

A bill for an act

relating to work force development; appropriating money for higher education; establishing the Minnesota GI Bill program; amending certain Minnesota Office of Higher Education provisions, establishing new grant and loan repayment programs; amending higher education programs; amending certain grant programs; amending certain higher education provisions; eliminating obsolete references, making technical changes; authorizing control of certain decreasing students' share of attendance; increasing revenue bond limits; authorizing control of certain deposits; authorizing lease agreements; authorizing interest rate swap; providing for the Textbook Disclosure, Pricing and Access Act; amending certain private postsecondary institution provisions; appropriating money for jobs and economic development; amending certain Department of Employment and Economic Development and the Department of Labor and Industry programs and creating new programs and grants; establishing the Packinghouse Workers Bill of Rights; providing for civil actions; providing civil penalties; establishing criminal penalties; requiring reports; authorizing the increase of certain fees; requiring assignment of certain inspectors to certain locations; regulating licenses and wages; appropriating money for Iron Range Resources and Rehabilitation Board fund; making certain policy changes related to Iron Range Resources and Rehabilitation Board; amending Minnesota Statutes 2006, sections 13.322, subdivision 3; 16B.70, by adding a subdivision; 41D.01, subdivision 1; 116J.401, by adding a subdivision; 116J.551, subdivision 1; 116J.554, subdivision 2; 116J.555, subdivision 1; 116J.575, subdivisions 1, 1a; 116J.966, subdivision 1; 116L.01, by adding a subdivision; 116L.04, subdivision 1a; 116L.17, subdivision 1; 116L.20, subdivision 1; 116M.18, subdivision 6a; 135A.031, subdivision 7; 135A.053, subdivision 2; 135A.14, subdivision 1; 135A.51, subdivision 2; 135A.52, subdivisions 1, 2; 136A.01, subdivision 2; 136A.031, subdivision 5; 136A.0411; 136A.08, subdivision 7; 136A.101, subdivision 4; 136A.121, subdivision 5; 136A.125, subdivision 2; 136A.15, subdivisions 1, 6; 136A.16, subdivisions 1, 2, 5, 8, 9, 10; 136A.17, subdivision 1; 136A.1701, subdivisions 1, 2, 5; 136A.233, subdivision 3; 136A.29, subdivision 9; 136A.61; 136A.62, subdivision 3; 136A.63; 136A.64; 136A.65; 136A.653; 136A.657; 136A.66; 136A.67; 136A.68; 136A.69; 136A.71; 136A.861, subdivisions 1, 2, 3, 6; 136F.02, subdivision 1; 136F.42, subdivision 1; 136F.71, subdivision 2, by adding a subdivision; 136G.11, subdivision 5; 141.21, subdivisions 1a, 5; 141.25, subdivisions 1, 5, 7, 9, 10, 12; 141.255, subdivision 2; 141.265, subdivision 2; 141.271, subdivisions 10, 12; 141.28, subdivision 1; 141.32; 141.35; 177.27, subdivisions 1, 4, 5, 8, 9, 10, by adding a subdivision; 177.28, subdivision 1; 177.30; 177.43, subdivisions 3, 4, 6, by adding a subdivision; 178.01; 178.02;

178.03, subdivision 3; 178.041, subdivision 1; 181.78, by adding a subdivision; 181.932, subdivision 1; 181.935; 182.65, subdivision 2; 268.085, subdivision 3; 268.196, by adding a subdivision; 268A.01, subdivision 13, by adding a subdivision; 268A.085, subdivision 1; 268A.15, by adding a subdivision; 298.22, subdivision 2; 298.227; 325E.37, subdivision 6; 326.01, subdivision 6g; 326.241, subdivisions 1, 2; 326.242, subdivisions 5, 11, by adding a subdivision; 326.37, subdivision 1; 326.38; 326.40, subdivision 1; 326.401, subdivision 2; 326.405; 326.42, subdivision 1; 326.46; 326.461, by adding a subdivision; 326.47, subdivisions 2, 6; 326.48, subdivisions 1, 2, by adding a subdivision; 326.50; 326.51; 326.52; 341.28, subdivision 2, by adding a subdivision; 341.32, subdivision 2; 341.321; 462.39, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 116J; 116O; 135A; 136A; 136F; 141; 177; 179; 181; 181A; 182; 197; 270; 326; repealing Minnesota Statutes 2006, sections 16C.18, subdivision 2; 135A.031, subdivisions 1, 2, 3, 4, 5, 6; 135A.032; 135A.033; 136A.07; 136A.08, subdivision 8; 137.0245; 137.0246; 326.01, subdivision 4; 326.242, subdivision 4; 326.45.

