 2008
294.12 and \$750,000 in fiscal year 2009 are for
294.13 children's mental health evidence-based and
294.14 best practices including, but not limited
294.15 to: Adolescent Integrated Dual Diagnosis
294.16 Treatment services; school-based mental
294.17 health services; co-location of mental
294.18 health and physical health care, and; the
294.19 use of technological resources to better
294.20 inform diagnosis and development of
294.21 treatment plan development by mental
294.22 health professionals. The commissioner
294.23 shall require grantees to utilize all available
294.24 third-party reimbursement sources as a
294.25 condition of using state grant funds.

294.26 **Culturally Specific Mental Health**
294.27 **Treatment Grants.** Of the general fund
294.28 appropriation, \$75,000 in fiscal year 2008
294.29 and \$300,000 in fiscal year 2009 are for
294.30 children's mental health grants to support
294.31 increased availability of mental health
294.32 services for persons from cultural and
294.33 ethnic minorities within the state. The
294.34 commissioner shall use at least 20 percent
294.35 of these funds to help members of cultural

295.1 and ethnic minority communities to become
295.2 qualified mental health professionals and
295.3 practitioners. The commissioner shall assist
295.4 grantees to meet third-party credentialing
295.5 requirements and require them to utilize all
295.6 available third-party reimbursement sources
295.7 as a condition of using state grant funds.

295.8 **Mental Health Services for Children with**
295.9 **Special Treatment Needs.** Of the general
295.10 fund appropriation, \$50,000 in fiscal year
295.11 2008 and \$200,000 in fiscal year 2009 are
295.12 for children's mental health grants to support
295.13 increased availability of mental health
295.14 services for children with special treatment
295.15 needs. These shall include, but not be limited
295.16 to: victims of trauma, including children
295.17 subjected to abuse or neglect, veterans and
295.18 their families, and refugee populations;
295.19 persons with complex treatment needs, such
295.20 as eating disorders; and those with low
295.21 incidence disorders.

295.22 **MFIP and Children's Mental Health**
295.23 **Pilot Project.** Of the TANF appropriation,
295.24 \$100,000 in fiscal year 2008 and \$200,000
295.25 in fiscal year 2009 are to fund the MFIP
295.26 and children's mental health pilot project.
295.27 Of these amounts, up to \$100,000 may be
295.28 expended on evaluation of this pilot.

295.29 **Prenatal Alcohol or Drug Use.** Of the
295.30 general fund appropriation, \$75,000 each
295.31 year is to award grants beginning July 1,
295.32 2007, to programs that provide services
295.33 under Minnesota Statutes, section 254A.171,
295.34 in Pine, Kanabec, and Carlton Counties. This

296.1 appropriation shall become part of the base
296.2 appropriation.

296.3 **Base Adjustment.** The general fund base
296.4 is \$62,572,000 in fiscal year 2010 and
296.5 \$62,575,000 in fiscal year 2011.

296.6 **(h) Children and Community Services Grants**

296.7	General	101,369,000	69,208,000

296.8 **Base Adjustment.** The general fund base
296.9 is \$69,274,000 in each of fiscal years 2010
296.10 and 2011.

296.11 **Targeted Case Management Temporary**

296.12 **Funding.** (a) Of the general fund
296.13 appropriation, \$32,667,000 in fiscal year
296.14 2008 is transferred to the targeted case
296.15 management contingency reserve account in
296.16 the general fund to be allocated to counties
296.17 and tribes affected by reductions in targeted
296.18 case management federal Medicaid revenue
296.19 as a result of the provisions in the federal
296.20 Deficit Reduction Act of 2005, Public Law
296.21 109-171.

296.22 (b) Contingent upon (1) publication by the
296.23 federal Centers for Medicare and Medicaid
296.24 Services of final regulations implementing
296.25 the targeted case management provisions
296.26 of the federal Deficit Reduction Act of
296.27 2005, Public Law 109-171, or (2) the
296.28 issuance of a finding by the Centers for
296.29 Medicare and Medicaid Services of federal
296.30 Medicaid overpayments for targeted case
296.31 management expenditures, up to \$32,667,000
296.32 is appropriated to the commissioner of human
296.33 services. Prior to distribution of funds, the
296.34 commissioner shall estimate and certify the
296.35 amount by which the federal regulations or

297.1 federal disallowance will reduce targeted
297.2 case management Medicaid revenue over the
297.3 2008-2009 biennium.

297.4 (c) Within 60 days of a contingency described
297.5 in paragraph (b), the commissioner shall
297.6 distribute the grants proportionate to each
297.7 affected county or tribe's targeted case
297.8 management federal earnings for calendar
297.9 year 2005, not to exceed the lower of (1) the
297.10 amount of the estimated reduction in federal
297.11 revenue or (2) \$32,667,000.

297.12 (d) These funds are available in either year of
297.13 the biennium. Counties and tribes shall use
297.14 these funds to pay for social service-related
297.15 costs, but the funds are not subject to
297.16 provisions of the Children and Community
297.17 Services Act grant under Minnesota Statutes,
297.18 chapter 256M.

297.19 (e) This appropriation shall be available to
297.20 pay counties and tribes for expenses incurred
297.21 on or after July 1, 2007. The appropriation
297.22 shall be available until expended.

297.23 (i) **General Assistance Grants**

297.24	General	37,876,000	38,253,000

297.25 **General Assistance Standard.** The
297.26 commissioner shall set the monthly standard
297.27 of assistance for general assistance units
297.28 consisting of an adult recipient who is
297.29 childless and unmarried or living apart
297.30 from parents or a legal guardian at \$203.
297.31 The commissioner may reduce this amount
297.32 according to Laws 1997, chapter 85, article
297.33 3, section 54.

298.1 **Emergency General Assistance.** The
298.2 amount appropriated for emergency general
298.3 assistance funds is limited to no more
298.4 than \$7,889,812 in fiscal year 2008 and
298.5 \$7,889,812 in fiscal year 2009. Funds
298.6 to counties must be allocated by the
298.7 commissioner using the allocation method
298.8 specified in Minnesota Statutes, section
298.9 256D.06.

298.10 (j) **Minnesota Supplemental Aid Grants**

298.11 General	30,505,000	30,812,000

298.12 **Emergency Minnesota Supplemental**
298.13 **Aid Funds.** The amount appropriated for
298.14 emergency Minnesota supplemental aid
298.15 funds is limited to no more than \$1,100,000
298.16 in fiscal year 2008 and \$1,100,000 in fiscal
298.17 year 2009. Funds to counties must be
298.18 allocated by the commissioner using the
298.19 allocation method specified in Minnesota
298.20 Statutes, section 256D.46.

298.21 (k) **Group Residential Housing Grants**

298.22 General	91,069,000	98,671,000

298.23 **People Incorporated.** Of the general fund
298.24 appropriation, \$460,000 each year is to
298.25 augment community support and mental
298.26 health services provided to individuals
298.27 residing in facilities under Minnesota
298.28 Statutes, section 256I.05, subdivision 1m.

298.29 (l) **Other Children and Economic Assistance**
298.30 **Grants**

298.31 General	20,183,000	16,333,000
298.32 Federal TANF	1,500,000	1,500,000

298.33 **Base Adjustment.** The general fund base
298.34 shall be \$16,033,000 in fiscal year 2010 and

299.1 \$15,533,000 in fiscal year 2011. The TANF
299.2 base shall be \$1,500,000 in fiscal year 2010
299.3 and \$1,181,000 in fiscal year 2011.

299.4 **Homeless and Runaway Youth.** Of the
299.5 general fund appropriation, \$500,000 each
299.6 year are for the Runaway and Homeless
299.7 Youth Act under Minnesota Statutes, section
299.8 256K.45. Funds shall be spent in each area
299.9 of the continuum of care to ensure that
299.10 programs are meeting the greatest need. This
299.11 is a onetime appropriation.

299.12 **Long-Term Homelessness.** Of the general
299.13 fund appropriation, ~~\$1,500,000 each year~~
299.14 ~~are~~ \$2,000,000 in fiscal year 2008 is for
299.15 implementation of programs to address
299.16 long-term homelessness and is available in
299.17 either year of the biennium. This is a onetime
299.18 appropriation.

299.19 **Minnesota Community Action Grants.** (a)
299.20 Of the general fund appropriation, \$250,000
299.21 each year is for the purposes of Minnesota
299.22 community action grants under Minnesota
299.23 Statutes, sections 256E.30 to 256E.32. This
299.24 is a onetime appropriation.

299.25 (b) Of the TANF appropriation, \$1,500,000
299.26 each year is for community action agencies
299.27 for auto repairs, auto loans, and auto purchase
299.28 grants to individuals who are eligible to
299.29 receive benefits under Minnesota Statutes,
299.30 chapter 256J, or who have lost eligibility
299.31 for benefits under Minnesota Statutes,
299.32 chapter 256J, due to earnings in the prior 12
299.33 months. Base level funding for this activity
299.34 shall be \$1,500,000 in fiscal year 2010
299.35 and \$1,181,000 in fiscal year 2011. * (The

300.1 preceding text beginning "(b) Of the TANF
300.2 appropriation," was indicated as vetoed by
300.3 the governor.)
300.4 (c) Money appropriated under paragraphs (a)
300.5 and (b) that is not spent in the first year does
300.6 not cancel but is available for the second
300.7 year.

300.8 **ARTICLE 20**
300.9 **CONTINUING CARE**

300.10 Section 1. Minnesota Statutes 2006, section 256B.0621, subdivision 2, is amended to
300.11 read:

300.12 Subd. 2. **Targeted case management; definitions.** For purposes of subdivisions 3
300.13 to 10, the following terms have the meanings given them:

300.14 (1) "home care service recipients" means those individuals receiving the following
300.15 services under sections 256B.0651 to 256B.0656: skilled nursing visits, home health aide
300.16 visits, private duty nursing, personal care assistants, or therapies provided through a
300.17 home health agency;

300.18 (2) "home care targeted case management" means the provision of targeted case
300.19 management services for the purpose of assisting home care service recipients to gain
300.20 access to needed services and supports so that they may remain in the community;

300.21 (3) "institutions" means hospitals, consistent with Code of Federal Regulations, title
300.22 42, section 440.10; regional treatment center inpatient services, consistent with section
300.23 245.474; nursing facilities; and intermediate care facilities for persons with developmental
300.24 disabilities;

300.25 (4) "relocation targeted case management" includes the provision of both county
300.26 targeted case management and public or private vendor service coordination services
300.27 for the purpose of assisting recipients to gain access to needed services and supports if
300.28 they choose to move from an institution to the community. Relocation targeted case
300.29 management may be provided during the lesser of:

300.30 (i) the last 180 consecutive days of an eligible recipient's institutional stay; or
300.31 (ii) the limits and conditions which apply to federal Medicaid funding for this
300.32 service; and

300.33 (5) "targeted case management" means case management services provided to help
300.34 recipients gain access to needed medical, social, educational, and other services and
300.35 supports.

301.1 Sec. 2. Minnesota Statutes 2006, section 256B.0621, subdivision 6, is amended to read:

301.2 Subd. 6. **Eligible services.** (a) Services eligible for medical assistance
301.3 reimbursement as targeted case management include:

301.4 (1) assessment of the recipient's need for targeted case management services and
301.5 for persons choosing to relocate, the county must provide service coordination provider
301.6 options at the first contact and upon request;

301.7 (2) development, completion, and regular review of a written individual service
301.8 plan, which is based upon the assessment of the recipient's needs and choices, and which
301.9 will ensure access to medical, social, educational, and other related services and supports;

301.10 (3) routine contact or communication with the recipient, recipient's family, primary
301.11 caregiver, legal representative, substitute care provider, service providers, or other relevant
301.12 persons identified as necessary to the development or implementation of the goals of the
301.13 individual service plan;

301.14 (4) coordinating referrals for, and the provision of, case management services for
301.15 the recipient with appropriate service providers, consistent with section 1902(a)(23) of
301.16 the Social Security Act;

301.17 (5) coordinating and monitoring the overall service delivery and engaging in
301.18 advocacy as needed to ensure quality of services, appropriateness, and continued need;

301.19 (6) completing and maintaining necessary documentation that supports and verifies
301.20 the activities in this subdivision;

301.21 (7) assisting individuals in order to access needed services, including travel to
301.22 conduct a visit with the recipient or other relevant person necessary to develop or
301.23 implement the goals of the individual service plan; and

301.24 (8) coordinating with the institution discharge planner ~~in the 180-day period~~ before
301.25 the recipient's discharge.

301.26 (b) Relocation targeted county case management includes services under paragraph
301.27 (a), clauses (1), (2), and (4). Relocation service coordination includes services under
301.28 paragraph (a), clauses (3) and (5) to (8). Home care targeted case management includes
301.29 services under paragraph (a), clauses (1) to (8).

301.30 Sec. 3. Minnesota Statutes 2006, section 256B.0621, subdivision 10, is amended to
301.31 read:

301.32 Subd. 10. **Payment rates.** The commissioner shall set payment rates for targeted
301.33 case management under this subdivision. Case managers may bill according to the
301.34 following criteria:

302.1 (1) for relocation targeted case management, case managers may bill for direct case
302.2 management activities, including face-to-face and telephone contacts, in the lesser of:
302.3 (i) 180 days preceding an eligible recipient's discharge from an institution; or
302.4 (ii) the limits and conditions which apply to federal Medicaid funding for this
302.5 service;

302.6 (2) for home care targeted case management, case managers may bill for direct case
302.7 management activities, including face-to-face and telephone contacts; and

302.8 (3) billings for targeted case management services under this subdivision shall not
302.9 duplicate payments made under other program authorities for the same purpose.

302.10 Sec. 4. Minnesota Statutes 2007 Supplement, section 256B.0625, subdivision 20,
302.11 is amended to read:

302.12 Subd. 20. **Mental health case management.** (a) To the extent authorized by rule
302.13 of the state agency, medical assistance covers case management services to persons with
302.14 serious and persistent mental illness and children with severe emotional disturbance.
302.15 Services provided under this section must meet the relevant standards in sections 245.461
302.16 to 245.4887, the Comprehensive Adult and Children's Mental Health Acts, Minnesota
302.17 Rules, parts 9520.0900 to 9520.0926, and 9505.0322, excluding subpart 10.

302.18 (b) Entities meeting program standards set out in rules governing family community
302.19 support services as defined in section 245.4871, subdivision 17, are eligible for medical
302.20 assistance reimbursement for case management services for children with severe
302.21 emotional disturbance when these services meet the program standards in Minnesota
302.22 Rules, parts 9520.0900 to 9520.0926 and 9505.0322, excluding subparts 6 and 10.

302.23 (c) Medical assistance and MinnesotaCare payment for mental health case
302.24 management shall be made on a monthly basis. In order to receive payment for an eligible
302.25 child, the provider must document at least a face-to-face contact with the child, the child's
302.26 parents, or the child's legal representative. To receive payment for an eligible adult, the
302.27 provider must document:

302.28 (1) at least a face-to-face contact with the adult or the adult's legal representative; or

302.29 (2) at least a telephone contact with the adult or the adult's legal representative and
302.30 document a face-to-face contact with the adult or the adult's legal representative within
302.31 the preceding two months.

302.32 (d) Payment for mental health case management provided by county or state staff
302.33 shall be based on the monthly rate methodology under section 256B.094, subdivision 6,
302.34 paragraph (b), with separate rates calculated for child welfare and mental health, and
302.35 within mental health, separate rates for children and adults.

(e) Payment for mental health case management provided by Indian health services or by agencies operated by Indian tribes may be made according to this section or other relevant federally approved rate setting methodology.

(f) Payment for mental health case management provided by vendors who contract with a county or Indian tribe shall be based on a monthly rate negotiated by the host county or tribe. The negotiated rate must not exceed the rate charged by the vendor for the same service to other payers. If the service is provided by a team of contracted vendors, the county or tribe may negotiate a team rate with a vendor who is a member of the team. The team shall determine how to distribute the rate among its members. No reimbursement received by contracted vendors shall be returned to the county or tribe, except to reimburse the county or tribe for advance funding provided by the county or tribe to the vendor.

(g) If the service is provided by a team which includes contracted vendors, tribal staff, and county or state staff, the costs for county or state staff participation in the team shall be included in the rate for county-provided services. In this case, the contracted vendor, the tribal agency, and the county may each receive separate payment for services provided by each entity in the same month. In order to prevent duplication of services, each entity must document, in the recipient's file, the need for team case management and a description of the roles of the team members.

(h) Notwithstanding section 256B.19, subdivision 1, the nonfederal share of costs for mental health case management shall be provided by the recipient's county of responsibility, as defined in sections 256G.01 to 256G.12, from sources other than federal funds or funds used to match other federal funds. If the service is provided by a tribal agency, the nonfederal share, if any, shall be provided by the recipient's tribe. When this service is paid by the state without a federal share through fee-for-service, 50 percent of the cost shall be provided by the recipient's county of responsibility.

(i) Notwithstanding any administrative rule to the contrary, prepaid medical assistance, general assistance medical care, and MinnesotaCare include mental health case management. When the service is provided through prepaid capitation, the nonfederal share is paid by the state and the county pays no share.

(j) The commissioner may suspend, reduce, or terminate the reimbursement to a provider that does not meet the reporting or other requirements of this section. The county of responsibility, as defined in sections 256G.01 to 256G.12, or, if applicable, the tribal agency, is responsible for any federal disallowances. The county or tribe may share this responsibility with its contracted vendors.

(k) The commissioner shall set aside a portion of the federal funds earned for county expenditures under this section to repay the special revenue maximization account under section 256.01, subdivision 2, clause (15). The repayment is limited to:

(1) the costs of developing and implementing this section; and

(2) programming the information systems.

(l) Payments to counties and tribal agencies for case management expenditures under this section shall only be made from federal earnings from services provided under this section. When this service is paid by the state without a federal share through fee-for-service, 50 percent of the cost shall be provided by the state. Payments to county-contracted vendors shall include the federal earnings, the state share, and the county share.

(m) Case management services under this subdivision do not include therapy, treatment, legal, or outreach services.

(n) If the recipient is a resident of a nursing facility, intermediate care facility, or hospital, and the recipient's institutional care is paid by medical assistance, payment for case management services under this subdivision is limited to the lesser of:

(1) the last 180 days of the recipient's residency in that facility and may not exceed more than six months in a calendar year; or

(2) the limits and conditions which apply to federal Medicaid funding for this service.

(o) Payment for case management services under this subdivision shall not duplicate payments made under other program authorities for the same purpose.

Sec. 5. [256B.0658] HOUSING ACCESS GRANTS.

The commissioner of human services shall award through a competitive process contracts for grants to public and private agencies to support and assist individuals eligible for publicly funded home and community-based services, including state plan home care, to access housing. Grants may be awarded to agencies that may include, but are not limited to, the following supports: assessment to assure suitability of housing, accompanying an individual to look at housing, filling out applications and rental agreements, meeting with landlords, helping with Section 8 or other program applications, helping to develop a budget, obtaining furniture and household goods, if necessary, and assisting with any problems that may arise with housing.

Sec. 6. Minnesota Statutes 2006, section 256B.0924, subdivision 4, is amended to read:

Subd. 4. **Targeted case management service activities.** (a) For persons with developmental disabilities, targeted case management services must meet the provisions of section 256B.092.

(b) For persons not eligible as a person with a developmental disability, targeted case management service activities include:

(1) an assessment of the person's need for targeted case management services;

(2) the development of a written personal service plan;

(3) a regular review and revision of the written personal service plan with the recipient and the recipient's legal representative, and others as identified by the recipient, to ensure access to necessary services and supports identified in the plan;

(4) effective communication with the recipient and the recipient's legal representative and others identified by the recipient;

(5) coordination of referrals for needed services with qualified providers;

(6) coordination and monitoring of the overall service delivery to ensure the quality and effectiveness of services;

(7) assistance to the recipient and the recipient's legal representative to help make an informed choice of services;

(8) advocating on behalf of the recipient when service barriers are encountered or referring the recipient and the recipient's legal representative to an independent advocate;

(9) monitoring and evaluating services identified in the personal service plan to ensure personal outcomes are met and to ensure satisfaction with services and service delivery;

(10) conducting face-to-face monitoring with the recipient at least twice a year;

(11) completing and maintaining necessary documentation that supports and verifies the activities in this section;

(12) coordinating with the medical assistance facility discharge planner ~~in the 180-day period~~ prior to the recipient's discharge into the community; and

(13) a personal service plan developed and reviewed at least annually with the recipient and the recipient's legal representative. The personal service plan must be revised when there is a change in the recipient's status. The personal service plan must identify:

(i) the desired personal short and long-term outcomes;

(ii) the recipient's preferences for services and supports, including development of a person-centered plan if requested; and

(iii) formal and informal services and supports based on areas of assessment, such as: social, health, mental health, residence, family, educational and vocational, safety,

306.1 legal, self-determination, financial, and chemical health as determined by the recipient and
306.2 the recipient's legal representative and the recipient's support network.

306.3 Sec. 7. Minnesota Statutes 2006, section 256B.0924, subdivision 6, is amended to read:

306.4 Subd. 6. **Payment for targeted case management.** (a) Medical assistance and
306.5 MinnesotaCare payment for targeted case management shall be made on a monthly basis.
306.6 In order to receive payment for an eligible adult, the provider must document at least one
306.7 contact per month and not more than two consecutive months without a face-to-face
306.8 contact with the adult or the adult's legal representative, family, primary caregiver, or
306.9 other relevant persons identified as necessary to the development or implementation
306.10 of the goals of the personal service plan.

306.11 (b) Payment for targeted case management provided by county staff under this
306.12 subdivision shall be based on the monthly rate methodology under section 256B.094,
306.13 subdivision 6, paragraph (b), calculated as one combined average rate together with
306.14 adult mental health case management under section 256B.0625, subdivision 20, except
306.15 for calendar year 2002. In calendar year 2002, the rate for case management under this
306.16 section shall be the same as the rate for adult mental health case management in effect
306.17 as of December 31, 2001. Billing and payment must identify the recipient's primary
306.18 population group to allow tracking of revenues.

306.19 (c) Payment for targeted case management provided by county-contracted vendors
306.20 shall be based on a monthly rate negotiated by the host county. The negotiated rate must
306.21 not exceed the rate charged by the vendor for the same service to other payers. If the
306.22 service is provided by a team of contracted vendors, the county may negotiate a team rate
306.23 with a vendor who is a member of the team. The team shall determine how to distribute
306.24 the rate among its members. No reimbursement received by contracted vendors shall be
306.25 returned to the county, except to reimburse the county for advance funding provided by
306.26 the county to the vendor.

306.27 (d) If the service is provided by a team that includes contracted vendors and county
306.28 staff, the costs for county staff participation on the team shall be included in the rate for
306.29 county-provided services. In this case, the contracted vendor and the county may each
306.30 receive separate payment for services provided by each entity in the same month. In
306.31 order to prevent duplication of services, the county must document, in the recipient's file,
306.32 the need for team targeted case management and a description of the different roles of
306.33 the team members.

306.34 (e) Notwithstanding section 256B.19, subdivision 1, the nonfederal share of costs
306.35 for targeted case management shall be provided by the recipient's county of responsibility,

307.1 as defined in sections 256G.01 to 256G.12, from sources other than federal funds or
307.2 funds used to match other federal funds.

307.3 (f) The commissioner may suspend, reduce, or terminate reimbursement to a
307.4 provider that does not meet the reporting or other requirements of this section. The county
307.5 of responsibility, as defined in sections 256G.01 to 256G.12, is responsible for any federal
307.6 disallowances. The county may share this responsibility with its contracted vendors.

307.7 (g) The commissioner shall set aside five percent of the federal funds received under
307.8 this section for use in reimbursing the state for costs of developing and implementing
307.9 this section.

307.10 (h) Payments to counties for targeted case management expenditures under this
307.11 section shall only be made from federal earnings from services provided under this
307.12 section. Payments to contracted vendors shall include both the federal earnings and the
307.13 county share.

307.14 (i) Notwithstanding section 256B.041, county payments for the cost of case
307.15 management services provided by county staff shall not be made to the commissioner of
307.16 finance. For the purposes of targeted case management services provided by county staff
307.17 under this section, the centralized disbursement of payments to counties under section
307.18 256B.041 consists only of federal earnings from services provided under this section.

307.19 (j) If the recipient is a resident of a nursing facility, intermediate care facility, or
307.20 hospital, and the recipient's institutional care is paid by medical assistance, payment for
307.21 targeted case management services under this subdivision is limited to the lesser of:

307.22 (1) the last 180 days of the recipient's residency in that facility and may not exceed
307.23 more than six months in a calendar year; or

307.24 (2) the limits and conditions which apply to federal Medicaid funding for this service.

307.25 (k) Payment for targeted case management services under this subdivision shall not
307.26 duplicate payments made under other program authorities for the same purpose.

307.27 (l) Any growth in targeted case management services and cost increases under this
307.28 section shall be the responsibility of the counties.

307.29 Sec. 8. Minnesota Statutes 2006, section 256B.19, subdivision 1d, is amended to read:

307.30 Subd. 1d. **Portion of nonfederal share to be paid by certain counties.** (a)

307.31 In addition to the percentage contribution paid by a county under subdivision 1, the
307.32 governmental units designated in this subdivision shall be responsible for an additional
307.33 portion of the nonfederal share of medical assistance cost. For purposes of this
307.34 subdivision, "designated governmental unit" means the counties of Becker, Beltrami,

308.1 Clearwater, Cook, Dodge, Hubbard, Itasca, Lake, Pennington, Pipestone, Ramsey, St.
308.2 Louis, Steele, Todd, Traverse, and Wadena.

308.3 (b) Beginning in 1994, each of the governmental units designated in this subdivision
308.4 shall transfer before noon on May 31 to the state Medicaid agency an amount equal to the
308.5 number of licensed beds in any nursing home owned and operated by the county on that
308.6 date, with the county named as licensee, multiplied by \$5,723. If two or more counties own
308.7 and operate a nursing home, the payment shall be prorated. These sums shall be part of the
308.8 designated governmental unit's portion of the nonfederal share of medical assistance costs.

308.9 (c) Beginning in 2002, in addition to any transfer under paragraph (b), each of the
308.10 governmental units designated in this subdivision shall transfer before noon on May 31
308.11 to the state Medicaid agency an amount equal to the number of licensed beds in any
308.12 nursing home owned and operated by the county on that date, with the county named as
308.13 licensee, multiplied by \$10,784. The provisions of paragraph (b) apply to transfers under
308.14 this paragraph.

308.15 ~~(d) Beginning in 2003, in addition to any transfer under paragraphs (b) and (c), each~~
308.16 ~~of the governmental units designated in this subdivision shall transfer before noon on May~~
308.17 ~~31 to the state Medicaid agency an amount equal to the number of licensed beds in any~~
308.18 ~~nursing home owned and operated by the county on that date, with the county named as~~
308.19 ~~licensee, multiplied by \$2,230. The provisions of paragraph (b) apply to transfers under~~
308.20 ~~this paragraph.~~

308.21 ~~(e)~~ (d) The commissioner may reduce the intergovernmental transfers under
308.22 ~~paragraphs paragraph (c) and (d)~~ based on the commissioner's determination of the
308.23 payment rate in section 256B.431, subdivision 23, paragraphs (c); and (d); ~~and (e)~~. Any
308.24 adjustments must be made on a per-bed basis and must result in an amount equivalent to
308.25 the total amount resulting from the rate adjustment in section 256B.431, subdivision 23,
308.26 paragraphs (c); and (d); ~~and (e)~~.

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

308.28 Sec. 9. Minnesota Statutes 2006, section 256B.431, subdivision 23, is amended to read:

308.29 Subd. 23. **County nursing home payment adjustments.** (a) Beginning in 1994,
308.30 the commissioner shall pay a nursing home payment adjustment on May 31 after noon
308.31 to a county in which is located a nursing home that, on that date, was county-owned and
308.32 operated, with the county named as licensee by the commissioner of health, and had over
308.33 40 beds and medical assistance occupancy in excess of 50 percent during the reporting
308.34 year ending September 30, 1991. The adjustment shall be an amount equal to \$16 per
308.35 calendar day multiplied by the number of beds licensed in the facility on that date.

(b) Payments under paragraph (a) are excluded from medical assistance per diem rate calculations. These payments are required notwithstanding any rule prohibiting medical assistance payments from exceeding payments from private pay residents. A facility receiving a payment under paragraph (a) may not increase charges to private pay residents by an amount equivalent to the per diem amount payments under paragraph (a) would equal if converted to a per diem.

(c) Beginning in 2002, in addition to any payment under paragraph (a), the commissioner shall pay to a nursing facility described in paragraph (a) an adjustment in an amount equal to \$29.55 per calendar day multiplied by the number of beds licensed in the facility on that date. The provisions of paragraphs (a) and (b) apply to payments under this paragraph.

~~(d) Beginning in 2003, in addition to any payment under paragraphs (a) and (c), the commissioner shall pay to a nursing facility described in paragraph (a) an adjustment in an amount equal to \$6.11 per calendar day multiplied by the number of beds licensed in the facility on that date. The provisions of paragraphs (a) and (b) apply to payments under this paragraph.~~

~~(e)~~ (d) The commissioner may reduce payments under ~~paragraphs~~ paragraph (c) and ~~(d)~~ based on the commissioner's determination of Medicare upper payment limits. Any adjustments must be proportional to adjustments made under section 256B.19, subdivision 1d, paragraph ~~(e)~~ (d).

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

Sec. 10. Minnesota Statutes 2007 Supplement, section 256B.434, subdivision 19, is amended to read:

Subd. 19. **Nursing facility rate increases beginning October 1, 2007, and October 1, 2008.** (a) For the rate year beginning October 1, 2007, the commissioner shall make available to each nursing facility reimbursed under this section operating payment rate adjustments equal to 1.87 percent of the operating payment rates in effect on September 30, 2007. For the rate year beginning October 1, 2008, the commissioner shall make available to each nursing facility reimbursed under this section, operating payment rate adjustments equal to 2.0 percent of the operating payment rates in effect on September 30, 2008.

(b) Seventy-five percent of the money resulting from the rate adjustment under paragraph (a) must be used for increases in compensation-related costs for employees directly employed by the nursing facility on or after the effective date of the rate adjustment, except:

310.1 (1) the administrator;

310.2 (2) persons employed in the central office of a corporation that has an ownership
310.3 interest in the nursing facility or exercises control over the nursing facility; and

310.4 (3) persons paid by the nursing facility under a management contract.

310.5 (c) Two-thirds of the money available under paragraph (b) must be used for wage
310.6 increases for all employees directly employed by the nursing facility on or after the
310.7 effective date of the rate adjustment, except those listed in paragraph (b), clauses (1) to
310.8 (3). The wage adjustment that employees receive under this paragraph must be paid as
310.9 an equal hourly percentage wage increase for all eligible employees. All wage increases
310.10 under this paragraph must be effective on the same date. Only costs associated with the
310.11 portion of the equal hourly percentage wage increase that goes to all employees shall
310.12 qualify under this paragraph. Costs associated with wage increases in excess of the
310.13 amount of the equal hourly percentage wage increase provided to all employees shall be
310.14 allowed only for meeting the requirements in paragraph (b). This paragraph shall not
310.15 apply to employees covered by a collective bargaining agreement.

310.16 (d) The commissioner shall allow as compensation-related costs all costs for:

310.17 (1) wages and salaries;

310.18 (2) FICA taxes, Medicare taxes, state and federal unemployment taxes, and workers'
310.19 compensation;

310.20 (3) the employer's share of health and dental insurance, life insurance, disability
310.21 insurance, long-term care insurance, uniform allowance, and pensions; and

310.22 (4) other benefits provided, subject to the approval of the commissioner.

310.23 (e) The portion of the rate adjustment under paragraph (a) that is not subject to the
310.24 requirements in paragraphs (b) and (c) shall be provided to nursing facilities effective
310.25 October 1, 2007, or October 1, 2008, as applicable.

310.26 (f) Nursing facilities may apply for the portion of the rate adjustment under
310.27 paragraph (a) that is subject to the requirements in paragraphs (b) and (c). The application
310.28 must be submitted to the commissioner within six months of the effective date of the
310.29 rate adjustment, and the nursing facility must provide additional information required
310.30 by the commissioner within nine months of the effective date of the rate adjustment.
310.31 The commissioner must respond to all applications within three weeks of receipt.
310.32 The commissioner may waive the deadlines in this paragraph under extraordinary
310.33 circumstances, to be determined at the sole discretion of the commissioner. The
310.34 application must contain:

310.35 (1) an estimate of the amounts of money that must be used as specified in paragraphs
310.36 (b) and (c);

311.1 (2) a detailed distribution plan specifying the allowable compensation-related and
311.2 wage increases the nursing facility will implement to use the funds available in clause (1);

311.3 (3) a description of how the nursing facility will notify eligible employees of
311.4 the contents of the approved application, which must provide for giving each eligible
311.5 employee a copy of the approved application, excluding the information required in clause
311.6 (1), or posting a copy of the approved application, excluding the information required in
311.7 clause (1), for a period of at least six weeks in an area of the nursing facility to which all
311.8 eligible employees have access; and

311.9 (4) instructions for employees who believe they have not received the
311.10 compensation-related or wage increases specified in clause (2), as approved by the
311.11 commissioner, and which must include a mailing address, e-mail address, and the
311.12 telephone number that may be used by the employee to contact the commissioner or the
311.13 commissioner's representative.

311.14 (g) The commissioner shall ensure that cost increases in distribution plans under
311.15 paragraph (f), clause (2), that may be included in approved applications, comply with the
311.16 following requirements:

311.17 (1) costs to be incurred during the applicable rate year resulting from wage and
311.18 salary increases effective after October 1, 2006, and prior to the first day of the nursing
311.19 facility's payroll period that includes October 1, ~~2007~~ of each year, shall be allowed if they
311.20 were not used in the prior year's application;

311.21 (2) a portion of the costs resulting from tenure-related wage or salary increases
311.22 may be considered to be allowable wage increases, according to formulas that the
311.23 commissioner shall provide, where employee retention is above the average statewide
311.24 rate of retention of direct care employees;

311.25 (3) the annualized amount of increases in costs for the employer's share of health
311.26 and dental insurance, life insurance, disability insurance, and workers' compensation
311.27 shall be allowable compensation-related increases if they are effective on or after April
311.28 1, ~~2007~~, of the year in which the rate adjustments are effective and prior to April 1, ~~2008~~
311.29 of the following year; and

311.30 (4) for nursing facilities in which employees are represented by an exclusive
311.31 bargaining representative, the commissioner shall approve the application only upon
311.32 receipt of a letter of acceptance of the distribution plan, in regard to members of the
311.33 bargaining unit, signed by the exclusive bargaining agent and dated after May 25, 2007.
311.34 Upon receipt of the letter of acceptance, the commissioner shall deem all requirements of
311.35 this section as having been met in regard to the members of the bargaining unit.

312.1 (h) The commissioner shall review applications received under paragraph (f) and
312.2 shall provide the portion of the rate adjustment under paragraphs (b) and (c) if the
312.3 requirements of this subdivision have been met. The rate adjustment shall be effective
312.4 October 1. Notwithstanding paragraph (a), if the approved application distributes less
312.5 money than is available, the amount of the rate adjustment shall be reduced so that the
312.6 amount of money made available is equal to the amount to be distributed.

312.7 Sec. 11. Minnesota Statutes 2006, section 256B.69, subdivision 6, is amended to read:

312.8 Subd. 6. **Service delivery.** (a) Each demonstration provider shall be responsible for
312.9 the health care coordination for eligible individuals. Demonstration providers:

312.10 (1) shall authorize and arrange for the provision of all needed health services
312.11 including but not limited to the full range of services listed in sections 256B.02,
312.12 subdivision 8, and 256B.0625 in order to ensure appropriate health care is delivered to
312.13 enrollees. Notwithstanding section 256B.0621, demonstration providers that provide
312.14 nursing home and community-based services under this section shall provide relocation
312.15 service coordination to enrolled persons age 65 and over;

312.16 (2) shall accept the prospective, per capita payment from the commissioner in return
312.17 for the provision of comprehensive and coordinated health care services for eligible
312.18 individuals enrolled in the program;

312.19 (3) may contract with other health care and social service practitioners to provide
312.20 services to enrollees; and

312.21 (4) shall institute recipient grievance procedures according to the method established
312.22 by the project, utilizing applicable requirements of chapter 62D. Disputes not resolved
312.23 through this process shall be appealable to the commissioner as provided in subdivision 11.

312.24 (b) Demonstration providers must comply with the standards for claims settlement
312.25 under section 72A.201, subdivisions 4, 5, 7, and 8, when contracting with other health
312.26 care and social service practitioners to provide services to enrollees. A demonstration
312.27 provider must pay a clean claim, as defined in Code of Federal Regulations, title 42,
312.28 section 447.45(b), within 30 business days of the date of acceptance of the claim.

312.29 Sec. 12. Minnesota Statutes 2006, section 256D.44, subdivision 2, is amended to read:

312.30 Subd. 2. **Standard of assistance for persons eligible for medical assistance**
312.31 **waivers or at risk of placement in a group residential housing facility.** The state
312.32 standard of assistance for a person who: (1) is eligible for a medical assistance home and
312.33 community-based services waiver ~~or a person who; (2)~~ has been determined by the local
312.34 agency to meet the plan requirements for placement in a group residential housing facility

313.1 under section 256I.04, subdivision 1a; or (3) is eligible for a shelter needy payment
313.2 under subdivision 5, paragraph (f); is the standard established in subdivision 3, paragraph
313.3 (a) or (b).

313.4 **EFFECTIVE DATE.** This section is effective January 1, 2009.

313.5 Sec. 13. Minnesota Statutes 2006, section 256D.44, subdivision 5, is amended to read:

313.6 Subd. 5. **Special needs.** In addition to the state standards of assistance established in
313.7 subdivisions 1 to 4, payments are allowed for the following special needs of recipients of
313.8 Minnesota supplemental aid who are not residents of a nursing home, a regional treatment
313.9 center, or a group residential housing facility.

313.10 (a) The county agency shall pay a monthly allowance for medically prescribed
313.11 diets if the cost of those additional dietary needs cannot be met through some other
313.12 maintenance benefit. The need for special diets or dietary items must be prescribed by
313.13 a licensed physician. Costs for special diets shall be determined as percentages of the
313.14 allotment for a one-person household under the thrifty food plan as defined by the United
313.15 States Department of Agriculture. The types of diets and the percentages of the thrifty
313.16 food plan that are covered are as follows:

313.17 (1) high protein diet, at least 80 grams daily, 25 percent of thrifty food plan;

313.18 (2) controlled protein diet, 40 to 60 grams and requires special products, 100 percent
313.19 of thrifty food plan;

313.20 (3) controlled protein diet, less than 40 grams and requires special products, 125
313.21 percent of thrifty food plan;

313.22 (4) low cholesterol diet, 25 percent of thrifty food plan;

313.23 (5) high residue diet, 20 percent of thrifty food plan;

313.24 (6) pregnancy and lactation diet, 35 percent of thrifty food plan;

313.25 (7) gluten-free diet, 25 percent of thrifty food plan;

313.26 (8) lactose-free diet, 25 percent of thrifty food plan;

313.27 (9) antidumping diet, 15 percent of thrifty food plan;

313.28 (10) hypoglycemic diet, 15 percent of thrifty food plan; or

313.29 (11) ketogenic diet, 25 percent of thrifty food plan.

313.30 (b) Payment for nonrecurring special needs must be allowed for necessary home
313.31 repairs or necessary repairs or replacement of household furniture and appliances using
313.32 the payment standard of the AFDC program in effect on July 16, 1996, for these expenses,
313.33 as long as other funding sources are not available.

313.34 (c) A fee for guardian or conservator service is allowed at a reasonable rate
313.35 negotiated by the county or approved by the court. This rate shall not exceed five percent

of the assistance unit's gross monthly income up to a maximum of \$100 per month. If the guardian or conservator is a member of the county agency staff, no fee is allowed.