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

ARTICLE 1
HIGHER EDUCATION APPROPRIATIONS

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>	\$ 1,558,498,000	\$ 1,641,178,000	\$ 3,199,676,000
<u>Health Care Access</u>	2,157,000	2,157,000	4,314,000
<u>Total</u>	\$ 1,560,655,000	\$ 1,643,335,000	\$ 3,203,990,000

Sec. 2. HIGHER EDUCATION APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are appropriated 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 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.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2008</u>	<u>2009</u>

Sec. 3. MINNESOTA OFFICE OF HIGHER EDUCATION

3.1	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>194,983,000</u>	<u>\$</u>	<u>195,654,000</u>
3.2	<u>The amounts that may be spent for each</u>				
3.3	<u>purpose are specified in the following</u>				
3.4	<u>subdivisions.</u>				
3.5	<u>Subd. 2. Minnesota GI Bill</u>		<u>10,000,000</u>		<u>10,000,000</u>
3.6	<u>For grants to eligible veterans or the eligible</u>				
3.7	<u>spouses and children of veterans as provided</u>				
3.8	<u>under Minnesota Statutes, section 197.791.</u>				
3.9	<u>Of this appropriation, \$152,000 the first</u>				
3.10	<u>year and \$104,000 the second year are for</u>				
3.11	<u>the administrative costs of operating this</u>				
3.12	<u>program. For the 2010-2011 biennium,</u>				
3.13	<u>the base for this program's administrative</u>				
3.14	<u>costs must be included within the agency</u>				
3.15	<u>administration program activity.</u>				
3.16	<u>Subd. 3. State Grants</u>		<u>150,154,000</u>		<u>151,124,000</u>
3.17	<u>If the appropriation in this subdivision for</u>				
3.18	<u>either year is insufficient, the appropriation</u>				
3.19	<u>for the other year is available for it.</u>				
3.20	<u>For the biennium, the tuition maximum for</u>				
3.21	<u>students in four-year programs is \$9,957 in</u>				
3.22	<u>each year for students in four-year programs,</u>				
3.23	<u>and for students in two-year programs, is</u>				
3.24	<u>\$4,717 in the first year and \$4,859 in the</u>				
3.25	<u>second year.</u>				
3.26	<u>This appropriation sets the living and</u>				
3.27	<u>miscellaneous expense allowance at \$6,241</u>				
3.28	<u>each year.</u>				
3.29	<u>Subd. 4. Safety Officers Survivors</u>		<u>100,000</u>		<u>100,000</u>
3.30	<u>This appropriation is to provide educational</u>				
3.31	<u>benefits under Minnesota Statutes, section</u>				
3.32	<u>299A.45, to dependent children under age 23</u>				