(d) The county agency shall continue to pay a monthly allowance of \$68 for restaurant meals for a person who was receiving a restaurant meal allowance on June 1, 1990, and who eats two or more meals in a restaurant daily. The allowance must continue until the person has not received Minnesota supplemental aid for one full calendar month or until the person's living arrangement changes and the person no longer meets the criteria for the restaurant meal allowance, whichever occurs first.

(e) A fee of ten percent of the recipient's gross income or \$25, whichever is less, is allowed for representative payee services provided by an agency that meets the requirements under SSI regulations to charge a fee for representative payee services. This special need is available to all recipients of Minnesota supplemental aid regardless of their living arrangement.

(f) (1) Notwithstanding the language in this subdivision, an amount equal to the maximum allotment authorized by the federal Food Stamp Program for a single individual which is in effect on the first day of ~~January~~ July of the ~~previous~~ each year will be added to the standards of assistance established in subdivisions 1 to 4 for ~~individuals~~ adults under the age of 65 who qualify as shelter needy and are: (i) relocating from an institution, or an adult mental health residential treatment program under section 256B.0622, and who are shelter needy; (ii) eligible for the self-directed supports option as defined under section 256B.0657, subdivision 2; or (iii) home and community-based waiver recipients living in their own home or rented or leased apartment which is not owned, operated, or controlled by a provider of service not related by blood or marriage.

(2) Notwithstanding subdivision 3, paragraph (c), an individual eligible for the shelter needy benefit under this paragraph is considered a household of one. An eligible individual who receives this benefit prior to age 65 may continue to receive the benefit after the age of 65.

(3) "Shelter needy" means that the assistance unit incurs monthly shelter costs that exceed 40 percent of the assistance unit's gross income before the application of this special needs standard. "Gross income" for the purposes of this section is the applicant's or recipient's income as defined in section 256D.35, subdivision 10, or the standard specified in subdivision 3, paragraph (a) or (b), whichever is greater. A recipient of a federal or state housing subsidy, that limits shelter costs to a percentage of gross income, shall not be considered shelter needy for purposes of this paragraph.

EFFECTIVE DATE. This section is effective January 1, 2009.

ARTICLE 21
AGENCY MANAGEMENT

315.11 Section 1. Minnesota Statutes 2006, section 13.461, is amended by adding a
315.12 subdivision to read:

315.13 Subd. 24a. **Managed care plans.** Data provided to the commissioner of human
315.14 services by managed care plans relating to contracts and provider payment rates are
315.15 classified under section 256B.69, subdivision 9b.

315.16 Sec. 2. **[144.058] INTERPRETER SERVICES QUALITY INITIATIVE.**

315.17 (a) The commissioner of health shall establish a voluntary statewide roster, and
315.18 develop a plan for a registry and certification process for interpreters who provide
315.19 high quality, spoken language health care interpreter services. The roster, registry, and
315.20 certification process shall be based on the findings and recommendations set forth by the
315.21 Interpreter Services Work Group required under Laws 2007, chapter 147, article 12,
315.22 section 13. By January 1, 2009, the commissioner shall do the following:

315.23 (1) establish a roster of all available interpreters to address access concerns,
315.24 particularly in rural areas;

315.25 (2) develop a plan for a registry of spoken language health care interpreters,

315.26 including:

315.27 (i) development of standards for registration that set forth educational requirements,
315.28 training requirements, demonstration of language proficiency and interpreting skills,
315.29 agreement to abide by a code of ethics, and a criminal background check;

315.30 (ii) recommendations for appropriate alternate requirements in languages for which
315.31 testing and training programs do not exist;

315.32 (iii) recommendations for appropriate fees; and

315.33 (iv) recommendations for establishing and maintaining the standards for inclusion

315.34 in the registry; and

316.1 (3) develop a plan for implementing a certification process based on national
316.2 testing and certification processes for spoken language interpreters 12 months after the
316.3 establishment of a national certification process.

316.4 (b) The commissioner shall consult with the Interpreter Stakeholder Group of the
316.5 Upper Midwest Translators and Interpreters Association for advice on the standards
316.6 required to plan for the development of a registry and certification process.

316.7 (c) The commissioner shall charge an annual fee of \$50 to include an interpreter in
316.8 the roster.

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

316.10 Sec. 3. Minnesota Statutes 2006, section 256.01, is amended by adding a subdivision
316.11 to read:

316.12 Subd. 27. **Automation and coordination for state health care programs.** (a) For
316.13 purposes of this subdivision, "state health care program" means the medical assistance,
316.14 MinnesotaCare, or general assistance medical care programs.

316.15 (b) By July 1, 2010, the commissioner shall improve coordination between state
316.16 health care programs and social service programs including but not limited to WIC, free
316.17 and reduced school lunch programs, and food stamps, and shall develop and use automated
316.18 systems to identify persons served by social service programs who may be eligible for, but
316.19 are not enrolled in, a state health care program. The system must also permit enrollees to
316.20 renew state health care program enrollment through these social services programs. By
316.21 January 15, 2010, the commissioner shall, as necessary, identify and recommend to the
316.22 legislature statutory changes to state health care and social service programs necessary
316.23 to improve coordination and automation of outreach and enrollment efforts, and report
316.24 estimated local and state costs of implementation and evaluate funding alternatives,
316.25 including possible federal reimbursement.

316.26 (c) By January 15, 2010, the commissioner shall establish and implement an
316.27 automated process to send out state health care program renewal forms in the most
316.28 common foreign languages to those state health care program enrollees who request
316.29 renewal forms in those foreign languages. The commissioner, as part of the initial
316.30 enrollment process, shall inform applicants of the availability of this option.

316.31 (d) Beginning July 1, 2010, the commissioner, county social service agencies, and
316.32 health care providers shall update state health care program enrollee addresses and related
316.33 contact information at the time of each enrollee contact. The commissioner shall report
316.34 the costs of automatically updating contact information across programs to health care
316.35 providers and county agencies.

317.1 Sec. 4. Minnesota Statutes 2006, section 256B.69, subdivision 5a, is amended to read:

317.2 Subd. 5a. **Managed care contracts.** (a) Managed care contracts under this section
317.3 and sections 256L.12 and 256D.03, shall be entered into or renewed on a calendar year
317.4 basis beginning January 1, 1996. Managed care contracts which were in effect on June
317.5 30, 1995, and set to renew on July 1, 1995, shall be renewed for the period July 1, 1995
317.6 through December 31, 1995 at the same terms that were in effect on June 30, 1995. The
317.7 commissioner may issue separate contracts with requirements specific to services to
317.8 medical assistance recipients age 65 and older.

317.9 (b) A prepaid health plan providing covered health services for eligible persons
317.10 pursuant to chapters 256B, 256D, and 256L, is responsible for complying with the terms
317.11 of its contract with the commissioner. Requirements applicable to managed care programs
317.12 under chapters 256B, 256D, and 256L, established after the effective date of a contract
317.13 with the commissioner take effect when the contract is next issued or renewed.

317.14 (c) Effective for services rendered on or after January 1, 2003, the commissioner
317.15 shall withhold five percent of managed care plan payments under this section for the
317.16 prepaid medical assistance and general assistance medical care programs pending
317.17 completion of performance targets. Each performance target must be quantifiable,
317.18 objective, measurable, and reasonably attainable, except in the case of a performance
317.19 target based on a federal or state law or rule. Criteria for assessment of each performance
317.20 target must be outlined in writing prior to the contract effective date. The managed
317.21 care plan must demonstrate, to the commissioner's satisfaction, that the data submitted
317.22 regarding attainment of the performance target is accurate. The commissioner shall
317.23 periodically change the administrative measures used as performance targets in order
317.24 to improve plan performance across a broader range of administrative services. The
317.25 performance targets must include measurement of plan efforts to contain spending
317.26 on health care services and administrative activities. The commissioner may adopt
317.27 plan-specific performance targets that take into account factors affecting only one plan,
317.28 including characteristics of the plan's enrollee population. The withheld funds must be
317.29 returned no sooner than July of the following year if performance targets in the contract
317.30 are achieved. The commissioner may exclude special demonstration projects under
317.31 subdivision 23. A managed care plan or a county-based purchasing plan under section
317.32 256B.692 may include as admitted assets under section 62D.044 any amount withheld
317.33 under this paragraph that is reasonably expected to be returned.

317.34 Sec. 5. Minnesota Statutes 2006, section 256B.69, is amended by adding a subdivision
317.35 to read:

318.1 Subd. 5i. **Administrative expenses.** (a) Managed care plan and county-based
318.2 purchasing plan administrative costs for a prepaid health plan provided under this section
318.3 or section 256B.692 must not exceed by more than five percent that prepaid health plan's
318.4 or county-based purchasing plan's actual calculated administrative spending for the
318.5 previous calendar year as a percentage of total revenue. The penalty for exceeding this
318.6 limit must be the amount of administrative spending in excess of 105 percent of the actual
318.7 calculated amount. The commissioner may waive this penalty if the excess administrative
318.8 spending is the result of unexpected shifts in enrollment or member needs or new program
318.9 requirements.

318.10 (b) Capitated rate payments for administrative costs must be reduced to exclude
318.11 onetime or sporadic expenditures in the prior year unless the managed care plan certifies
318.12 that the expenditure will recur during the contract year. The commissioner shall verify
318.13 these certifications on an annual basis and recoup any payments made for onetime or
318.14 sporadic expenditures that did not occur in the prior year.

318.15 (c) Expenses listed under section 62D.12, subdivision 9a, clause (4), are not
318.16 allowable administrative expenses for rate-setting purposes under this section, unless
318.17 approved by the commissioner.

318.18 Sec. 6. Minnesota Statutes 2006, section 256B.69, is amended by adding a subdivision
318.19 to read:

318.20 Subd. 5j. **Treatment of investment earnings.** Capitation rates shall treat investment
318.21 income and interest earnings as income to the same extent that investment-related
318.22 expenses are treated as administrative expenditures.

318.23 Sec. 7. Minnesota Statutes 2006, section 256B.69, is amended by adding a subdivision
318.24 to read:

318.25 Subd. 9a. **Administrative expense reporting.** Each managed care plan and
318.26 county-based purchasing plan must provide to the commissioner detailed information on
318.27 administrative spending, including:

318.28 (1) itemized lists of costs for claims processing and provider network management;

318.29 (2) detailed reports of costs for contracts with providers and third-party
318.30 administrators;

318.31 (3) a detailed analysis of administrative spending for each Minnesota health care
318.32 program;

318.33 (4) a detailed analysis of the provider's allocation of administrative expenses among
318.34 its public and commercial lines of business;

319.1 (5) a detailed analysis of administrative costs by service category; and
319.2 (6) a detailed analysis of onetime and sporadic expenditures included in the
319.3 administrative spending category.

319.4 Sec. 8. Minnesota Statutes 2006, section 256B.69, is amended by adding a subdivision
319.5 to read:

319.6 Subd. 9b. **Reporting of subcontracts and provider payment rates.** (a) Each
319.7 managed care plan and county-based purchasing plan must provide to the commissioner:

319.8 (1) detailed information on contracts with health care providers; and
319.9 (2) detailed information on reimbursement rates paid by the managed care plan
319.10 to providers under contract with the plan.

319.11 (b) Data provided to the commissioner under this subdivision are nonpublic data as
319.12 defined in section 13.02.

319.13 Sec. 9. Minnesota Statutes 2006, section 256B.692, subdivision 2, is amended to read:

319.14 Subd. 2. **Duties of commissioner of health.** (a) Notwithstanding chapters 62D
319.15 and 62N, a county that elects to purchase medical assistance and general assistance
319.16 medical care in return for a fixed sum without regard to the frequency or extent of services
319.17 furnished to any particular enrollee is not required to obtain a certificate of authority
319.18 under chapter 62D or 62N. The county board of commissioners is the governing body of
319.19 a county-based purchasing program. In a multicounty arrangement, the governing body
319.20 is a joint powers board established under section 471.59.

319.21 (b) A county that elects to purchase medical assistance and general assistance
319.22 medical care services under this section must satisfy the commissioner of health that the
319.23 requirements for assurance of consumer protection, provider protection, and, effective
319.24 January 1, 2010, fiscal solvency of chapter 62D, applicable to health maintenance
319.25 organizations, ~~or chapter 62N, applicable to community integrated service networks,~~ will
319.26 be met: according to the following schedule:

319.27 (1) for a county-based purchasing plan approved on or before June 30, 2008, the
319.28 plan must have in reserve:

319.29 (i) at least 50 percent of the minimum amount required under chapter 62D as
319.30 of January 1, 2010;

319.31 (ii) at least 75 percent of the minimum amount required under chapter 62D as of
319.32 January 1, 2011;

319.33 (iii) at least 87.5 percent of the minimum amount required under chapter 62D as
319.34 of January 1, 2012; and

(iv) at least 100 percent of the minimum amount required under chapter 62D as of January 1, 2013; and

(2) for a county-based purchasing plan first approved after June 30, 2008, the plan must have in reserve:

(i) at least 50 percent of the minimum amount required under chapter 62D at the time the plan begins enrolling enrollees;

(ii) at least 75 percent of the minimum amount required under chapter 62D after the first full calendar year;

(iii) at least 87.5 percent of the minimum amount required under chapter 62D after the second full calendar year; and

(iv) at least 100 percent of the minimum amount required under chapter 62D after the third full calendar year.

(c) Until a plan is required to have reserves equaling at least 100 percent of the minimum amount required under chapter 62D, the plan may demonstrate its ability to cover any losses by satisfying the requirements of chapter 62N. A ~~county~~ county-based purchasing plan must also assure the commissioner of health that the requirements of sections 62J.041; 62J.48; 62J.71 to 62J.73; 62M.01 to 62M.16; all applicable provisions of chapter 62Q, including sections 62Q.075; 62Q.1055; 62Q.106; 62Q.12; 62Q.135; 62Q.14; 62Q.145; 62Q.19; 62Q.23, paragraph (c); 62Q.43; 62Q.47; 62Q.50; 62Q.52 to 62Q.56; 62Q.58; 62Q.68 to 62Q.72; and 72A.201 will be met.

(d) All enforcement and rulemaking powers available under chapters 62D, 62J, 62M, 62N, and 62Q are hereby granted to the commissioner of health with respect to counties that purchase medical assistance and general assistance medical care services under this section.

(e) The commissioner, in consultation with county government, shall develop administrative and financial reporting requirements for county-based purchasing programs relating to sections 62D.041, 62D.042, 62D.045, 62D.08, 62N.28, 62N.29, and 62N.31, and other sections as necessary, that are specific to county administrative, accounting, and reporting systems and consistent with other statutory requirements of counties.

Sec. 10. Minnesota Statutes 2006, section 256B.692, is amended by adding a subdivision to read:

Subd. 4a. Expenditure of revenues. (a) A county that has elected to participate in a county-based purchasing plan under this section shall use any excess revenues over expenses that are received by the county and are not needed for capital reserves under subdivision 2, to increase payments to providers, or to repay county investments or

321.1 contributions to the county-based purchasing plan, for prevention, early intervention, and
321.2 health care programs, services, or activities.

321.3 (b) A county-based purchasing plan under this section is subject to the unreasonable
321.4 expense provisions of section 62D.19.

321.5 Sec. 11. Minnesota Statutes 2006, section 256L.12, subdivision 9, is amended to read:

321.6 Subd. 9. **Rate setting; performance withholds.** (a) Rates will be prospective,
321.7 per capita, where possible. The commissioner may allow health plans to arrange for
321.8 inpatient hospital services on a risk or nonrisk basis. The commissioner shall consult with
321.9 an independent actuary to determine appropriate rates.

321.10 (b) For services rendered on or after January 1, 2003, to December 31, 2003, the
321.11 commissioner shall withhold .5 percent of managed care plan payments under this section
321.12 pending completion of performance targets. The withheld funds must be returned no
321.13 sooner than July 1 and no later than July 31 of the following year if performance targets
321.14 in the contract are achieved. A managed care plan may include as admitted assets under
321.15 section 62D.044 any amount withheld under this paragraph that is reasonably expected
321.16 to be returned.

321.17 (c) For services rendered on or after January 1, 2004, the commissioner shall
321.18 withhold five percent of managed care plan payments under this section pending
321.19 completion of performance targets. Each performance target must be quantifiable,
321.20 objective, measurable, and reasonably attainable, except in the case of a performance target
321.21 based on a federal or state law or rule. Criteria for assessment of each performance target
321.22 must be outlined in writing prior to the contract effective date. The managed care plan
321.23 must demonstrate, to the commissioner's satisfaction, that the data submitted regarding
321.24 attainment of the performance target is accurate. The commissioner shall periodically
321.25 change the administrative measures used as performance targets in order to improve plan
321.26 performance across a broader range of administrative services. The performance targets
321.27 must include measurement of plan efforts to contain spending on health care services and
321.28 administrative activities. The commissioner may adopt plan-specific performance targets
321.29 that take into account factors affecting only one plan, such as characteristics of the plan's
321.30 enrollee population. The withheld funds must be returned no sooner than July 1 and no
321.31 later than July 31 of the following calendar year if performance targets in the contract are
321.32 achieved. A managed care plan or a county-based purchasing plan under section 256B.692
321.33 may include as admitted assets under section 62D.044 any amount withheld under this
321.34 paragraph that is reasonably expected to be returned.

Sec. 12. **REPORT ON FINANCIAL MANAGEMENT OF HEALTH CARE PROGRAMS.**

By January 15, 2009, the commissioner of human services shall report to the legislature under Minnesota Statutes, section 3.195, with the following information regarding financial management of health care programs:

(1) a status report on implementation of the cost containment strategies identified in the 2005 "Strategies for Savings" report. The report must include:

(i) information on progress made towards implementation of cost-saving strategies;

(ii) an explanation of why certain strategies were not implemented; and

(iii) where appropriate, alternative strategies to those recommended in 2005 for containing public health care program costs;

(2) a description of and, to the extent possible, an explanation of recent differences between the health plan net revenue targets established by the commissioner for health plans participating in public health care programs and the actual net revenue realized by the plans from public programs;

(3) the adequacy of public health care program for fee-for-service rates, including an identification of service areas or geographical regions where enrollees have difficulty accessing providers as the result of inadequate provider payments. This report must include recommendations to increase rates as needed to eliminate identified access problems; and

(4) a progress report on implementation of Minnesota Statutes, section 256B.76, paragraph (e), requiring payments for physician and professional services to be based on Medicare relative value units, and an estimated completion date for implementation of this payment system.

Sec. 13. **HEALTH PLAN AND COUNTY-BASED PURCHASING PLAN REQUIREMENTS.**

(a) By January 15, 2009, the commissioner of health shall develop and report to the legislature under Minnesota Statutes, section 3.195, guidelines to ensure that health plans, and county-based purchasing plans where applicable, have consistent procedures for allocating administrative expenses and investment income across their commercial and public lines of business and across individual public programs. The guidelines must be consistent with generally accepted accounting principles and principles from the National Association of Insurance Commissioners. The guidelines must not have the effect of changing allocation for Medicare-related programs as permitted by federal law and the Centers for Medicare and Medicaid Services.

(b) By January 15, 2009, the commissioner of health, in cooperation with the commissioners of commerce and human services, shall develop and report to the legislature under Minnesota Statutes, section 3.195, detailed standards and procedures for examining the reasonableness of health plan and county-based purchasing plan administrative expenditures for publicly funded programs. These standards and procedures must include a process for detailed examinations of individual programs and functional areas.

(c) By January 15, 2009, the commissioner of health shall develop and report to the legislature under Minnesota Statutes, section 3.195, a more efficient method for a health plan, and a county-based purchasing plan where appropriate, to demonstrate to the commissioner that providers in the plan's network have appropriate credentials. The commissioner shall review issues regarding:

(1) the duplicate review of credentials at a health care provider by multiple health plans;

(2) the review of the credentials of all staff of a health care provider when only limited staff will be in the plan network; and

(3) other duplicative credentialing issues.

Sec. 14. OMBUDSMAN FOR MANAGED CARE STUDY.

By January 15, 2009, the commissioner of human services, in cooperation with the ombudsman for managed care, shall study and report to the legislature under Minnesota Statutes, section 3.195, with recommendations on whether the duties of the ombudsman should be expanded to include advocating on behalf of public health care program fee-for-service enrollees. The report must include:

(1) a comparison of the recourse available to managed care clients versus fee-for-service clients when service problems occur; and

(2) an estimate of any net cost increase from this change in the ombudsman's duties, taking into account any reduction in the commissioner's duties.

Sec. 15. REPORTING MANAGED CARE PERFORMANCE DATA.

By January 15, 2009, the commissioner of human services, in cooperation with the commissioner of health, shall report to the legislature under Minnesota Statutes, section 3.195, with recommendations on the adoption of a single method to compute and publicly report managed health care performance measures in order to avoid confusion about the plans' performance levels. The study must include recommendations regarding coordinated use by the two agencies of the following data sources:

324.1 (1) Healthcare Effectiveness Data and Information Set (HEDIS) from managed
324.2 care organizations;
324.3 (2) data that health plans submit to claim reimbursement for health care procedures;
324.4 and
324.5 (3) data collected from medical record reviews of randomly selected individuals.

324.6 Sec. 16. **PUBLIC DENTAL COVERAGE PROGRAM STUDY.**

324.7 (a) The commissioner of human services shall undertake a study to determine
324.8 whether alternative approaches to offering dental coverage to public programs enrollees
324.9 would result in:

324.10 (1) improved access to dental care;
324.11 (2) cost savings to providers and the department; and
324.12 (3) improved quality and outcomes of care.

324.13 Alternatives considered must include moving to a single dental plan administrator,
324.14 retaining the current model, and other innovative approaches. Issues relating to chronic
324.15 disease management, medical and dental interface, plan payment approaches, and provider
324.16 payment should also be addressed. The report must make a recommendation on whether
324.17 to alter the current approach to contracting for dental services, and include a detailed
324.18 plan on how to implement any changes. The commissioner shall consult with dentists,
324.19 safety net dental providers, dental plans, health plans and county-based purchasing
324.20 organizations, patients and advocates, and other interested parties in developing their
324.21 findings and recommendations.

324.22 (b) By December 15, 2008, the commissioner of human services shall report findings
324.23 and recommendations to the chairs of the house of representatives and senate committees
324.24 having jurisdiction over health and human services policy and finance.

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

324.26 Sec. 17. **EVELETH COMMUNITY BEHAVIORAL HEALTH HOSPITAL.**

324.27 The commissioner of human services shall not reduce the number of registered nurse
324.28 full-time equivalent positions at the Eveleth Community Behavior Health Hospital below
324.29 the level of funded positions that existed on January 1, 2008.

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

324.31 Sec. 18. **WORK GROUP; TARGETED CASE MANAGEMENT.**

(a) The commissioner of human services shall convene a work group and seek information from counties, juvenile court staff, guardians ad litem, and mental health and child welfare advocates on the impact of federal regulations that cut funding for targeted case management services and the child support administrative collection system. The work group shall consider the impact these cuts will have on child protection, mental health, and housing relocation services.

(b) The commissioner shall issue a report from the work group summarizing the impact of the federal budget cuts on persons eligible for targeted case management services and the impact on county budgets. This report shall include budget and policy strategies to restore service levels to that of the year prior to the effective date of the federal regulations. A preliminary report shall be issued on December 15, 2008.

ARTICLE 22

CHILDREN AND FAMILY SERVICES

Section 1. Minnesota Statutes 2007 Supplement, section 256.741, subdivision 1, is amended to read:

Subdivision 1. ~~Public assistance~~ **Definitions.** (a) The term "direct support" as used in this chapter and chapters 257, 518, 518A, and 518C refers to an assigned support payment from an obligor which is paid directly to a recipient of ~~TANF or MFIP~~ public assistance.

(b) The term "public assistance" as used in this chapter and chapters 257, 518, 518A, and 518C, includes any form of assistance provided under the AFDC program formerly codified in sections 256.72 to 256.87, MFIP and MFIP-R formerly codified under chapter 256, MFIP under chapter 256J, work first program formerly codified under chapter 256K; child care assistance provided through the child care fund under chapter 119B; any form of medical assistance under chapter 256B; MinnesotaCare under chapter 256L; and foster care as provided under title IV-E of the Social Security Act.

(c) The term "child support agency" as used in this section refers to the public authority responsible for child support enforcement.

(d) The term "public assistance agency" as used in this section refers to a public authority providing public assistance to an individual.

(e) The terms "child support" and "arrear" as used in this section have the meanings provided in section 518A.26.

(f) The term "maintenance" as used in this section has the meaning provided in section 518.003.

Sec. 2. Minnesota Statutes 2006, section 256.741, subdivision 2, is amended to read:

Subd. 2. **Assignment of support and maintenance rights.** (a) An individual receiving public assistance in the form of assistance under any of the following programs: the AFDC program formerly codified in sections 256.72 to 256.87, MFIP under chapter 256J, MFIP-R and MFIP formerly codified under chapter 256, or work first program formerly codified under chapter 256K is considered to have assigned to the state at the time of application all rights to child support and maintenance from any other person the applicant or recipient may have in the individual's own behalf or in the behalf of any other family member for whom application for public assistance is made. An assistance unit is ineligible for the Minnesota family investment program unless the caregiver assigns all rights to child support and ~~spousal~~ maintenance benefits according to this section.

~~(1) An assignment made according to this section is effective as to:~~

~~(i) any current child support and current spousal maintenance; and~~

~~(ii) any accrued child support and spousal maintenance arrears.~~

~~(2) An assignment made after September 30, 1997, is effective as to:~~

~~(i) any current child support and current spousal maintenance;~~

~~(ii) any accrued child support and spousal maintenance arrears collected before October 1, 2000, or the date the individual terminates assistance, whichever is later; and~~

~~(iii) any accrued child support and spousal maintenance arrears collected under federal tax intercept.~~

(2) Any child support or maintenance arrears that accrue while an individual is receiving public assistance in the form of assistance under any of the programs listed in this paragraph are permanently assigned to the state.

(3) The assignment of current child support and current maintenance ends on the date the individual ceases to receive or is no longer eligible to receive public assistance under any of the programs listed in this paragraph.

(b) An individual receiving public assistance in the form of medical assistance, including MinnesotaCare, is considered to have assigned to the state at the time of application all rights to medical support from any other person the individual may have in the individual's own behalf or in the behalf of any other family member for whom medical assistance is provided.

(1) An assignment made after September 30, 1997, is effective as to any medical support accruing after the date of medical assistance or MinnesotaCare eligibility.

(2) Any medical support arrears that accrue while an individual is receiving public assistance in the form of medical assistance, including MinnesotaCare, are permanently assigned to the state.

327.1 (3) The assignment of current medical support ends on the date the individual ceases
327.2 to receive or is no longer eligible to receive public assistance in the form of medical
327.3 assistance or MinnesotaCare.

327.4 (c) An individual receiving public assistance in the form of child care assistance
327.5 under the child care fund pursuant to chapter 119B is considered to have assigned to the
327.6 state at the time of application all rights to child care support from any other person the
327.7 individual may have in the individual's own behalf or in the behalf of any other family
327.8 member for whom child care assistance is provided.

327.9 ~~An (1) The assignment made according to this paragraph is effective as to:~~

327.10 ~~(1) any current child care support and any child care support arrears assigned and~~
327.11 ~~accruing after July 1, 1997, that are collected before October 1, 2000; and.~~

327.12 ~~(2) any accrued child care support arrears collected under federal tax intercept. Any~~
327.13 child care support arrears that accrue while an individual is receiving public assistance in
327.14 the form of child care assistance under the child care fund in chapter 119B are permanently
327.15 assigned to the state.

327.16 (3) The assignment of current child care support ends on the date the individual
327.17 ceases to receive or is no longer eligible to receive public assistance in the form of child
327.18 care assistance under the child care fund under chapter 119B.

327.19 Sec. 3. Minnesota Statutes 2006, section 256.741, subdivision 2a, is amended to read:

327.20 Subd. 2a. **Families-first Distribution of child support arrearages.** (a) The
327.21 state shall distribute current child support and maintenance received by the state to an
327.22 individual who assigns the right to that support under subdivision 2, paragraph (a).

327.23 (b) When the public authority collects child support arrearages on behalf of an
327.24 individual who is receiving public assistance provided under MFIP or MFIP-R under
327.25 ~~this chapter, MFIP under chapter 256J, or work first under chapter 256K, and the public~~
327.26 ~~authority has the option of applying the collection to arrears permanently assigned to the~~
327.27 ~~state or to arrears temporarily assigned to the state,~~ the public authority shall first apply the
327.28 collection to satisfy those arrears that are permanently assigned to the state.

327.29 (c) When the public authority collects child support arrearages on behalf of an
327.30 individual who is not receiving public assistance, the public authority shall first apply the
327.31 collection to satisfy those arrears that are not permanently assigned to the state.

327.32 (d) When the public authority collects child support arrearages certified under the
327.33 federal tax offset, the public authority shall first apply the collection to satisfy those arrears
327.34 that are permanently assigned to the state.

Sec. 4. Minnesota Statutes 2006, section 256.741, subdivision 3, is amended to read:

Subd. 3. **Existing assignments.** Assignments based on the receipt of public assistance in existence prior to July 1, 1997, are permanently assigned to the state. Arrears that accrued prior to the receipt of assistance that were assigned to the state between July 1, 1997, and October 1, 2009, must no longer be assigned as of October 1, 2009.

EFFECTIVE DATE. This section is effective October 1, 2009.

Sec. 5. Minnesota Statutes 2007 Supplement, section 256J.621, is amended to read:

256J.621 WORK PARTICIPATION ~~BONUS~~ FOOD BENEFITS.

(a) Effective March 1, 2010, upon exiting the diversionary work program (DWP) or upon terminating the Minnesota family investment program (MFIP) ~~cash assistance~~ with earnings, a participant who is employed may be eligible for ~~transitional assistance~~ work participation food benefits of \$75 per month to assist in meeting the family's basic needs as the participant continues to move toward self-sufficiency.

(b) To be eligible for ~~a transitional assistance payment~~ work participation food benefits, the participant shall not receive MFIP ~~cash assistance~~ or diversionary work program assistance during the month and the participant or participants must meet the following work requirements:

(1) if the participant is a single caregiver and has a child under six years of age, the participant must be employed at least 87 hours per month;

(2) if the participant is a single caregiver and does not have a child under six years of age, the participant must be employed at least 130 hours per month; or

(3) if the household is a two-parent family, at least one of the parents must be employed an average of at least 130 hours per month.

Whenever a participant exits the diversionary work program or is terminated from MFIP ~~cash assistance~~ and meets the other criteria in this section, ~~transitional assistance is~~ work participation food benefits are available for up to 24 consecutive months.

(c) Expenditures on the program are maintenance of effort state funds for participants under paragraph (b), clauses (1) and (2). Expenditures for participants under paragraph (b), clause (3), are nonmaintenance of effort funds. Months in which a participant receives ~~transitional assistance~~ work participation food benefits under this section do not count toward the participant's MFIP 60-month time limit.

Sec. 6. Minnesota Statutes 2006, section 518A.50, is amended to read:

518A.50 PAYMENT TO PUBLIC AGENCY.

329.1 (a) This section applies to all proceedings involving a support order, including, but
329.2 not limited to, a support order establishing an order for past support or reimbursement
329.3 of public assistance.

329.4 (b) The court shall direct that all payments ordered for maintenance or support
329.5 be made to the public authority responsible for child support enforcement so long as
329.6 the obligee is receiving or has applied for public assistance, or has applied for child
329.7 support or maintenance collection services. Public authorities responsible for child
329.8 support enforcement may act on behalf of other public authorities responsible for child
329.9 support enforcement, including the authority to represent the legal interests of or execute
329.10 documents on behalf of the other public authority in connection with the establishment,
329.11 enforcement, and collection of child support, maintenance, or medical support, and
329.12 collection on judgments.

329.13 (c) Payments made to the public authority ~~other than payments under section~~
329.14 ~~518A.53~~ must be credited as of the date the payment is received by the central collections
329.15 unit, except that payments made under section 518A.53 may be considered to have been
329.16 paid as of the date the obligor received the remainder of the income.

329.17 (d) Monthly amounts received by the public agency responsible for child support
329.18 enforcement from the obligor that are greater than the monthly amount of public assistance
329.19 granted to the obligee must be remitted to the obligee.

329.20 **EFFECTIVE DATE.** This section is effective October 1, 2009.

329.21 Sec. 7. Minnesota Statutes 2006, section 518A.53, subdivision 5, is amended to read:

329.22 Subd. 5. **Payor of funds responsibilities.** (a) An order for or notice of withholding
329.23 is binding on a payor of funds upon receipt. Withholding must begin no later than the first
329.24 pay period that occurs after 14 days following the date of receipt of the order for or notice
329.25 of withholding. In the case of a financial institution, preauthorized transfers must occur in
329.26 accordance with a court-ordered payment schedule.

329.27 (b) A payor of funds shall withhold from the income payable to the obligor the
329.28 amount specified in the order or notice of withholding and amounts specified under
329.29 subdivisions 6 and 9 and shall remit the amounts withheld to the public authority within
329.30 seven business days of the date the obligor is paid the remainder of the income. The payor
329.31 of funds shall include with the remittance the Social Security number of the obligor, the
329.32 case type indicator as provided by the public authority and the date the obligor is paid
329.33 the remainder of the income. ~~The obligor is considered to have paid the amount withheld~~
329.34 ~~as of the date the obligor received the remainder of the income.~~ A payor of funds may

combine all amounts withheld from one pay period into one payment to each public authority, but shall separately identify each obligor making payment.

(c) A payor of funds shall not discharge, or refuse to hire, or otherwise discipline an employee as a result of wage or salary withholding authorized by this section. A payor of funds shall be liable to the obligee for any amounts required to be withheld. A payor of funds that fails to withhold or transfer funds in accordance with this section is also liable to the obligee for interest on the funds at the rate applicable to judgments under section 549.09, computed from the date the funds were required to be withheld or transferred. A payor of funds is liable for reasonable attorney fees of the obligee or public authority incurred in enforcing the liability under this paragraph. A payor of funds that has failed to comply with the requirements of this section is subject to contempt sanctions under section 518A.73. If the payor of funds is an employer or independent contractor and violates this subdivision, a court may award the obligor twice the wages lost as a result of this violation. If a court finds a payor of funds violated this subdivision, the court shall impose a civil fine of not less than \$500. The liabilities in this paragraph apply to intentional noncompliance with this section.

(d) If a single employee is subject to multiple withholding orders or multiple notices of withholding for the support of more than one child, the payor of funds shall comply with all of the orders or notices to the extent that the total amount withheld from the obligor's income does not exceed the limits imposed under the Consumer Credit Protection Act, United States Code, title 15, section 1673(b), giving priority to amounts designated in each order or notice as current support as follows:

(1) if the total of the amounts designated in the orders for or notices of withholding as current support exceeds the amount available for income withholding, the payor of funds shall allocate to each order or notice an amount for current support equal to the amount designated in that order or notice as current support, divided by the total of the amounts designated in the orders or notices as current support, multiplied by the amount of the income available for income withholding; and

(2) if the total of the amounts designated in the orders for or notices of withholding as current support does not exceed the amount available for income withholding, the payor of funds shall pay the amounts designated as current support, and shall allocate to each order or notice an amount for past due support, equal to the amount designated in that order or notice as past due support, divided by the total of the amounts designated in the orders or notices as past due support, multiplied by the amount of income remaining available for income withholding after the payment of current support.

H.F. No. 1812, 2nd Engrossment - 2007-2008th Legislative Session (2007-2008)

331.1 (e) When an order for or notice of withholding is in effect and the obligor's
331.2 employment is terminated, the obligor and the payor of funds shall notify the public
331.3 authority of the termination within ten days of the termination date. The termination
331.4 notice shall include the obligor's home address and the name and address of the obligor's
331.5 new payor of funds, if known.

331.6 (f) A payor of funds may deduct one dollar from the obligor's remaining salary for
331.7 each payment made pursuant to an order for or notice of withholding under this section to
331.8 cover the expenses of withholding.

331.9 **EFFECTIVE DATE.** This section is effective October 1, 2009.

331.10 Sec. 8. Laws 2007, chapter 147, article 2, section 21, the effective date, is amended to
331.11 read:

331.12 **EFFECTIVE DATE.** Subdivision 1 is effective February 1, 2008, and subdivision
331.13 2 is effective ~~May 1, 2008~~ March 1, 2009.

331.14 Sec. 9. Laws 2007, chapter 147, article 19, section 3, subdivision 1, is amended to read:

331.15	Subdivision 1. Total Appropriation	\$	5,294,627,000	\$	5,695,458,000

331.16	Appropriations by Fund		
331.17		2008	2009
331.18	General	4,614,727,000	4,940,293,000
331.19	State Government		
331.20	Special Revenue	549,000	565,000
331.21	Health Care Access	426,628,000	492,759,000
331.22	Federal TANF	250,537,000	260,051,000
331.23	Lottery Prize Fund	2,185,000	1,790,000

331.24 The amounts that may be spent for each
331.25 purpose are specified in the following
331.26 subdivisions.

331.27 Receipts for Systems Projects.

331.28 Appropriations and federal receipts for
331.29 information system projects for MAXIS,
331.30 PRISM, MMIS, and SSIS must be deposited
331.31 in the state system account authorized in
331.32 Minnesota Statutes, section 256.014. Money
331.33 appropriated for computer projects approved
331.34 by the Minnesota Office of Enterprise

332.1 Technology, funded by the legislature, and
332.2 approved by the commissioner of finance,
332.3 may be transferred from one project to
332.4 another and from development to operations
332.5 as the commissioner of human services
332.6 considers necessary. Any unexpended
332.7 balance in the appropriation for these
332.8 projects does not cancel but is available for
332.9 ongoing development and operations.

332.10 **Pay for Performance.** (a) Of the general
332.11 fund appropriation, \$272,000 each year
332.12 is available to the commissioner of
332.13 human services only under the following
332.14 circumstances:

332.15 (1) \$272,000 shall be made available by the
332.16 commissioner of finance on January 1, 2009,
332.17 only after notification by the commissioner
332.18 of human services to the commissioner of
332.19 finance and to the chairs of the relevant house
332.20 of representatives and senate finance and
332.21 policy committees that the average number
332.22 of days from the receipt of a MinnesotaCare
332.23 application at the state processing unit until
332.24 the initial eligibility determination of the
332.25 application was 30 days or less during the
332.26 period October 1, 2007, to September 30,
332.27 2008. Applications transferred from counties
332.28 to the state processing unit are excluded from
332.29 this calculation; and

332.30 (2) \$272,000 shall be made available by the
332.31 commissioner of finance on January 1, 2009,
332.32 only after notification by the commissioner
332.33 of human services to the commissioner of
332.34 finance and to the chairs of the relevant
332.35 house of representatives and senate finance

333.1 and policy committees that the commissioner
333.2 initiated a separate treatment program for
333.3 persons in the Minnesota sex offenders
333.4 program who are between the ages of 18 and
333.5 25 by January 1, 2008.

333.6 (b) Regardless of whether these
333.7 appropriations are made available to
333.8 the commissioner of human services, they
333.9 shall be part of base level funding for the
333.10 biennium beginning July 1, 2009.

333.11 **Purchasing Alliance Fund Transfer.**

333.12 On September 1, 2007, any remaining
333.13 balance in the purchasing alliance stop-loss
333.14 fund account established under Minnesota
333.15 Statutes, section 256.956, shall transfer to
333.16 the general fund.

333.17 **Nonfederal Share Transfers.** The
333.18 nonfederal share of activities for which
333.19 federal administrative reimbursement is
333.20 appropriated to the commissioner may be
333.21 transferred to the special revenue fund.