4.1	<u>and to the spouses of public safety officers</u>		
4.2	<u>killed in the line of duty.</u>		
4.3	<u>If the appropriation in this subdivision for</u>		
4.4	<u>either year is insufficient, the appropriation</u>		
4.5	<u>for the other year is available for it.</u>		
4.6	<u>Subd. 5. Interstate Tuition Reciprocity</u>	<u>2,000,000</u>	<u>2,000,000</u>
4.7	<u>If the appropriation in this subdivision for</u>		
4.8	<u>either year is insufficient, the appropriation</u>		
4.9	<u>for the other year is available to meet</u>		
4.10	<u>reciprocity contract obligations.</u>		
4.11	<u>Subd. 6. State Work Study</u>	<u>12,444,000</u>	<u>12,444,000</u>
4.12	<u>Subd. 7. Child Care Grants</u>	<u>4,934,000</u>	<u>4,934,000</u>
4.13	<u>Subd. 8. Minitex</u>	<u>5,881,000</u>	<u>5,881,000</u>
4.14	<u>Subd. 9. MnLINK Gateway</u>	<u>400,000</u>	<u>400,000</u>
4.15	<u>Subd. 10. Learning Network of Minnesota</u>	<u>4,800,000</u>	<u>4,800,000</u>
4.16	<u>Subd. 11. Minnesota College Savings Plan</u>	<u>1,020,000</u>	<u>1,020,000</u>
4.17	<u>Subd. 12. Midwest Higher Education Compact</u>	<u>90,000</u>	<u>90,000</u>
4.18	<u>Subd. 13. Other Small Programs</u>	<u>2,010,000</u>	<u>1,670,000</u>
4.19	<u>This appropriation includes funding for</u>		
4.20	<u>postsecondary service learning, student and</u>		
4.21	<u>parent information, get ready, outreach, and</u>		
4.22	<u>intervention for college attendance programs.</u>		
4.23	<u>\$265,000 each year is for grants to increase</u>		
4.24	<u>campus-community collaboration and service</u>		
4.25	<u>learning statewide, including operations of</u>		
4.26	<u>the Minnesota campus compact, grants to</u>		
4.27	<u>member institutions and grants for member</u>		
4.28	<u>institution initiatives. For every \$1 in state</u>		
4.29	<u>funding, grant recipients must contribute \$2</u>		
4.30	<u>in campus or community-based support.</u>		
4.31	<u>\$100,000 each year is for a grant to the</u>		
4.32	<u>Loan Repayment Assistance Program</u>		

5.1	<u>of Minnesota, Inc. for loan repayment</u>		
5.2	<u>assistance awards.</u>		
5.3	<u>\$500,000 each year is for the teacher</u>		
5.4	<u>education and compensation helps (TEACH)</u>		
5.5	<u>and the Minnesota early childhood teacher</u>		
5.6	<u>retention programs in Minnesota Statutes,</u>		
5.7	<u>section 136A.126. This is a onetime</u>		
5.8	<u>appropriation.</u>		
5.9	<u>\$250,000 in the first year is for a grant to</u>		
5.10	<u>Augsburg College for the purpose of its</u>		
5.11	<u>Step UP program to provide educational</u>		
5.12	<u>opportunities to chemically dependent</u>		
5.13	<u>students and to work with other public</u>		
5.14	<u>and private colleges in Minnesota to help</u>		
5.15	<u>replicate this program. This is a onetime</u>		
5.16	<u>appropriation.</u>		
5.17	<u>\$50,000 in the first year is for the speech</u>		
5.18	<u>pathologist loan forgiveness program for</u>		
5.19	<u>deposit in the account under Minnesota</u>		
5.20	<u>Statutes, section 136A.1704.</u>		
5.21	<u>\$40,000 in the first year is for a grant to</u>		
5.22	<u>the Washington Center for Internships and</u>		
5.23	<u>Academic Seminars for a pilot program</u>		
5.24	<u>for scholarships for students enrolling in a</u>		
5.25	<u>Minnesota four-year college or university</u>		
5.26	<u>beginning in the fall semester of 2007. The</u>		
5.27	<u>grant is available only with a dollar-for-dollar</u>		
5.28	<u>match from nonstate sources.</u>		
5.29	<u>Subd. 14. Access to College and Helping</u>		
5.30	<u>Individuals Everywhere Value Education and</u>		
5.31	<u>Rural Pilot Programs</u>	<u>1,000,000</u>	<u>1,000,000</u>
5.32	<u>For Access to College and Helping</u>		
5.33	<u>Individuals Everywhere Value Education</u>		
5.34	<u>pilot projects that provide distance-learning</u>		
5.35	<u>opportunities through the Minnesota State</u>		

6.1 Colleges and Universities for high school
6.2 students living in remote and underserved
6.3 areas where the school district lacks
6.4 the resources to provide academically
6.5 challenging educational opportunities,
6.6 including Advanced Placement and
6.7 International Baccalaureate programs.
6.8 Students who successfully complete a course
6.9 must receive college credit at no cost to the
6.10 student or the participating school district.
6.11 The office must report to the committees of
6.12 the legislature with responsibility for higher
6.13 education finance by January 15, 2009, on the
6.14 program outcomes with recommendations on
6.15 continuing and expanding the program.

6.16	<u>Subd. 15. United Family Medicine Residency</u>		
6.17	<u>Program</u>	<u>360,000</u>	<u>360,000</u>

6.18 For a grant to the united family medicine
6.19 residency program. This appropriation
6.20 must be used to support up to 18 resident
6.21 physicians each year in family practice at
6.22 united family medicine residency programs
6.23 and must prepare doctors to practice family
6.24 care medicine in underserved rural and
6.25 urban areas of the state. The legislature
6.26 intends this program to improve health
6.27 care in underserved communities, provide
6.28 affordable access to appropriate medical
6.29 care, and manage the treatment of patients in
6.30 a more cost-effective manner.

6.31	<u>Subd. 16. Agency Administration</u>	<u>2,690,000</u>	<u>2,731,000</u>
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6.32 Of this appropriation, \$39,000 the first
6.33 year and \$80,000 the second year are for
6.34 compensation-related costs associated with

7.1 the delivery of the office's services and
7.2 programs.

7.3 **Subd. 17. Balances Forward**

7.4 A balance in the first year under this section
7.5 does not cancel, but is available for the
7.6 second year.

7.7 **Subd. 18. Transfers**

7.8 The Minnesota Office of Higher Education
7.9 may transfer unencumbered balances from
7.10 the appropriations in subdivisions 2 to 15 to
7.11 the state grant appropriation, the safety officer
7.12 survivors appropriation, the interstate tuition
7.13 reciprocity appropriation, the Minnesota
7.14 college savings plan appropriation, the child
7.15 care appropriation, and the state work study
7.16 appropriation.

7.17 **Subd. 19. Reporting**

7.18 (a) By November 1 and February 15, the
7.19 Minnesota Office of Higher Education
7.20 must provide updated state grant spending
7.21 projections, taking into account the most
7.22 current and projected enrollment and tuition
7.23 and fee information, economic conditions,
7.24 and other relevant factors. Before submitting
7.25 state grant spending projections, the office
7.26 must meet and consult with representatives of
7.27 public and private postsecondary education,
7.28 the Department of Finance, the governor's
7.29 office, legislative staff, and financial aid
7.30 administrators.

7.31 (b) The Minnesota Office of Higher
7.32 Education shall report to the higher education
7.33 divisions of the house and senate finance
7.34 committees on participation in postsecondary

8.1 education by income, and persistence and
8.2 graduation rates of state grant recipients
8.3 compared to students who did not receive
8.4 state grants. The office is authorized to match
8.5 individual student data from the student
8.6 record enrollment database with individual
8.7 student data from the state grant database on
8.8 data elements necessary to perform the study.