333.22 **TANF Maintenance of Effort.** (a) In order
333.23 to meet the basic MOE requirements of the
333.24 TANF block grant specified under Code
333.25 of Federal Regulations, title 45, section
333.26 263.1, the commissioner may only report
333.27 nonfederal money expended for allowable
333.28 activities listed in the following clauses as
333.29 TANF/MOE expenditures:

333.30 (1) MFIP cash, diversionary work program,
333.31 and food assistance benefits under Minnesota
333.32 Statutes, chapter 256J;

333.33 (2) the child care assistance programs
333.34 under Minnesota Statutes, sections 119B.03
333.35 and 119B.05, and county child care

334.1 administrative costs under Minnesota
334.2 Statutes, section 119B.15;

334.3 (3) state and county MFIP administrative
334.4 costs under Minnesota Statutes, chapters
334.5 256J and 256K;

334.6 (4) state, county, and tribal MFIP
334.7 employment services under Minnesota
334.8 Statutes, chapters 256J and 256K;

334.9 (5) expenditures made on behalf of
334.10 noncitizen MFIP recipients who qualify
334.11 for the medical assistance without federal
334.12 financial participation program under
334.13 Minnesota Statutes, section 256B.06,
334.14 subdivision 4, paragraphs (d), (e), and (j);
334.15 and

334.16 (6) qualifying working family credit
334.17 expenditures under Minnesota Statutes,
334.18 section 290.0671.

334.19 (b) The commissioner shall ensure that
334.20 sufficient qualified nonfederal expenditures
334.21 are made each year to meet the state's
334.22 TANF/MOE requirements. For the activities
334.23 listed in paragraph (a), clauses (2) to
334.24 (6), the commissioner may only report
334.25 expenditures that are excluded from the
334.26 definition of assistance under Code of
334.27 Federal Regulations, title 45, section 260.31.

334.28 (c) The commissioner shall ensure that the
334.29 MOE used by the commissioner of finance
334.30 for the February and November forecasts
334.31 required under Minnesota Statutes, section
334.32 16A.103, contains expenditures under
334.33 paragraph (a), clause (1), equal to at least 16
334.34 percent of the total required under Code of
334.35 Federal Regulations, title 45, section 263.1.

335.1 (d) For the federal fiscal year beginning
335.2 October 1, 2007, the commissioner may not
335.3 claim an amount of TANF/MOE in excess of
335.4 the 75 percent standard in Code of Federal
335.5 Regulations, title 45, section 263.1(a)(2),
335.6 except:

335.7 (1) to the extent necessary to meet the 80
335.8 percent standard under Code of Federal
335.9 Regulations, title 45, section 263.1(a)(1),
335.10 if it is determined by the commissioner
335.11 that the state will not meet the TANF work
335.12 participation target rate for the current year;

335.13 (2) to provide any additional amounts under
335.14 Code of Federal Regulations, title 45, section
335.15 264.5, that relate to replacement of TANF
335.16 funds due to the operation of TANF penalties;

335.17 (3) to provide any additional amounts that
335.18 may contribute to avoiding or reducing
335.19 TANF work participation penalties through
335.20 the operation of the excess MOE provisions
335.21 of Code of Federal Regulations, title 45,
335.22 section 261.43(a)(2); and

335.23 (4) for the purposes of clauses (1) to (3),
335.24 the commissioner may supplement the
335.25 MOE claim with working family credit
335.26 expenditures to the extent such expenditures
335.27 or other qualified expenditures are otherwise
335.28 available after considering the expenditures
335.29 allowed in this section.

335.30 (e) If allowable by the federal Office of
335.31 Family Assistance, the commissioner may
335.32 claim excess MOE with respect to federal
335.33 fiscal years 2006 and 2007 to the extent
335.34 that working family credit expenditures are
335.35 otherwise available to supplement the state's

336.1 MOE claim for those years after considering
336.2 the expenditures allowed in this subdivision.
336.3 If other qualified expenditures are available,
336.4 the commissioner may use those expenditures
336.5 as excess MOE and by April 15, 2009,
336.6 shall report those expenditures to the chairs
336.7 of the senate and house of representatives
336.8 Finance Committees, the senate Health and
336.9 Human Services Budget Division, and house
336.10 of representatives Health Care and Human
336.11 Services Finance Division.
336.12 ~~(d)~~ (f) Minnesota Statutes, section 256.011,
336.13 subdivision 3, which requires that federal
336.14 grants or aids secured or obtained under that
336.15 subdivision be used to reduce any direct
336.16 appropriations provided by law, does not
336.17 apply if the grants or aids are federal TANF
336.18 funds.
336.19 ~~(e)~~ (g) Notwithstanding any contrary
336.20 provision in this article, this rider expires
336.21 June 30, 2011.
336.22 **Working Family Credit Expenditures as**
336.23 **TANF/MOE.** The commissioner may claim
336.24 as TANF/MOE up to \$6,707,000 per year
336.25 for fiscal year 2008 through fiscal year 2011.
336.26 Notwithstanding any contrary provision in
336.27 this article, this rider expires June 30, 2011.
336.28 **Additional Working Family Credit**
336.29 **Expenditures to be Claimed for**
336.30 **TANF/MOE.** In addition to the amounts
336.31 provided in this section, the commissioner
336.32 may count the following amounts of working
336.33 family credit expenditure as TANF/MOE:
336.34 (1) fiscal year 2008, ~~\$11,097,000~~
336.35 \$28,222,000;

337.1 (2) fiscal year 2009, ~~\$25,401,000~~

337.2 \$42,905,000;

337.3 (3) fiscal year 2010, ~~\$20,398,000~~

337.4 \$29,026,000; and

337.5 (4) fiscal year 2011, ~~\$19,841,000~~

337.6 \$28,361,000.

337.7 Notwithstanding any contrary provision in

337.8 this article, this rider expires June 30, 2011.

337.9 **Capitation Rate Increase.** Of the health care

337.10 access fund appropriations to the University

337.11 of Minnesota in the higher education

337.12 omnibus appropriation bill, \$2,157,000 in

337.13 fiscal year 2008 and \$2,157,000 in fiscal year

337.14 2009 are to be used to increase the capitation

337.15 payments under Minnesota Statutes, section

337.16 256B.69.

337.17 Sec. 10. **REPEALER.**

337.18 Minnesota Statutes 2006, sections 256.741, subdivision 15; and 256J.24, subdivision

337.19 6, are repealed.

337.20 **ARTICLE 23**

337.21 **HEALTH CARE**

337.22 Section 1. Minnesota Statutes 2006, section 256.969, subdivision 2b, is amended to
337.23 read:

337.24 Subd. 2b. **Operating payment rates.** In determining operating payment rates for
337.25 admissions occurring on or after the rate year beginning January 1, 1991, and every two
337.26 years after, or more frequently as determined by the commissioner, the commissioner
337.27 shall obtain operating data from an updated base year and establish operating payment
337.28 rates per admission for each hospital based on the cost-finding methods and allowable
337.29 costs of the Medicare program in effect during the base year. Rates under the general
337.30 assistance medical care, medical assistance, and MinnesotaCare programs shall not be
337.31 rebased to more current data on January 1, 1997, ~~and~~ January 1, 2005, and for the first
337.32 year of the rebased period beginning January 1, 2009. The base year operating payment
337.33 rate per admission is standardized by the case mix index and adjusted by the hospital

338.1 cost index, relative values, and disproportionate population adjustment. The cost and
338.2 charge data used to establish operating rates shall only reflect inpatient services covered
338.3 by medical assistance and shall not include property cost information and costs recognized
338.4 in outlier payments.

338.5 Sec. 2. Minnesota Statutes 2006, section 256.969, subdivision 20, is amended to read:

338.6 Subd. 20. **Increases in medical assistance inpatient payments; conditions.** (a)
338.7 Medical assistance inpatient payments shall increase 20 percent for inpatient hospital
338.8 originally paid admissions, excluding Medicare crossovers, that occurred between July 1,
338.9 1988 and December 31, 1990, if: (i) the hospital had 100 or fewer Minnesota medical
338.10 assistance annualized paid admissions, excluding Medicare crossovers, that were paid by
338.11 March 1, 1988, for the period January 1, 1987 to June 30, 1987; (ii) the hospital had 100
338.12 or fewer licensed beds on March 1, 1988; (iii) the hospital is located in Minnesota; and
338.13 (iv) the hospital is not located in a city of the first class as defined in section 410.01.
338.14 For purposes of this paragraph, medical assistance does not include general assistance
338.15 medical care.

338.16 (b) Medical assistance inpatient payments shall increase 15 percent for inpatient
338.17 hospital originally paid admissions, excluding Medicare crossovers, that occurred between
338.18 July 1, 1988 and December 31, 1990, if: (i) the hospital had more than 100 but fewer
338.19 than 250 Minnesota medical assistance annualized paid admissions, excluding Medicare
338.20 crossovers, that were paid by March 1, 1988, for the period January 1, 1987 to June 30,
338.21 1987; (ii) the hospital had 100 or fewer licensed beds on March 1, 1988; (iii) the hospital
338.22 is located in Minnesota; and (iv) the hospital is not located in a city of the first class as
338.23 defined in section 410.01. For purposes of this paragraph, medical assistance does not
338.24 include general assistance medical care.

338.25 (c) Medical assistance inpatient payment rates shall increase 20 percent for inpatient
338.26 hospital originally paid admissions, excluding Medicare crossovers, that occur on or
338.27 after October 1, 1992, if: (i) the hospital had 100 or fewer Minnesota medical assistance
338.28 annualized paid admissions, excluding Medicare crossovers, that were paid by March
338.29 1, 1988, for the period January 1, 1987 to June 30, 1987; (ii) the hospital had 100 or
338.30 fewer licensed beds on March 1, 1988; (iii) the hospital is located in Minnesota; and (iv)
338.31 the hospital is not located in a city of the first class as defined in section 410.01. For a
338.32 hospital that qualifies for an adjustment under this paragraph and under subdivision 9 or
338.33 23, the hospital must be paid the adjustment under subdivisions 9 and 23, as applicable,
338.34 plus any amount by which the adjustment under this paragraph exceeds the adjustment

339.1 under those subdivisions. For this paragraph, medical assistance does not include general
339.2 assistance medical care.

339.3 (d) Medical assistance inpatient payment rates shall increase 15 percent for inpatient
339.4 hospital originally paid admissions, excluding Medicare crossovers, that occur after
339.5 September 30, 1992, if: (i) the hospital had more than 100 but fewer than 250 Minnesota
339.6 medical assistance annualized paid admissions, excluding Medicare crossovers, that
339.7 were paid by March 1, 1988, for the period January 1, 1987 to June 30, 1987; (ii) the
339.8 hospital had 100 or fewer licensed beds on March 1, 1988; (iii) the hospital is located in
339.9 Minnesota; and (iv) the hospital is not located in a city of the first class as defined in
339.10 section 410.01. For a hospital that qualifies for an adjustment under this paragraph and
339.11 under subdivision 9 or 23, the hospital must be paid the adjustment under subdivisions
339.12 9 and 23, as applicable, plus any amount by which the adjustment under this paragraph
339.13 exceeds the adjustment under those subdivisions. For purposes of this paragraph, medical
339.14 assistance does not include general assistance medical care.

339.15 (e) For admissions occurring on or after July 1, 2008, fee-for-service inpatient
339.16 payments must increase eight percent for a hospital with a medical assistance inpatient
339.17 utilization rate of 17.95 percent of total patient days as of the base year in effect on July 1,
339.18 2005, and nine percent for a hospital with a medical assistance inpatient utilization rate of
339.19 59.60 percent of total patient days as of the base year in effect on July 1, 2005. Payments
339.20 made to managed care plans must not be increased to reflect this increase. For purposes of
339.21 this paragraph, medical assistance does not include general assistance medical care.

339.22 Sec. 3. Minnesota Statutes 2006, section 256B.0571, subdivision 8, is amended to read:

339.23 Subd. 8. **Program established.** (a) The commissioner, in cooperation with the
339.24 commissioner of commerce, shall establish the Minnesota partnership for long-term care
339.25 program to provide for the financing of long-term care through a combination of private
339.26 insurance and medical assistance.

339.27 (b) An individual who meets the requirements in this paragraph is eligible to
339.28 participate in the partnership program. The individual must:

339.29 (1) be a Minnesota resident at the time coverage first became effective under the
339.30 partnership policy; and

339.31 (2) be a beneficiary of a partnership policy that (i) is issued on or after the effective
339.32 date of the state plan amendment implementing the partnership program in Minnesota, or
339.33 (ii) qualifies as a partnership policy under the provisions of subdivision 8a, ~~and~~.

340.1 ~~(3) have exhausted all of the benefits under the partnership policy as described in this~~
340.2 ~~section. Benefits received under a long-term care insurance policy before July 1, 2006, do~~
340.3 ~~not count toward the exhaustion of benefits required in this subdivision.~~

340.4 Sec. 4. Minnesota Statutes 2006, section 256B.0571, subdivision 9, is amended to read:

340.5 Subd. 9. **Medical assistance eligibility.** (a) Upon application for medical assistance
340.6 program payment of long-term care services by an individual who meets the requirements
340.7 described in subdivision 8, the commissioner shall determine the individual's eligibility
340.8 for medical assistance according to paragraphs (b) to (i).

340.9 (b) After determining assets subject to the asset limit under section 256B.056,
340.10 subdivision 3 or 3c, or 256B.057, subdivision 9 or 10, the commissioner shall allow the
340.11 individual to designate assets to be protected from recovery under subdivisions 13 and
340.12 15 up to the dollar amount of the benefits utilized under the partnership policy as of the
340.13 effective date of eligibility for medical assistance program payment of long-term care
340.14 services. Benefits utilized under a long-term care insurance policy before July 1, 2006,
340.15 do not count for the purpose of determining the amount of assets that can be designated.
340.16 Designated assets shall be disregarded for purposes of determining eligibility for payment
340.17 of long-term care services. The dollar amount of benefits utilized must be equal to the
340.18 amount of claims paid by the issuer under the policy as verified by the issuer.

340.19 (c) The individual shall identify the designated assets and the full fair market value
340.20 of those assets and designate them as assets to be protected at the time of ~~initial~~ application
340.21 for medical assistance payment of long-term care services. The full fair market value of
340.22 real property or interests in real property shall be based on the most recent full assessed
340.23 value for property tax purposes for the real property, unless the individual provides a
340.24 complete professional appraisal by a licensed appraiser to establish the full fair market
340.25 value. The extent of a life estate in real property shall be determined using the life estate
340.26 table in the health care program's manual. Ownership of any asset in joint tenancy shall be
340.27 treated as ownership as tenants in common for purposes of its designation as a disregarded
340.28 asset. The unprotected value of any protected asset is subject to estate recovery according
340.29 to subdivisions 13 and 15.

340.30 (d) The right to designate assets to be protected is personal to the individual and
340.31 ends when the individual dies, except as otherwise provided in subdivisions 13 and
340.32 15. It does not include the increase in the value of the protected asset and the income,
340.33 dividends, or profits from the asset. It may be exercised by the individual or by anyone
340.34 with the legal authority to do so on the individual's behalf. It shall not be sold, assigned,
340.35 transferred, or given away.

(e) ~~If the dollar amount of the benefits utilized under a partnership policy is greater than the full fair market value of all assets protected at the time of the application for medical assistance long-term care services, As the individual continues to utilize benefits under a partnership policy after eligibility for medical assistance payment of long-term care services begins, the individual may designate, for additional protection, an increase in the value of protected assets and additional assets that become available during the individual's lifetime for protection under this section up to the amount of additional benefits utilized.~~ The individual must make the designation in writing to the county agency no later than the last date on which the individual must report a change in circumstances to the county agency, as provided for under the medical assistance program. ~~Any excess used for this purpose shall not be available to the individual's estate to protect assets in the estate from recovery under section 256B.15 or 524.3-1202, or otherwise.~~ The amount used for this purpose must reduce the unused amount of asset protection available to protect assets in the individual's estate from recovery under section 256B.15 or 524.3-1202, or otherwise.

(f) This section applies only to estate recovery under United States Code, title 42, section 1396p, subsections (a) and (b), and does not apply to recovery authorized by other provisions of federal law, including, but not limited to, recovery from trusts under United States Code, title 42, section 1396p, subsection (d)(4)(A) and (C), or to recovery from annuities, or similar legal instruments, subject to section 6012, subsections (a) and (b), of the Deficit Reduction Act of 2005, Public Law 109-171.

(g) An individual's protected assets owned by the individual's spouse who applies for payment of medical assistance long-term care services shall not be protected assets or disregarded for purposes of eligibility of the individual's spouse solely because they were protected assets of the individual.

(h) Assets designated under this subdivision shall not be subject to penalty under section 256B.0595.

(i) The commissioner shall otherwise determine the individual's eligibility for payment of long-term care services according to medical assistance eligibility requirements.

Sec. 5. Minnesota Statutes 2007 Supplement, section 256B.0631, subdivision 1, is amended to read:

Subdivision 1. **Co-payments.** (a) Except as provided in subdivision 2, the medical assistance benefit plan shall include the following co-payments for all recipients, effective for services provided on or after October 1, 2003, and before January 1, 2009:

(1) \$3 per nonpreventive visit. For purposes of this subdivision, a visit means an episode of service which is required because of a recipient's symptoms, diagnosis, or established illness, and which is delivered in an ambulatory setting by a physician or physician ancillary, chiropractor, podiatrist, nurse midwife, advanced practice nurse, audiologist, optician, or optometrist;

(2) \$3 for eyeglasses;

(3) \$6 for nonemergency visits to a hospital-based emergency room; and

(4) \$3 per brand-name drug prescription and \$1 per generic drug prescription, subject to a \$12 per month maximum for prescription drug co-payments. No co-payments shall apply to antipsychotic drugs when used for the treatment of mental illness.

(b) Except as provided in subdivision 2, the medical assistance benefit plan shall include the following co-payments for all recipients, effective for services provided on or after January 1, 2009:

(1) \$6 for nonemergency visits to a hospital-based emergency room; ~~and~~

(2) \$3 per brand-name drug prescription and \$1 per generic drug prescription, subject to a \$7 per month maximum for prescription drug co-payments. No co-payments shall apply to antipsychotic drugs when used for the treatment of mental illness; and

(3) for individuals identified by the commissioner with income at or below 100 percent of the federal poverty guidelines, total monthly co-payments must not exceed five percent of family income. For purposes of this paragraph, family income is the total earned and unearned income of the individual and the individual's spouse, if the spouse is enrolled in medical assistance and also subject to the five percent limit on co-payments.

(c) Recipients of medical assistance are responsible for all co-payments in this subdivision.

Sec. 6. Minnesota Statutes 2007 Supplement, section 256B.0631, subdivision 3, is amended to read:

Subd. 3. **Collection.** (a) The medical assistance reimbursement to the provider shall be reduced by the amount of the co-payment, except that ~~reimbursement for prescription drugs~~ reimbursements shall not be reduced:

(1) once a recipient has reached the \$12 per month maximum or the \$7 per month maximum effective January 1, 2009, for prescription drug co-payments; or

(2) for a recipient identified by the commissioner under 100 percent of the federal poverty guidelines who has met their monthly five percent co-payment limit.

(b) The provider collects the co-payment from the recipient. Providers may not deny services to recipients who are unable to pay the co-payment.

343.1 (c) Medical assistance reimbursement to fee-for-service providers and payments to
343.2 managed care plans shall not be increased as a result of the removal of the co-payments
343.3 effective January 1, 2009.

343.4 Sec. 7. Minnesota Statutes 2006, section 256B.0917, subdivision 8, is amended to read:

343.5 Subd. 8. **Living-at-home/block nurse program grant.** (a) The organization
343.6 awarded the contract under subdivision 7, shall develop and administer a grant program
343.7 to establish or expand up to ~~33~~45 community-based organizations that will implement
343.8 living-at-home/block nurse programs that are designed to enable senior citizens to live as
343.9 independently as possible in their homes and in their communities. At least one-half of
343.10 the programs must be in counties outside the seven-county metropolitan area. Nonprofit
343.11 organizations and units of local government are eligible to apply for grants to establish
343.12 the community organizations that will implement living-at-home/block nurse programs.
343.13 In awarding grants, the organization awarded the contract under subdivision 7 shall give
343.14 preference to nonprofit organizations and units of local government from communities
343.15 that:

- 343.16 (1) have high nursing home occupancy rates;
343.17 (2) have a shortage of health care professionals;
343.18 (3) are located in counties adjacent to, or are located in, counties with existing
343.19 living-at-home/block nurse programs; and
343.20 (4) meet other criteria established by LAH/BN, Inc., in consultation with the
343.21 commissioner.