8.9 **Sec. 4. BOARD OF TRUSTEES OF THE**
8.10 **MINNESOTA STATE COLLEGES AND**
8.11 **UNIVERSITIES**

8.12 Subdivision 1. Total Appropriation \$ 668,388,000 \$ 704,288,000

8.13 The amounts that may be spent for each
8.14 purpose are specified in the following
8.15 subdivisions.

8.16 Subd. 2. Central Office and Shared Services
8.17 Unit \$ 40,170,550 \$ 40,170,550

8.18 For the office of the chancellor and the shared
8.19 services division.

8.20 Subd. 3. Operations and Maintenance \$ 628,217,450 \$ 664,118,000

8.21 (a) This appropriation includes funding
8.22 for the board's initiatives on recruiting and
8.23 retaining underrepresented students, strategic
8.24 educational advancements, STEM initiatives,
8.25 and infrastructure and technology, and for
8.26 the costs of inflation. This appropriation
8.27 also includes funding to reduce the tuition
8.28 rate increase to two percent from the
8.29 board-approved plan of a four percent annual
8.30 increase.

8.31 (b) Appropriations for technology and
8.32 infrastructure under this subdivision must
8.33 not be used to increase permanent positions
8.34 in the office of the chancellor or the shared

9.1 services office. Any new positions funded
9.2 from the technology and infrastructure
9.3 appropriation must be at a campus.

9.4 (c) \$400,000 each year is for
9.5 community-based energy development
9.6 pilot projects at Mesabi Range Technical
9.7 and Community College, the Minnesota
9.8 West Community and Technical College,
9.9 and Riverland Community College. Each
9.10 campus must establish partnerships for
9.11 community-based energy development pilot
9.12 projects that involve students and faculty. An
9.13 allocation for the pilot project is available
9.14 to the participating institutions and the
9.15 partnerships for the biennium ending June
9.16 30, 2009.

9.17 (d) \$750,000 in the first year is for a modular
9.18 clean-room research and training facility
9.19 at St. Paul College. This is a onetime
9.20 appropriation and is available until expended.

9.21 (e) \$300,000 the first year is for a grant to
9.22 the Range Association of Municipalities
9.23 and Schools for a study of student demand
9.24 and employer needs for higher education in
9.25 the Mesabi Range region of northeastern
9.26 Minnesota including the cities of Grand
9.27 Rapids through Eveleth to Ely. The
9.28 association must coordinate and contract for
9.29 a study in cooperation with the Board of
9.30 Regents of the University of Minnesota and
9.31 the Board of Trustees of the Minnesota State
9.32 Colleges and Universities. The governing
9.33 boards must advise on which of the identified
9.34 needs can be met by University of Minnesota
9.35 courses and which can be met by the

10.1 Minnesota State Colleges and Universities,
10.2 and which degree programs may be offered
10.3 jointly. The final report must be submitted to
10.4 the committees of the legislature responsible
10.5 for higher education finance by January 15,
10.6 2008, with recommendations and plans for
10.7 the region.

10.8 (f) \$120,000 in each year is for the Cook
10.9 County Higher Education Board to provide
10.10 educational programs and academic support
10.11 services. The base appropriation for this
10.12 program is \$120,000 in each year of the
10.13 biennium ending June 30, 2011.

10.14 (g) \$2,000,000 the first year and \$1,000,000
10.15 the second year are for a pilot project with
10.16 the Northeast Minnesota Higher Education
10.17 District and high schools in its area. Up to
10.18 \$1,200,000 of the first year appropriation
10.19 must be used to purchase equipment that is
10.20 necessary to reestablish a technical education
10.21 curriculum in the area high schools to
10.22 provide the students with the technical
10.23 skills necessary for the workforce. Students
10.24 from area high schools may also access
10.25 the facilities and faculty of the Northeast
10.26 Minnesota Higher Education District
10.27 for state-of-the-art technical education
10.28 opportunities, including MnSCU's 2+2
10.29 Pathways initiative. \$1,000,000 is added to
10.30 the base for this project.

10.31 (h) \$50,000 in the first year is for St. Paul
10.32 College to collaborate with the United Auto
10.33 Workers Local 879 to purchase a Ford
10.34 Ranger pickup truck to retrofit to run on a
10.35 battery-powered motor. This vehicle must

11.1 be retrofitted to serve as a prototype that
11.2 could be mass-produced at the St. Paul Ford
11.3 assembly plant.

11.4 (i) \$100,000 each year is for a grant to a
11.5 Minnesota public postsecondary institution
11.6 with a total student enrollment under 7,000
11.7 students, that has an existing women's
11.8 hockey team competing in Division I in the
11.9 Western Collegiate Hockey Association.

11.10 The institution may use the grant for
11.11 equipment, facility improvements, travel and
11.12 compensation for coaches, trainers, and other
11.13 necessary personnel.

11.14 (j) \$450,000 each year is to establish a center
11.15 for workforce and economic development
11.16 at the Mesabi Range Community and
11.17 Technical College and to enhance eFolio
11.18 Minnesota. The board, in cooperation with
11.19 the Iron Range Resources and Rehabilitation
11.20 Board (IRRRB) and the Department of
11.21 Employment and Economic Development,
11.22 must establish the center to provide on-site
11.23 and Internet-based support and technical
11.24 assistance to users of the state's eFolio
11.25 Minnesota system to promote workforce and
11.26 economic development. The center must
11.27 assist local economic development agencies
11.28 and officials to enable them to access
11.29 workforce information generated through the
11.30 eFolio Minnesota system. The board must
11.31 enhance the eFolio Minnesota system as
11.32 necessary to serve these purposes. The center
11.33 must report annually to the IRRRB and the
11.34 Department of Employment and Economic
11.35 Development on the outcomes of the center's
11.36 activities.

12.1 (k) \$1,000,000 the first year is to identify
12.2 and improve on practices for selecting and
12.3 purchasing textbooks and course materials
12.4 that are used by students. The board, in
12.5 collaboration with the Minnesota State
12.6 University Student Association (MSUSA)
12.7 and the Minnesota State College Student
12.8 Association (MSCSA) must develop
12.9 and implement pilot projects with this
12.10 appropriation to address the financial burden
12.11 that textbook prices and requirements place
12.12 on students. These projects may include
12.13 textbook rental programs, cooperative
12.14 purchasing efforts, training, and education
12.15 and awareness programs for students and
12.16 faculty on cost considerations and textbook
12.17 options. The student associations must
12.18 be fully involved in the development and
12.19 implementation of any project using this
12.20 appropriation. Each student association
12.21 must vote to approve a project before it is
12.22 implemented. MSUSA and MSCSA must
12.23 report to the committees of the legislature
12.24 responsible for higher education finance by
12.25 February 15, 2009, on the success of the pilot
12.26 projects. This money is available until June
12.27 30, 2009.

12.28 **Subd. 4. Board Policies**

12.29 (a) The board must adopt a policy that allows
12.30 students to add the cost of textbooks and
12.31 required course materials purchased at a
12.32 campus bookstore, owned by or operated
12.33 under a contract with the campus, to the
12.34 existing waivers or payment plans for tuition
12.35 and fees.

13.1 (b) The board must adopt a policy setting
13.2 the maximum number of semester credits
13.3 required for a baccalaureate degree at 120
13.4 semester credits or the equivalent and the
13.5 number of semester credits required for an
13.6 associate degree at 60 semester credits or the
13.7 equivalent.

13.8 **Sec. 5. BOARD OF REGENTS OF THE**
13.9 **UNIVERSITY OF MINNESOTA**

13.10	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 696,082,000</u>	<u>\$ 742,143,000</u>
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13.11 The amounts that may be spent for each
13.12 purpose are specified in the following
13.13 subdivisions.

13.14	Subd. 2. Operations and Maintenance	667,550,000	667,323,000
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13.15 (a) This appropriation includes amounts for
13.16 the board:

13.17 (1) to make investments in the university's
13.18 technology and related infrastructure;

13.19 (2) to award faculty and staff compensation

13.20 increases differentially;

13.21 (3) for the board's health workforce and
13.22 clinical sciences initiative;

13.23 (4) initiatives in science and engineering;

13.24 (5) initiatives relating to the environment,
13.25 agriculture, and renewable energy; and

13.26 (6) for advancing education, including an
13.27 Ojibwe Indian language program on the
13.28 Duluth campus.