343.22 (b) Grant applicants must also meet the following criteria:

- 343.23 (1) the local community demonstrates a readiness to establish a community model
343.24 of care, including the formation of a board of directors, advisory committee, or similar
343.25 group, of which at least two-thirds is comprised of community citizens interested in
343.26 community-based care for older persons;
343.27 (2) the program has sponsorship by a credible, representative organization within
343.28 the community;
343.29 (3) the program has defined specific geographic boundaries and defined its
343.30 organization, staffing and coordination/delivery of services;
343.31 (4) the program demonstrates a team approach to coordination and care, ensuring
343.32 that the older adult participants, their families, the formal and informal providers are all
343.33 part of the effort to plan and provide services; and

(5) the program provides assurances that all community resources and funding will be coordinated and that other funding sources will be maximized, including a person's own resources.

(c) Grant applicants must provide a minimum of five percent of total estimated development costs from local community funding. Grants shall be awarded for four-year periods, and the base amount shall not exceed \$80,000 per applicant for the grant period. The organization under contract may increase the grant amount for applicants from communities that have socioeconomic characteristics that indicate a higher level of need for assistance. Subject to the availability of funding, grants and grant renewals awarded or entered into on or after July 1, 1997, shall be renewed by LAH/BN, Inc. every four years, unless LAH/BN, Inc. determines that the grant recipient has not satisfactorily operated the living-at-home/block nurse program in compliance with the requirements of paragraphs (b) and (d). Grants provided to living-at-home/block nurse programs under this paragraph may be used for both program development and the delivery of services.

(d) Each living-at-home/block nurse program shall be designed by representatives of the communities being served to ensure that the program addresses the specific needs of the community residents. The programs must be designed to:

(1) incorporate the basic community, organizational, and service delivery principles of the living-at-home/block nurse program model;

(2) provide senior citizens with registered nurse directed assessment, provision and coordination of health and personal care services on a sliding fee basis as an alternative to expensive nursing home care;

(3) provide information, support services, homemaking services, counseling, and training for the client and family caregivers;

(4) encourage the development and use of respite care, caregiver support, and in-home support programs, such as adult foster care and in-home adult day care;

(5) encourage neighborhood residents and local organizations to collaborate in meeting the needs of senior citizens in their communities;

(6) recruit, train, and direct the use of volunteers to provide informal services and other appropriate support to senior citizens and their caregivers; and

(7) provide coordination and management of formal and informal services to senior citizens and their families using less expensive alternatives.

Sec. 8. [256B.194] FEDERAL PAYMENTS.

Subdivision 1. Payments at actual cost. Notwithstanding any other statute or rule to the contrary, for providers that are units of government, the commissioner may limit

medical assistance and MinnesotaCare payments to a provider's actual cost of providing services, according to the Centers for Medicare and Medicaid Services (CMS) final rule referenced in this subdivision. The commissioner may also require medical assistance and MinnesotaCare providers to provide any information necessary to determine Medicaid-related costs, and require the cooperation of providers in any audit or review necessary to ensure payments are limited to cost. This section does not apply to providers who are exempt from the provisions of the CMS final rule. This subdivision becomes effective when the CMS final rule, published May 29, 2007, at Federal Register, Vol. 72, No. 100, governing payments to providers that are units of government goes into effect at the end of the moratorium imposed by Congress.

Subd. 2. **Loss of federal financial participation.** For all transfers, certified expenditures, and medical assistance payments listed in this subdivision, if the commissioner determines that federal financial participation is no longer available for the medical assistance payments listed, then related obligations for the nonfederal share of payments and the medical assistance payments must terminate. The commissioner shall notify all affected parties of the loss of federal financial participation, and the resulting payments and obligations that are terminated. If the commissioner determines that federal financial participation is no longer available for any medical assistance payments or contributions to the nonfederal share of medical assistance payments that have already been made, the commissioner may collect the medical assistance payments from providers and return contributions of the nonfederal share to its source. The transfers, certified expenditures, and medical assistance payments subject to this section are those specified in section 62J.692, subdivision 7, paragraphs (b) and (c); 256B.19, subdivisions 1c and 1d; 256B.195; 256B.431, subdivision 23; and 256B.69, subdivision 5c, paragraph (a), clauses (2) to (4); Laws 2002, chapter 220, article 17, section 2, subdivision 3; and Laws 2005, First Special Session chapter 4, article 9, section 2, subdivision 1.

Sec. 9. Minnesota Statutes 2007 Supplement, section 256B.199, is amended to read:

256B.199 PAYMENTS REPORTED BY GOVERNMENTAL ENTITIES.

(a) Effective July 1, 2007, the commissioner shall apply for federal matching funds for the expenditures in paragraphs (b) and (c).

(b) The commissioner shall apply for federal matching funds for certified public expenditures as follows:

(1) ~~Hennepin County; and Hennepin County Medical Center, Ramsey County, Regions Hospital, the University of Minnesota, and Fairview-University Medical Center~~

shall report quarterly to the commissioner beginning June 1, 2007, payments made during the second previous quarter that may qualify for reimbursement under federal law;

(2) based on these reports, the commissioner shall apply for federal matching funds. These funds are appropriated to the commissioner ~~for the payments under section 256.969, subdivision 27~~ to offset medical assistance expenditures; and

(3) by May 1 of each year, beginning May 1, 2007, the commissioner shall inform the nonstate entities listed in this paragraph (a) of the amount of federal disproportionate share hospital payment money expected to be available in the current federal fiscal year.

(c) The commissioner shall apply for federal matching funds for general assistance medical care expenditures as follows:

(1) for hospital services occurring on or after July 1, 2007, general assistance medical care expenditures for fee-for-service inpatient and outpatient hospital payments made by the department shall be used to apply for federal matching funds, except as limited below:

(i) only those general assistance medical care expenditures made to an individual hospital that would not cause the hospital to exceed its individual hospital limits under section 1923 of the Social Security Act may be considered; and

(ii) general assistance medical care expenditures may be considered only to the extent of Minnesota's aggregate allotment under section 1923 of the Social Security Act; and

(2) all hospitals must provide any necessary expenditure, cost, and revenue information required by the commissioner as necessary for purposes of obtaining federal Medicaid matching funds for general assistance medical care expenditures.

EFFECTIVE DATE. This section is effective retroactively from July 1, 2007.

Sec. 10. Minnesota Statutes 2006, section 256B.69, subdivision 5a, is amended to read:

Subd. 5a. **Managed care contracts.** (a) Managed care contracts under this section and sections 256L.12 and 256D.03, shall be entered into or renewed on a calendar year basis beginning January 1, 1996. Managed care contracts which were in effect on June 30, 1995, and set to renew on July 1, 1995, shall be renewed for the period July 1, 1995 through December 31, 1995 at the same terms that were in effect on June 30, 1995. The commissioner may issue separate contracts with requirements specific to services to medical assistance recipients age 65 and older.

(b) A prepaid health plan providing covered health services for eligible persons pursuant to chapters 256B, 256D, and 256L, is responsible for complying with the terms of its contract with the commissioner. Requirements applicable to managed care programs under chapters 256B, 256D, and 256L, established after the effective date of a contract with the commissioner take effect when the contract is next issued or renewed.

(c) Effective for services rendered on or after January 1, 2003, the commissioner shall withhold five percent of managed care plan payments under this section for the prepaid medical assistance and general assistance medical care programs pending completion of performance targets. Each performance target must be quantifiable, objective, measurable, and reasonably attainable, except in the case of a performance target based on a federal or state law or rule. Criteria for assessment of each performance target must be outlined in writing prior to the contract effective date. The withheld funds must be returned no sooner than July of the following year if performance targets in the contract are achieved. The commissioner may exclude special demonstration projects under subdivision 23. A managed care plan or a county-based purchasing plan under section 256B.692 may include as admitted assets under section 62D.044 any amount withheld under this paragraph that is reasonably expected to be returned.

(d)(1) Effective for services rendered on or after January 1, 2009, the commissioner shall withhold two percent of managed care plan payments under this section for the prepaid medical assistance and general assistance medical care programs. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following year. The commissioner may exclude special demonstration projects under subdivision 23.

(2) A managed care plan or a county-based purchasing plan under section 256B.692 may include as admitted assets under section 62D.044 any amount withheld under this paragraph. The return of the withhold under this paragraph is not subject to the requirements of paragraph (c).

Sec. 11. Minnesota Statutes 2006, section 256L.12, subdivision 9, is amended to read:

Subd. 9. Rate setting; performance withholds. (a) Rates will be prospective, per capita, where possible. The commissioner may allow health plans to arrange for inpatient hospital services on a risk or nonrisk basis. The commissioner shall consult with an independent actuary to determine appropriate rates.

(b) For services rendered on or after January 1, 2003, to December 31, 2003, the commissioner shall withhold .5 percent of managed care plan payments under this section pending completion of performance targets. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following year if performance targets in the contract are achieved. A managed care plan may include as admitted assets under section 62D.044 any amount withheld under this paragraph that is reasonably expected to be returned.

(c) For services rendered on or after January 1, 2004, the commissioner shall withhold five percent of managed care plan payments under this section pending

completion of performance targets. Each performance target must be quantifiable, objective, measurable, and reasonably attainable, except in the case of a performance target based on a federal or state law or rule. Criteria for assessment of each performance target must be outlined in writing prior to the contract effective date. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following calendar year if performance targets in the contract are achieved. A managed care plan or a county-based purchasing plan under section 256B.692 may include as admitted assets under section 62D.044 any amount withheld under this paragraph that is reasonably expected to be returned.

(d) For services rendered on or after January 1, 2009, the commissioner shall withhold two percent of managed care plan payments under this section. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following calendar year. A managed care plan or a county-based purchasing plan under section 256B.692 may include as admitted assets under section 62D.044 any amount withheld under this paragraph.

Sec. 12. **FEDERAL APPROVAL FOR INCREASED DISPROPORTIONATE SHARE HOSPITAL PAYMENTS.**

By January 1, 2009, the commissioner of human services, in cooperation with hospitals with high rates of utilization by medical assistance enrollees, shall develop and submit for federal approval a proposal to increase disproportionate share hospital payments to Minnesota hospitals. In developing the proposal, the commissioner shall consider, but is not required to adopt, disproportionate share hospital payment proposals from other states that have received federal approval.

Sec. 13. **REPEALER.**

Minnesota Statutes 2007 Supplement, section 256.969, subdivision 27, is repealed retroactively from July 1, 2007.

ARTICLE 24

HEALTH AND HUMAN SERVICES APPROPRIATIONS

Section 1. **HEALTH AND HUMAN SERVICES APPROPRIATION.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2007, chapter 147, or other law 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 "2008" and "2009" used in this article mean that the addition or subtraction from appropriations listed under them are available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively. "The first year" is fiscal year 2008. "The second year" is fiscal year 2009. "The biennium" is fiscal years 2008 and 2009. Supplemental appropriations and reductions for the fiscal year ending June 30, 2008, are effective the day following final enactment.

APPROPRIATIONS
Available for the Year
Ending June 30
2008 2009

Sec. 2. HUMAN SERVICES

Subdivision 1. Total Appropriation \$ (34,855,000) \$ (56,265,000)

Appropriations by Fund

	2008	2009
General	(51,980,000)	(80,296,000)
Health Care Access	0	(3,292,000)
Federal TANF	17,125,000	27,323,000

Subd. 2. Agency Management

Financial Operations 0 (5,867,000)

The amounts that may be spent from the appropriation for each purpose are as follows:

Base Adjustment. The general fund base is increased \$23,000 in fiscal year 2010 and \$26,000 in fiscal year 2011.

Subd. 3. Revenue and Pass-Through Revenue Expenditures

Federal TANF 25,000,000 27,039,000

Additional TANF Transfer to Social Services Block Grant. In addition to transfers allowed under prior law, \$5,754,000 in fiscal year 2009 is appropriated to the commissioner for the purposes of providing services for families with children whose incomes are at or below 200 percent of the federal poverty guidelines. The

350.1 commissioner shall authorize a sufficient
350.2 transfer of funds from the state's federal
350.3 social services block grant to meet this
350.4 appropriation. The funds must be distributed
350.5 to counties for the children and community
350.6 services grant according to the formula for
350.7 state appropriations in Minnesota Statutes,
350.8 chapter 256M.

350.9 Subd. 4. **Children and Economic Assistance**
350.10 **Grants**

350.11 The amounts that may be spent from this
350.12 appropriation for each purpose are as follows:

350.13 (a) **MFIP/DWP Grants**

350.14	<u>Appropriations by Fund</u>		
350.15	<u>General</u>	<u>(17,125,000)</u>	<u>(25,947,000)</u>
350.16	<u>Federal TANF</u>	<u>17,125,000</u>	<u>27,311,000</u>

350.17 (b) **MFIP Child Care Assistance Grants** 0 0

350.18 (c) **Children's Services Grants** (311,000) (1,663,000)

350.19 **Base Adjustment.** The general fund base
350.20 is increased \$1,726,000 in fiscal year 2010
350.21 and \$1,742,000 in fiscal year 2011 due to
350.22 the onetime increase in adoption assistance
350.23 grants and the onetime decreases in relative
350.24 custody assistance grants, and county shift
350.25 for children's mental health grants.

350.26 **Funding Usage.** Up to 75 percent of the
350.27 fiscal year 2010 appropriation for children's
350.28 mental health screening grants may be used
350.29 to fund calendar year 2009 allocations for
350.30 these programs, with the resulting calendar
350.31 year funding pattern continuing into the
350.32 future.

350.33 Subd. 4a. **Children and Economic Assistance**
350.34 **Management** 0 12,000

H.F. No. 1812, 2nd Engrossment - 2007-2008th Legislative Session (2007-2008)

351.1	<u>Children and Economic Assistance Operations</u>	<u>0</u>	<u>12,000</u>
351.2	<u>MAXIS costs.</u> \$12,000 is appropriated in		
351.3	<u>fiscal year 2009 for MAXIS systems costs.</u>		
351.4	<u>This appropriation is onetime only.</u>		
351.5	<u>Subd. 5. Basic Health Care Grants</u>		
351.6	<u>The amounts that may be spent from this</u>		
351.7	<u>appropriation for each purpose are as follows:</u>		
351.8	<u>(a) MinnesotaCare Grants</u>		
351.9	<u>Health Care Access</u>	<u>0</u>	<u>(3,292,000)</u>
351.10	<u>Incentive Program and Outreach Grants.</u>		
351.11	<u>Of the appropriation for the Minnesota health</u>		
351.12	<u>care outreach program in Laws 2007, chapter</u>		
351.13	<u>147, article 19, section 3, subdivision 7,</u>		
351.14	<u>paragraph (b):</u>		
351.15	<u>(1) \$400,000 in fiscal year 2009 from the</u>		
351.16	<u>general fund and \$200,000 in fiscal year 2009</u>		
351.17	<u>from the health care access fund are for the</u>		
351.18	<u>incentive program under Minnesota Statutes,</u>		
351.19	<u>section 256.962, subdivision 5. For the</u>		
351.20	<u>biennium beginning July 1, 2009, base level</u>		
351.21	<u>funding for this activity shall be \$360,000</u>		
351.22	<u>from the general fund and \$160,000 from the</u>		
351.23	<u>health care access fund; and</u>		
351.24	<u>(2) \$100,000 in fiscal year 2009 from the</u>		
351.25	<u>general fund and \$50,000 in fiscal year 2009</u>		
351.26	<u>from the health care access fund are for the</u>		
351.27	<u>outreach grants under Minnesota Statutes,</u>		
351.28	<u>section 256.962, subdivision 2. For the</u>		
351.29	<u>biennium beginning July 1, 2009, base level</u>		
351.30	<u>funding for this activity shall be \$90,000</u>		
351.31	<u>from the general fund and \$40,000 from the</u>		
351.32	<u>health care access fund.</u>		
351.33	<u>(b) MA Basic Health Care Grants - Families</u>		
351.34	<u>and Children</u>	<u>(17,985,000)</u>	<u>(24,848,000)</u>

352.1 **Hospital Payment Delay.** Notwithstanding
352.2 Laws 2005, First Special Session chapter 4,
352.3 article 9, section 2, subdivision 6, payments
352.4 from the Medicaid Management Information
352.5 System that would otherwise have been made
352.6 for inpatient hospital services for medical
352.7 assistance enrollees are delayed as follows:
352.8 (1) for fiscal year 2008, the last payments for
352.9 the month of June must be included in the
352.10 first payments in fiscal year 2009; and (2)
352.11 for fiscal year 2009, the last payments in the
352.12 month of June must be included in the first
352.13 payment of fiscal year 2010. The provisions
352.14 of Minnesota Statutes, section 16A.124, shall
352.15 not apply to these delayed payments.

352.16 **(c) MA Basic Health Care Grants - Elderly and**
352.17 **Disabled**

(14,028,000)

(2,254,000)

352.18 **Minnesota Disability Health Options Rate**
352.19 **Setting Methodology.** The commissioner
352.20 shall develop and implement a methodology
352.21 for risk adjusting payments for community
352.22 alternatives for disabled individuals (CADI)
352.23 and traumatic brain injury (TBI) home
352.24 and community-based waiver services
352.25 delivered under the Minnesota disability
352.26 health options program (MnDHO) effective
352.27 January 1, 2009. The commissioner shall
352.28 take into account the weighting system used
352.29 to determine county waiver allocations in
352.30 developing the new payment methodology.
352.31 Growth in the number of enrollees receiving
352.32 CADI or TBI waiver payments through
352.33 MnDHO is limited to an increase of 200
352.34 enrollees in each calendar year from January
352.35 2009 through December 2011. If those limits
352.36 are reached, additional members may be

353.1	<u>enrolled in MnDHO for basic care services</u>		
353.2	<u>only as defined under Minnesota Statutes,</u>		
353.3	<u>section 256B.69, subdivision 28, and the</u>		
353.4	<u>commissioner may establish a waiting list for</u>		
353.5	<u>future access of MnDHO members to those</u>		
353.6	<u>waiver services.</u>		
353.7	<u>Critical Access Dental Reimbursement.</u>		
353.8	<u>Effective for fiscal years beginning on or after</u>		
353.9	<u>July 1, 2009, funding for medical assistance</u>		
353.10	<u>critical access dental reimbursement rates</u>		
353.11	<u>must be paid from the health care access</u>		
353.12	<u>fund.</u>		
353.13	<u>(d) General Assistance Medical Care Grants</u>	<u>0</u>	<u>(3,729,000)</u>
353.14	<u>MinnesotaCare Outreach Grants Special</u>		
353.15	<u>Revenue Account.</u> The balance in the		
353.16	<u>MinnesotaCare outreach grants special</u>		
353.17	<u>revenue account at the close of fiscal year</u>		
353.18	<u>2008 must be transferred to the general fund.</u>		
353.19	<u>Subd. 6. Health Care Management</u>		
353.20	<u>The amounts that may be spent from the</u>		
353.21	<u>appropriation for each purpose are as follows:</u>		
353.22	<u>Health Care Administration</u>	<u>0</u>	<u>100,000</u>
353.23	<u>Subd. 7. Continuing Care Grants</u>		
353.24	<u>The amounts that may be spent from the</u>		
353.25	<u>appropriation for each purpose are as follows:</u>		
353.26	<u>(a) MA Long-Term Care Facilities Grants</u>	<u>(2,306,000)</u>	<u>(2,291,000)</u>
353.27	<u>(b) MA Long-Term Care Waivers and Home</u>		
353.28	<u>Care Grants</u>	<u>0</u>	<u>(5,397,000)</u>
353.29	<u>Manage Growth in TBI and CADI Waiver.</u>		
353.30	<u>During the fiscal years beginning on July</u>		
353.31	<u>1, 2008, July 1, 2009, and July 1, 2010,</u>		
353.32	<u>the commissioner shall allocate money</u>		
353.33	<u>for home and community-based programs</u>		

354.1 covered under Minnesota Statutes, section
354.2 256B.49, to ensure a reduction in state
354.3 spending that is equivalent to limiting the
354.4 caseload growth of the traumatic brain injury
354.5 (TBI) waiver to 200 allocations in each
354.6 year of the biennium and the community
354.7 alternatives for disabled individuals (CADI)
354.8 waiver to 1,500 allocations each year of the
354.9 biennium. Priorities for the allocation of
354.10 funds must be for individuals anticipated to
354.11 be discharged from institutional settings or
354.12 who are at imminent risk of a placement in
354.13 an institutional setting. Notwithstanding any
354.14 contrary section in this article, this provision
354.15 expires June 30, 2011.

354.16 **(c) Mental Health Grants** 0 (4,555,000)

354.17 **Base Adjustment.** The general fund base
354.18 is increased \$5,270,000 in fiscal year 2010
354.19 and \$5,450,000 in fiscal year 2011 due to the
354.20 county payment shift for adult mental health
354.21 grants.

354.22 **Targeted case management work group.**
354.23 \$15,000 is appropriated from the general
354.24 fund for fiscal year 2009 to the commissioner
354.25 of human services for administrative costs
354.26 directly related to the operation of the
354.27 targeted case management work group.

354.28 **(d) Chemical Dependency Entitlement Grants** 0 (1,503,000)

354.29 **Payments for Substance Abuse Treatment.**
354.30 For services provided in fiscal year 2009,
354.31 county-negotiated rates and provider claims
354.32 to the consolidated chemical dependency
354.33 fund must not exceed rates charged for
354.34 services in excess of those in effect on
354.35 May 31, 2008. If statutes authorize a

355.1	<u>cost-of-living adjustment during fiscal year</u>		
355.2	<u>2009, then notwithstanding any law to the</u>		
355.3	<u>contrary, fiscal year 2009 rates may not</u>		
355.4	<u>exceed those in effect on May 31, 2008, plus</u>		
355.5	<u>any authorized cost-of-living adjustments.</u>		
355.6	<u>Chemical Dependency Treatment Fund</u>		
355.7	<u>Special Revenue Account.</u>		
355.8	<u>The lesser of the balance of the consolidated</u>		
355.9	<u>chemical dependency treatment fund at the</u>		
355.10	<u>close of fiscal year 2008 or \$2,650,000 must</u>		
355.11	<u>be transferred and deposited into the general</u>		
355.12	<u>fund.</u>		
355.13	<u>(e) Chemical Dependency Nonentitlement</u>		
355.14	<u>Grants</u>	<u>0</u>	<u>2,150,000</u>
355.15	<u>Base Level Adjustment.</u> <u>The general</u>		
355.16	<u>fund base for chemical dependency</u>		
355.17	<u>nonentitlement treatment grants shall be</u>		
355.18	<u>increased by \$150,000 for fiscal years</u>		
355.19	<u>2010 and 2011 for increased grants for</u>		
355.20	<u>methamphetamine treatment.</u>		
355.21	<u>American Indian Youth Program.</u> <u>Of the</u>		
355.22	<u>general fund appropriation, \$2,000,000 in</u>		
355.23	<u>fiscal year 2009 is for grants to be awarded</u>		
355.24	<u>competitively to American Indian tribes to</u>		
355.25	<u>purchase or develop one or more culturally</u>		
355.26	<u>specific treatment programs designed to</u>		
355.27	<u>serve youth from native cultures. This</u>		
355.28	<u>appropriation is onetime and available until</u>		
355.29	<u>spent.</u>		
355.30	<u>(f) Other Continuing Care Grants</u>	<u>0</u>	<u>(4,381,000)</u>
355.31	<u>Base Level Adjustment.</u> <u>The general fund</u>		
355.32	<u>base is increased \$7,633,000 in fiscal year</u>		
355.33	<u>2010 and \$5,332,000 in fiscal year 2011, due</u>		
355.34	<u>to the onetime reduction of HIV grants in</u>		
355.35	<u>fiscal year 2009, an increase each year for</u>		

356.1 housing grants under Minnesota Statutes,
356.2 section 256B.0658, and the adjustment
356.3 for the county grant payment shift for
356.4 developmental disability semi-independent
356.5 services grants and developmental disability
356.6 family support grants.

356.7 **Housing Access Grants.** Of the general
356.8 fund appropriation, \$250,000 is appropriated
356.9 in fiscal year 2009 for housing access
356.10 grants under Minnesota Statutes, section
356.11 256B.0658.

356.12 **Funding Usage.** Up to 75 percent of
356.13 the fiscal year 2010 appropriation for
356.14 developmental disability semi-independent
356.15 living services grants and developmental
356.16 disability family support grants may be used
356.17 to fund calendar year 2009 allocations for
356.18 these programs, with the resulting calendar
356.19 year funding pattern continuing into the
356.20 future.

356.21 **Living-At-Home/Block Nurse Program**
356.22 **Funding.** For the fiscal year beginning
356.23 July 1, 2008, the commissioner of human
356.24 services shall transfer \$240,000 from the
356.25 community service grant program under
356.26 Minnesota Statutes, section 256B.0917,
356.27 subdivision 13, to the living-at-home/block
356.28 nurse program under Minnesota Statutes,
356.29 section 256B.0917, subdivision 8, to provide
356.30 \$20,000 each for 12 living-at-home/block
356.31 nurse programs currently operating without
356.32 base funding. This is onetime funding.

356.33 **Subd. 8. State-Operated Services**

356.34 **County Past Due Receivables.** The
356.35 commissioner is authorized to withhold

357.1 county federal administrative reimbursement
357.2 when the county of financial responsibility
357.3 for cost-of-care payments due to the state
357.4 under Minnesota Statutes, section 246.54
357.5 or 253B.045, is 180 days past due. The
357.6 commissioner shall deposit the federal
357.7 administrative withholding into the general
357.8 fund to settle the claims with the county of
357.9 financial responsibility.

357.10	<u>Mental Health Services</u>	<u>(225,000)</u>	<u>(300,000)</u>

357.11 Sec. 3. **Health Department**

357.12 **Federally Qualified Health Centers.**
357.13 Effective for fiscal years beginning on
357.14 or after July 1, 2009, the general fund
357.15 appropriation of \$1,500,000 each fiscal year
357.16 for federally qualified health centers under
357.17 Minnesota Statutes, section 145.9269, is
357.18 eliminated and is replaced by a \$1,500,000
357.19 appropriation each fiscal year from the health
357.20 care access fund.

357.21 **Interpreter services quality initiative.**
357.22 \$25,000 is appropriated from the state
357.23 government special revenue fund for fiscal
357.24 year 2009 to the commissioner of health to
357.25 establish a roster and develop a plan for the
357.26 registry of health care interpreter services.

357.27 **MERC Federal Compliance.** Effective
357.28 for fiscal years beginning on or after July
357.29 1, 2009, the general fund appropriation of
357.30 \$2,000,000 each fiscal year to the Mayo
357.31 Clinic for the purpose of providing transition
357.32 funding while federal compliance changes
357.33 are made to the medical education and
357.34 research cost funding distribution formula is

eliminated and is replaced by a \$2,000,000
appropriation each fiscal year from the health
care access fund.

ARTICLE 25
HEALTH AND HUMAN SERVICES FORECAST CHANGES

Section 1. SUMMARY OF APPROPRIATIONS; DEPARTMENT OF HUMAN SERVICES FORECAST ADJUSTMENT.

The dollar amounts shown are added to or, if shown in parentheses, are subtracted
from the appropriations in Laws 2007, chapter 147, from the general fund, or any other
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 figure "2008"
used in this article means that the appropriation or appropriations listed are available for
the fiscal year ending June 30, 2008. The figure "2009" used in this article means that the
appropriation or appropriations listed are available for the fiscal year ending June 30, 2009.

	<u>2008</u>	<u>2009</u>
<u>General</u>	\$ <u>6,739,000</u>	\$ <u>52,350,000</u>
<u>Health Care Access</u>	<u>(84,156,000)</u>	<u>(96,019,000)</u>
<u>Federal TANF</u>	<u>(28,427,000)</u>	<u>(7,441,000)</u>
<u>Total</u>	\$ <u>(105,844,000)</u>	\$ <u>(51,110,000)</u>

Sec. 2. COMMISSIONER OF HUMAN SERVICES

Subdivision 1. Total Appropriation \$ (105,844,000) \$ (51,110,000)

	<u>2008</u>	<u>2009</u>
<u>General</u>	<u>6,739,000</u>	<u>52,350,000</u>
<u>Health Care Access</u>	<u>(84,156,000)</u>	<u>(96,019,000)</u>
<u>Federal TANF</u>	<u>(28,427,000)</u>	<u>(7,441,000)</u>

Subd. 2. Revenue and Pass-Through

Federal TANF 1,187,000 1,507,000

Subd. 3. Children and Economic Assistance Grants

General (4,960,000) 5,925,000
Federal TANF (29,614,000) (8,948,000)

The amounts that may be spent from this
appropriation for each purpose are as follows:

359.1	<u>(a) MFIP/DWP Grants</u>		
359.2	<u>Appropriations by Fund</u>		
359.3	<u>General</u>	<u>25,139,000</u>	<u>11,665,000</u>
359.4	<u>Federal TANF</u>	<u>(29,614,000)</u>	<u>(8,948,000)</u>
359.5	<u>(b) MFIP Child Care Assistance Grants</u>	<u>(26,141,000)</u>	<u>(10,710,000)</u>
359.6	<u>(c) General Assistance Grants</u>	<u>2,529,000</u>	<u>6,033,000</u>
359.7	<u>(d) Minnesota Supplemental Aid Grants</u>	<u>299,000</u>	<u>500,000</u>
359.8	<u>(e) Group Residential Housing Grants</u>	<u>(6,786,000)</u>	<u>(1,563,000)</u>
359.9	<u>Subd. 4. Basic Health Care Grants</u>		
359.10	<u>General</u>	<u>30,075,000</u>	<u>48,389,000</u>
359.11	<u>Health Care Access</u>	<u>(84,156,000)</u>	<u>(96,019,000)</u>
359.12	<u>The amounts that may be spent from this</u>		
359.13	<u>appropriation for each purpose are as follows:</u>		
359.14	<u>(a) MinnesotaCare</u>		
359.15	<u>Health Care Access</u>	<u>(84,156,000)</u>	<u>(96,019,000)</u>
359.16	<u>(b) MA Basic Health Care - Families and</u>		
359.17	<u>Children</u>	<u>13,525,000</u>	<u>7,005,000</u>
359.18	<u>(c) MA Basic Health Care - Elderly and</u>		
359.19	<u>Disabled</u>	<u>(2,292,000)</u>	<u>5,479,000</u>
359.20	<u>(d) General Assistance Medical Care</u>	<u>18,842,000</u>	<u>35,905,000</u>
359.21	<u>Subd. 5. Continuing Care Grants</u>	<u>(18,376,000)</u>	<u>(1,964,000)</u>
359.22	<u>The amounts that may be spent from this</u>		
359.23	<u>appropriation for each purpose are as follows:</u>		
359.24	<u>(a) MA Long-Term Care Facilities</u>	<u>(10,986,000)</u>	<u>(2,148,000)</u>
359.25	<u>(b) MA Long-Term Care Waivers</u>	<u>(18,484,000)</u>	<u>(13,598,000)</u>
359.26	<u>(c) Chemical Dependency Entitlement Grants</u>	<u>11,094,000</u>	<u>13,782,000</u>

ARTICLE 26
TAXES

Section 1. Minnesota Statutes 2007 Supplement, section 80A.28, subdivision 1,
is amended to read:

360.1 Subdivision 1. **Registration or notice filing fee.** (a) There shall be a filing fee of
360.2 \$100 for every application for registration or notice filing. There shall be an additional fee
360.3 of one-tenth of one percent of the maximum aggregate offering price at which the securities
360.4 are to be offered in this state, and the maximum combined fees shall not exceed \$300.

360.5 (b) When an application for registration is withdrawn before the effective date or a
360.6 preeffective stop order is entered under section 80A.13, subdivision 1, all but the \$100
360.7 filing fee shall be returned. If an application to register securities is denied, the total of all
360.8 fees received shall be retained.

360.9 (c) Where a filing is made in connection with a federal covered security under
360.10 section 18(b)(2) of the Securities Act of 1933, there is a fee of \$100 for every initial filing.
360.11 If the filing is made in connection with redeemable securities issued by an open end
360.12 management company or unit investment trust, as defined in the Investment Company
360.13 Act of 1940, there is an additional annual fee of 1/20 of one percent of the maximum
360.14 aggregate offering price at which the securities are to be offered in this state during the
360.15 notice filing period. The fee must be paid at the time of the initial filing and thereafter
360.16 in connection with each renewal no later than July 1 of each year and must be sufficient
360.17 to cover the shares the issuer expects to sell in this state over the next 12 months. If
360.18 during a current notice filing the issuer determines it is likely to sell shares in excess of
360.19 the shares for which fees have been paid to the commissioner, the issuer shall submit an
360.20 amended notice filing to the commissioner under section 80A.122, subdivision 1, clause
360.21 (3), together with a fee of 1/20 of one percent of the maximum aggregate offering price
360.22 of the additional shares. Shares for which a fee has been paid, but which have not been
360.23 sold at the time of expiration of the notice filing, may not be sold unless an additional fee
360.24 to cover the shares has been paid to the commissioner as provided in this section and
360.25 section 80A.122, subdivision 4a. If the filing is made in connection with redeemable
360.26 securities issued by such a company or trust, there is no maximum fee for securities filings
360.27 made according to this paragraph. If the filing is made in connection with any other
360.28 federal covered security under Section 18(b)(2) of the Securities Act of 1933, there is an
360.29 additional fee of one-tenth of one percent of the maximum aggregate offering price at
360.30 which the securities are to be offered in this state, and the combined fees shall not exceed
360.31 \$300. Beginning with fiscal year 2001 and continuing each fiscal year thereafter, as of the
360.32 last day of each fiscal year, the commissioner shall determine the total amount of all fees
360.33 that were collected under this paragraph in connection with any filings made for that fiscal
360.34 year for securities of an open-end investment company on behalf of a security that is a
360.35 federal covered security pursuant to section 18(b)(2) of the Securities Act of 1933. To the
360.36 extent the total fees collected by the commissioner in connection with these filings exceed

361.1 ~~\$25,600,000~~ \$31,385,000 in a fiscal year, the commissioner shall refund, on a pro rata
361.2 basis, to all persons who paid any fees for that fiscal year, the amount of fees collected by
361.3 the commissioner in excess of ~~\$25,600,000~~ \$31,385,000. No individual refund is required
361.4 of amounts of \$100 or less for a fiscal year.

361.5 **EFFECTIVE DATE.** This section is effective beginning for refunds paid for fiscal
361.6 year 2008.

361.7 Sec. 2. Minnesota Statutes 2006, section 290.01, subdivision 5, is amended to read:

361.8 Subd. 5. **Domestic corporation.** The term "domestic" when applied to a corporation
361.9 means a corporation:

361.10 (1) created or organized in the United States, or under the laws of the United States
361.11 or of any state, the District of Columbia, or any political subdivision of any of the
361.12 foregoing but not including the Commonwealth of Puerto Rico, or any possession of
361.13 the United States;

361.14 (2) which qualifies as a DISC, as defined in section 992(a) of the Internal Revenue
361.15 Code; ~~or~~

361.16 (3) which qualifies as a FSC, as defined in section 922 of the Internal Revenue Code;

361.17 (4) which is incorporated in a tax haven;

361.18 (5) which is engaged in activity in a tax haven sufficient for the tax haven to impose
361.19 a net income tax under United States constitutional standards and section 290.015; or

361.20 (6) which has the average of its property, payroll, and sales factors, as defined under
361.21 section 290.191, within the 50 states of the United States and the District of Columbia of
361.22 20 percent or more.

361.23 **EFFECTIVE DATE.** This section is effective for taxable years beginning after
361.24 December 31, 2007.

361.25 Sec. 3. Minnesota Statutes 2006, section 290.01, is amended by adding a subdivision
361.26 to read:

361.27 Subd. 5c. **Tax haven.** (a) "Tax haven" means a foreign jurisdiction designated
361.28 under this subdivision.

361.29 (b) The commissioner may designate a foreign jurisdiction as a tax haven by revenue
361.30 notice if the jurisdiction has:

361.31 (1) no or a nominal effective tax on income of a corporation; and

361.32 (2) corporate, business, bank, or tax secrecy rules or practices that, in the judgment
361.33 of the commissioner, unreasonably restrict the ability of the United States, and thereby

362.1 the state of Minnesota, to obtain information relevant to the enforcement of taxes on
362.2 corporations based on net income. These rules or practices may be either formal laws,
362.3 regulations, or rules or be informal government and business practices that have the effect
362.4 of inhibiting access by law enforcement and tax administration authorities.

362.5 (c) The following foreign jurisdictions are deemed to be tax havens, unless the
362.6 commissioner, by revenue notice, revokes the listing of a jurisdiction:

- 362.7 (1) Anguilla;
- 362.8 (2) Antigua and Barbuda;
- 362.9 (3) Aruba;
- 362.10 (4) Bahamas;
- 362.11 (5) Barbados;
- 362.12 (6) Belize;
- 362.13 (7) Bermuda;
- 362.14 (8) British Virgin Islands;
- 362.15 (9) Cayman Islands;
- 362.16 (10) Cook Islands;
- 362.17 (11) Dominica;
- 362.18 (12) Gibraltar;
- 362.19 (13) Grenada;
- 362.20 (14) Guernsey-Sark-Alderney;
- 362.21 (15) Isle of Man;
- 362.22 (16) Jersey;
- 362.23 (17) Latvia;
- 362.24 (18) Liechtenstein;
- 362.25 (19) Luxembourg;
- 362.26 (20) Nauru;
- 362.27 (21) Netherlands Antilles;
- 362.28 (22) Panama;
- 362.29 (23) Samoa;
- 362.30 (24) Saint Kitts and Nevis;
- 362.31 (25) Saint Lucia;
- 362.32 (26) Saint Vincent and Grenadines;
- 362.33 (27) Turks and Caicos; and
- 362.34 (28) Vanuatu.

362.35 (d) The commissioner shall revoke a foreign jurisdiction's listing under paragraph
362.36 (b) or (c), as applicable, if the United States enters into a tax treaty or other agreement

363.1 with the foreign jurisdiction that provides for prompt, obligatory, and automatic exchange
363.2 of information with the United States government relevant to enforcing the provisions of
363.3 federal tax laws and the treaty or other agreement was in effect for the taxable year.

363.4 **EFFECTIVE DATE.** This section is effective for taxable years beginning after
363.5 December 31, 2007.

363.6 Sec. 4. Minnesota Statutes 2006, section 290.01, subdivision 19c, as amended by Laws
363.7 2008, chapter 154, article 4, section 4, is amended to read:

363.8 Subd. 19c. **Corporations; additions to federal taxable income.** For corporations,
363.9 there shall be added to federal taxable income:

363.10 (1) the amount of any deduction taken for federal income tax purposes for income,
363.11 excise, or franchise taxes based on net income or related minimum taxes, including but not
363.12 limited to the tax imposed under section 290.0922, paid by the corporation to Minnesota,
363.13 another state, a political subdivision of another state, the District of Columbia, or any
363.14 foreign country or possession of the United States;

363.15 (2) interest not subject to federal tax upon obligations of: the United States, its
363.16 possessions, its agencies, or its instrumentalities; the state of Minnesota or any other
363.17 state, any of its political or governmental subdivisions, any of its municipalities, or any
363.18 of its governmental agencies or instrumentalities; the District of Columbia; or Indian
363.19 tribal governments;

363.20 (3) exempt-interest dividends received as defined in section 852(b)(5) of the Internal
363.21 Revenue Code;

363.22 (4) the amount of any net operating loss deduction taken for federal income tax
363.23 purposes under section 172 or 832(c)(10) of the Internal Revenue Code or operations loss
363.24 deduction under section 810 of the Internal Revenue Code;

363.25 (5) the amount of any special deductions taken for federal income tax purposes
363.26 under sections 241 to 247 and 965 of the Internal Revenue Code;

363.27 (6) losses from the business of mining, as defined in section 290.05, subdivision 1,
363.28 clause (a), that are not subject to Minnesota income tax;

363.29 (7) the amount of any capital losses deducted for federal income tax purposes under
363.30 sections 1211 and 1212 of the Internal Revenue Code;

363.31 (8) the exempt foreign trade income of a foreign sales corporation under sections
363.32 921(a) and 291 of the Internal Revenue Code;

363.33 (9) the amount of percentage depletion deducted under sections 611 through 614 and
363.34 291 of the Internal Revenue Code;

364.1 (10) for certified pollution control facilities placed in service in a taxable year
364.2 beginning before December 31, 1986, and for which amortization deductions were elected
364.3 under section 169 of the Internal Revenue Code of 1954, as amended through December
364.4 31, 1985, the amount of the amortization deduction allowed in computing federal taxable
364.5 income for those facilities;

364.6 ~~(11) the amount of any deemed dividend from a foreign operating corporation~~
364.7 ~~determined pursuant to section 290.17, subdivision 4, paragraph (g);~~

364.8 ~~(12)~~ the amount of a partner's pro rata share of net income which does not flow
364.9 through to the partner because the partnership elected to pay the tax on the income under
364.10 section 6242(a)(2) of the Internal Revenue Code;

364.11 ~~(13)~~ (12) the amount of net income excluded under section 114 of the Internal
364.12 Revenue Code;

364.13 ~~(14)~~ (13) any increase in subpart F income, as defined in section 952(a) of the
364.14 Internal Revenue Code, for the taxable year when subpart F income is calculated without
364.15 regard to the provisions of section 103 of Public Law 109-222;

364.16 ~~(15)~~ (14) 80 percent of the depreciation deduction allowed under section
364.17 168(k)(1)(A) and (k)(4)(A) of the Internal Revenue Code. For purposes of this clause, if
364.18 the taxpayer has an activity that in the taxable year generates a deduction for depreciation
364.19 under section 168(k)(1)(A) and (k)(4)(A) and the activity generates a loss for the taxable
364.20 year that the taxpayer is not allowed to claim for the taxable year, "the depreciation
364.21 allowed under section 168(k)(1)(A) and (k)(4)(A)" for the taxable year is limited to excess
364.22 of the depreciation claimed by the activity under section 168(k)(1)(A) and (k)(4)(A)
364.23 over the amount of the loss from the activity that is not allowed in the taxable year. In
364.24 succeeding taxable years when the losses not allowed in the taxable year are allowed, the
364.25 depreciation under section 168(k)(1)(A) and (k)(4)(A) is allowed;

364.26 ~~(16)~~ (15) 80 percent of the amount by which the deduction allowed by section 179 of
364.27 the Internal Revenue Code exceeds the deduction allowable by section 179 of the Internal
364.28 Revenue Code of 1986, as amended through December 31, 2003;

364.29 ~~(17)~~ (16) to the extent deducted in computing federal taxable income, the amount of
364.30 the deduction allowable under section 199 of the Internal Revenue Code;

364.31 ~~(18)~~ (17) the exclusion allowed under section 139A of the Internal Revenue Code
364.32 for federal subsidies for prescription drug plans; and

364.33 ~~(19)~~ (18) for taxable years beginning after December 31, 2006, and before January 1,
364.34 2008, the additional amount allowed as a deduction for donation of computer technology
364.35 and equipment under section 170(e)(6) of the Internal Revenue Code, to the extent
364.36 deducted from taxable income.

365.1 **EFFECTIVE DATE.** This section is effective for taxable years beginning after
365.2 December 31, 2007.

365.3 Sec. 5. Minnesota Statutes 2006, section 290.01, subdivision 19d, as amended by Laws
365.4 2008, chapter 154, article 11, section 12, is amended to read:

365.5 Subd. 19d. **Corporations; modifications decreasing federal taxable income.** For
365.6 corporations, there shall be subtracted from federal taxable income after the increases
365.7 provided in subdivision 19c:

365.8 (1) the amount of foreign dividend gross-up added to gross income for federal
365.9 income tax purposes under section 78 of the Internal Revenue Code;

365.10 (2) the amount of salary expense not allowed for federal income tax purposes due to
365.11 claiming the work opportunity credit under section 51 of the Internal Revenue Code;

365.12 (3) any dividend (not including any distribution in liquidation) paid within the
365.13 taxable year by a national or state bank to the United States, or to any instrumentality of
365.14 the United States exempt from federal income taxes, on the preferred stock of the bank
365.15 owned by the United States or the instrumentality;

365.16 (4) amounts disallowed for intangible drilling costs due to differences between
365.17 this chapter and the Internal Revenue Code in taxable years beginning before January
365.18 1, 1987, as follows:

365.19 (i) to the extent the disallowed costs are represented by physical property, an amount
365.20 equal to the allowance for depreciation under Minnesota Statutes 1986, section 290.09,
365.21 subdivision 7, subject to the modifications contained in subdivision 19e; and

365.22 (ii) to the extent the disallowed costs are not represented by physical property, an
365.23 amount equal to the allowance for cost depletion under Minnesota Statutes 1986, section
365.24 290.09, subdivision 8;

365.25 (5) the deduction for capital losses pursuant to sections 1211 and 1212 of the
365.26 Internal Revenue Code, except that:

365.27 (i) for capital losses incurred in taxable years beginning after December 31, 1986,
365.28 capital loss carrybacks shall not be allowed;

365.29 (ii) for capital losses incurred in taxable years beginning after December 31, 1986,
365.30 a capital loss carryover to each of the 15 taxable years succeeding the loss year shall be
365.31 allowed;

365.32 (iii) for capital losses incurred in taxable years beginning before January 1, 1987, a
365.33 capital loss carryback to each of the three taxable years preceding the loss year, subject to
365.34 the provisions of Minnesota Statutes 1986, section 290.16, shall be allowed; and

366.1 (iv) for capital losses incurred in taxable years beginning before January 1, 1987,
366.2 a capital loss carryover to each of the five taxable years succeeding the loss year to the
366.3 extent such loss was not used in a prior taxable year and subject to the provisions of
366.4 Minnesota Statutes 1986, section 290.16, shall be allowed;

366.5 (6) an amount for interest and expenses relating to income not taxable for federal
366.6 income tax purposes, if (i) the income is taxable under this chapter and (ii) the interest and
366.7 expenses were disallowed as deductions under the provisions of section 171(a)(2), 265 or
366.8 291 of the Internal Revenue Code in computing federal taxable income;

366.9 (7) in the case of mines, oil and gas wells, other natural deposits, and timber for
366.10 which percentage depletion was disallowed pursuant to subdivision 19c, clause (9), a
366.11 reasonable allowance for depletion based on actual cost. In the case of leases the deduction
366.12 must be apportioned between the lessor and lessee in accordance with rules prescribed
366.13 by the commissioner. In the case of property held in trust, the allowable deduction must
366.14 be apportioned between the income beneficiaries and the trustee in accordance with the
366.15 pertinent provisions of the trust, or if there is no provision in the instrument, on the basis
366.16 of the trust's income allocable to each;

366.17 (8) for certified pollution control facilities placed in service in a taxable year
366.18 beginning before December 31, 1986, and for which amortization deductions were elected
366.19 under section 169 of the Internal Revenue Code of 1954, as amended through December
366.20 31, 1985, an amount equal to the allowance for depreciation under Minnesota Statutes
366.21 1986, section 290.09, subdivision 7;

366.22 (9) amounts included in federal taxable income that are due to refunds of income,
366.23 excise, or franchise taxes based on net income or related minimum taxes paid by the
366.24 corporation to Minnesota, another state, a political subdivision of another state, the
366.25 District of Columbia, or a foreign country or possession of the United States to the extent
366.26 that the taxes were added to federal taxable income under section 290.01, subdivision 19c,
366.27 clause (1), in a prior taxable year;

366.28 ~~(10) 80 percent of royalties, fees, or other like income accrued or received from a~~
366.29 ~~foreign operating corporation or a foreign corporation which is part of the same unitary~~
366.30 ~~business as the receiving corporation;~~

366.31 ~~(11)~~ income or gains from the business of mining as defined in section 290.05,
366.32 subdivision 1, clause (a), that are not subject to Minnesota franchise tax;

366.33 ~~(12)~~ (11) the amount of disability access expenditures in the taxable year which are
366.34 not allowed to be deducted or capitalized under section 44(d)(7) of the Internal Revenue
366.35 Code;

367.1 ~~(13)~~ (12) the amount of qualified research expenses not allowed for federal income
367.2 tax purposes under section 280C(c) of the Internal Revenue Code, but only to the extent
367.3 that the amount exceeds the amount of the credit allowed under section 290.068;

367.4 ~~(14)~~ (13) the amount of salary expenses not allowed for federal income tax purposes
367.5 due to claiming the Indian employment credit under section 45A(a) of the Internal
367.6 Revenue Code;

367.7 ~~(15)~~ (14) for taxable years beginning before January 1, 2008, the amount of the
367.8 federal small ethanol producer credit allowed under section 40(a)(3) of the Internal
367.9 Revenue Code which is included in gross income under section 87 of the Internal Revenue
367.10 Code;

367.11 ~~(16)~~ (15) for a corporation whose foreign sales corporation, as defined in section
367.12 922 of the Internal Revenue Code, constituted a foreign operating corporation during any
367.13 taxable year ending before January 1, 1995, and a return was filed by August 15, 1996,
367.14 claiming the deduction under section 290.21, subdivision 4, for income received from
367.15 the foreign operating corporation, an amount equal to 1.23 multiplied by the amount of
367.16 income excluded under section 114 of the Internal Revenue Code, provided the income is
367.17 not income of a foreign operating company;

367.18 ~~(17)~~ (16) any decrease in subpart F income, as defined in section 952(a) of the
367.19 Internal Revenue Code, for the taxable year when subpart F income is calculated without
367.20 regard to the provisions of section 103 of Public Law 109-222;

367.21 ~~(16)~~ (17) in each of the five tax years immediately following the tax year in which an
367.22 addition is required under subdivision 19c, clause ~~(15)~~ (14), an amount equal to one-fifth
367.23 of the delayed depreciation. For purposes of this clause, "delayed depreciation" means the
367.24 amount of the addition made by the taxpayer under subdivision 19c, clause ~~(15)~~ (14). The
367.25 resulting delayed depreciation cannot be less than zero; and

367.26 ~~(17)~~ (18) in each of the five tax years immediately following the tax year in which an
367.27 addition is required under subdivision 19c, clause ~~(16)~~ (15), an amount equal to one-fifth
367.28 of the amount of the addition.

367.29 **EFFECTIVE DATE.** This section is effective for taxable years beginning after
367.30 December 31, 2008, provided that for taxable years beginning after December 31,
367.31 2007, and before January 1, 2009, the subtraction under clause (10) is not allowed to
367.32 foreign operating corporations and is limited to income paid to the corporation by a
367.33 foreign corporation that is part of the unitary business for the use of or privilege of using
367.34 outside of the United States patents, copyrights, secret processes and formulas, good will,
367.35 know-how, trademarks, trade brands, franchises, and other like property and is further

368.1 limited to the extent those items are included in the corporation's federal taxable income
368.2 for the taxable year.

368.3 Sec. 6. Minnesota Statutes 2006, section 290.17, subdivision 4, is amended to read:

368.4 Subd. 4. **Unitary business principle.** (a) If a trade or business conducted wholly
368.5 within this state or partly within and partly without this state is part of a unitary business,
368.6 the entire income of the unitary business is subject to apportionment pursuant to section
368.7 290.191. Notwithstanding subdivision 2, paragraph (c), none of the income of a unitary
368.8 business is considered to be derived from any particular source and none may be allocated
368.9 to a particular place except as provided by the applicable apportionment formula. The
368.10 provisions of this subdivision do not apply to business income subject to subdivision 5,
368.11 income of an insurance company, or income of an investment company determined under
368.12 section 290.36.

368.13 (b) The term "unitary business" means business activities or operations which
368.14 result in a flow of value between them. The term may be applied within a single legal
368.15 entity or between multiple entities and without regard to whether each entity is a sole
368.16 proprietorship, a corporation, a partnership or a trust.

368.17 (c) Unity is presumed whenever there is unity of ownership, operation, and use,
368.18 evidenced by centralized management or executive force, centralized purchasing,
368.19 advertising, accounting, or other controlled interaction, but the absence of these
368.20 centralized activities will not necessarily evidence a nonunitary business. Unity is also
368.21 presumed when business activities or operations are of mutual benefit, dependent upon or
368.22 contributory to one another, either individually or as a group.

368.23 (d) Where a business operation conducted in Minnesota is owned by a business
368.24 entity that carries on business activity outside the state different in kind from that
368.25 conducted within this state, and the other business is conducted entirely outside the state, it
368.26 is presumed that the two business operations are unitary in nature, interrelated, connected,
368.27 and interdependent unless it can be shown to the contrary.

368.28 (e) Unity of ownership is not deemed to exist when a corporation is involved unless
368.29 that corporation is a member of a group of two or more business entities and more than 50
368.30 percent of the voting stock of each member of the group is directly or indirectly owned
368.31 by a common owner or by common owners, either corporate or noncorporate, or by one
368.32 or more of the member corporations of the group. For this purpose, the term "voting
368.33 stock" shall include membership interests of mutual insurance holding companies formed
368.34 under section 66A.40.

(f) The net income and apportionment factors under section 290.191 or 290.20 of foreign corporations and other foreign entities which are part of a unitary business shall not be included in the net income or the apportionment factors of the unitary business. A foreign corporation or other foreign entity which is required to file a return under this chapter shall file on a separate return basis. ~~The net income and apportionment factors under section 290.191 or 290.20 of foreign operating corporations shall not be included in the net income or the apportionment factors of the unitary business except as provided in paragraph (g).~~

~~(g) The adjusted net income of a foreign operating corporation shall be deemed to be paid as a dividend on the last day of its taxable year to each shareholder thereof, in proportion to each shareholder's ownership, with which such corporation is engaged in a unitary business. Such deemed dividend shall be treated as a dividend under section 290.21, subdivision 4.~~

~~Dividends actually paid by a foreign operating corporation to a corporate shareholder which is a member of the same unitary business as the foreign operating corporation shall be eliminated from the net income of the unitary business in preparing a combined report for the unitary business. The adjusted net income of a foreign operating corporation shall be its net income adjusted as follows:~~

~~(1) any taxes paid or accrued to a foreign country, the commonwealth of Puerto Rico, or a United States possession or political subdivision of any of the foregoing shall be a deduction, and~~

~~(2) the subtraction from federal taxable income for payments received from foreign corporations or foreign operating corporations under section 290.01, subdivision 19d, clause (10), shall not be allowed.~~

~~If a foreign operating corporation incurs a net loss, neither income nor deduction from that corporation shall be included in determining the net income of the unitary business.~~

~~(h)~~ For purposes of determining the net income of a unitary business and the factors to be used in the apportionment of net income pursuant to section 290.191 or 290.20, there must be included only the income and apportionment factors of domestic corporations or other domestic entities ~~other than foreign operating corporations~~ that are determined to be part of the unitary business pursuant to this subdivision, notwithstanding that foreign corporations or other foreign entities might be included in the unitary business.

~~(i)~~ (h) Deductions for expenses, interest, or taxes otherwise allowable under this chapter that are connected with or allocable against dividends, ~~deemed dividends~~

~~described in paragraph (g), or royalties, fees, or other like income described in section 290.01, subdivision 19d, clause (10);~~ shall not be disallowed.

~~(h)~~ (i) Each corporation or other entity, except a sole proprietorship, that is part of a unitary business must file combined reports as the commissioner determines. On the reports, all intercompany transactions between entities included pursuant to paragraph ~~(h)~~ (g) must be eliminated and the entire net income of the unitary business determined in accordance with this subdivision is apportioned among the entities by using each entity's Minnesota factors for apportionment purposes in the numerators of the apportionment formula and the total factors for apportionment purposes of all entities included pursuant to paragraph ~~(h)~~ (g) in the denominators of the apportionment formula.

~~(h)~~ (i) If a corporation has been divested from a unitary business and is included in a combined report for a fractional part of the common accounting period of the combined report:

(1) its income includable in the combined report is its income incurred for that part of the year determined by proration or separate accounting; and

(2) its sales, property, and payroll included in the apportionment formula must be prorated or accounted for separately.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2007, except the modifications to the new paragraph (h) are effective for taxable years beginning after December 31, 2008.

Sec. 7. **REPEALER.**

Minnesota Statutes 2006, section 290.01, subdivision 6b, is repealed.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2007.

ARTICLE 27

RESERVE ACCOUNTS AND MISCELLANEOUS

Section 1. **BUDGET RESERVE REDUCTION.**

On July 1, 2008, the commissioner of finance shall reduce the budget reserve account in Minnesota Statutes, section 16A.152, to \$403,000,000.

Sec. 2. **CASH FLOW ACCOUNT REDUCTION.**

On July 1, 2008, the commissioner of finance shall reduce the cash flow account in Minnesota Statutes, section 16A.152, to \$0.

Sec. 3. MINNESOTA FUTURE RESOURCES FUND.

By June 30, 2008, the commissioner of finance shall transfer any remaining unappropriated balance from the Minnesota future resources fund to the general fund.

Sec. 4. DUPLICATE APPROPRIATIONS.

Unless another act explicitly provides otherwise, appropriations and transfers made in this act and other acts must be implemented only once even if the provision or a similar provision with the same fiscal effect in the same fiscal year is included in another act. This section applies to laws enacted in the 2008 regular session.

ARTICLE 28

SEVERABLE PROVISIONS

Section 1. **SEVERABLE PROVISIONS.**

If any provision of this act is found to be unconstitutional, the remaining provisions
of this act remain valid.

APPENDIX
Article locations in H1812-2

ARTICLE 1	K-12 EDUCATION	Page.Ln 3.1
ARTICLE 2	FORECAST ADJUSTMENTS	Page.Ln 51.13
ARTICLE 3	HIGHER EDUCATION	Page.Ln 59.24
ARTICLE 4	JOBS AND ECONOMIC DEVELOPMENT APPROPRIATIONS ...	Page.Ln 89.4
ARTICLE 5	ENVIRONMENT AND NATURAL RESOURCES	Page.Ln 154.10
ARTICLE 6	ENVIRONMENT AND NATURAL RESOURCES POLICY	Page.Ln 171.12
ARTICLE 7	ENERGY, COMMERCE, UTILITIES	Page.Ln 189.16
ARTICLE 8	DEPARTMENT OF AGRICULTURE, BOARD OF ANIMAL HEALTH, DEPARTMENT OF VETERANS AFFAIRS, DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT	Page.Ln 202.2
ARTICLE 9	RELATED PROVISIONS FOR AGRICULTURE AND VETERANS AFFAIRS	Page.Ln 210.18
ARTICLE 10	TRANSPORTATION FINANCE	Page.Ln 216.24
ARTICLE 11	PUBLIC SAFETY	Page.Ln 220.11
ARTICLE 12	STATE GOVERNMENT FINANCE	Page.Ln 230.14
ARTICLE 13	MILITARY AFFAIRS	Page.Ln 253.26
ARTICLE 14	EXECUTIVE BRANCH COMPENSATION	Page.Ln 258.6
ARTICLE 15	MINNESOTA HERITAGE	Page.Ln 265.3
ARTICLE 16	HOUSING	Page.Ln 270.1
ARTICLE 17	PUBLIC HEALTH	Page.Ln 270.9
ARTICLE 18	ADOPTION	Page.Ln 281.23
ARTICLE 19	DEPARTMENT OF HUMAN SERVICES	Page.Ln 286.9
ARTICLE 20	CONTINUING CARE	Page.Ln 300.8
ARTICLE 21	AGENCY MANAGEMENT	Page.Ln 315.9
ARTICLE 22	CHILDREN AND FAMILY SERVICES	Page.Ln 325.12
ARTICLE 23	HEALTH CARE	Page.Ln 337.20
ARTICLE 24	HEALTH AND HUMAN SERVICES APPROPRIATIONS	Page.Ln 348.27
ARTICLE 25	HEALTH AND HUMAN SERVICES FORECAST CHANGES	Page.Ln 358.4
ARTICLE 26	TAXES	Page.Ln 359.27
ARTICLE 27	RESERVE ACCOUNTS AND MISCELLANEOUS	Page.Ln 370.25
ARTICLE 28	SEVERABLE PROVISIONS	Page.Ln 371.9