13.29 (b) \$2,250,000 each year is to establish
13.30 banded tuition at the Morris, Crookston, and
13.31 Duluth campuses to reduce tuition costs for
13.32 students.

- 14.1 (c) \$7,000,000 for the biennium is for
14.2 scholarships to mitigate the effects of rising
14.3 tuition on Minnesota students and families.
14.4 This appropriation must be matched with
14.5 \$2 of nonstate money for each \$1 of state
14.6 money.
- 14.7 (d) \$12,404,000 in the second year is to
14.8 reduce the proposed tuition rate increase.
14.9 Any of this amount that is not used by the
14.10 board to reduce tuition cancels to the general
14.11 fund.
- 14.12 (e) \$300,000 the first year is for the Center
14.13 for Transportation Studies to complete a
14.14 study to assess public policy options for
14.15 reducing the volume of greenhouse gases
14.16 emitted from the transportation sector in
14.17 Minnesota. The Center for Transportation
14.18 Studies must report its preliminary findings
14.19 to the legislature by February 1, 2008, and
14.20 must issue its full report by June 1, 2008.
14.21 This is a onetime appropriation.
- 14.22 (f) \$250,000 each year is to establish an India
14.23 Center to improve and promote relations with
14.24 India and Southeast Asia. The center must
14.25 partner with public and private organizations
14.26 in Minnesota to:
- 14.27 (1) foster an understanding of the history,
14.28 culture, and values of India;
- 14.29 (2) serve as a resource and catalyst to
14.30 promote economic, governmental, and
14.31 academic pursuits involving India; and
- 14.32 (3) facilitate educational and business
14.33 exchanges and partnerships, collaborative
14.34 research, and teaching and training activities
14.35 for Minnesota students and teachers.

15.1 The Board of Regents may establish an
15.2 advisory council to facilitate the mission
15.3 and objectives of the India Center and must
15.4 report on the progress of the India Center by
15.5 February 15, 2008, to the governor and chairs
15.6 of the legislative committees responsible for
15.7 higher education finance. This is a onetime
15.8 appropriation.

15.9 (g) \$750,000 in the first year is to assist in
15.10 the formation of the neighborhood alliance
15.11 and for projects identified in section 8. The
15.12 alliance, the Board of Regents, and the city of
15.13 Minneapolis may cooperate on the projects
15.14 and may use a public services of other entities
15.15 to complete all or a portion of a project.

15.16 (h) \$300,000 the first year is to establish a
15.17 Dakota language teacher training immersion
15.18 program on the Twin Cities campus to
15.19 prepare teachers to teach in Dakota language
15.20 immersion programs. This is a onetime
15.21 appropriation.

15.22 (i) \$400,000 each year is for the Minnesota
15.23 Institute for Sustainable Agriculture to
15.24 provide funds for on-station and on-farm
15.25 field scale research and outreach to develop
15.26 and test the agronomic and economic
15.27 requirements of diverse strands of prairie
15.28 plants and other perennials for bioenergy
15.29 systems including but not limited to
15.30 multiple species selection and establishment,
15.31 ecological management between planting
15.32 and harvest, harvest technologies, financial
15.33 and agronomic risk management, farmer
15.34 goal setting and adoption of technologies,
15.35 integration of wildlife habitat into

16.1	<u>management approaches, evaluation of</u>		
16.2	<u>carbon and other benefits, and robust policies</u>		
16.3	<u>needed to induce farmer conversion on</u>		
16.4	<u>marginal lands.</u>		
16.5	<u>Subd. 3. Health Care Access Fund</u>	<u>2,157,000</u>	<u>2,157,000</u>
16.6	<u>This appropriation is from the health care</u>		
16.7	<u>access fund and is for primary care education</u>		
16.8	<u>initiatives.</u>		
16.9	<u>Subd. 4. Special Appropriation</u>	<u>65,813,000</u>	<u>65,436,000</u>
16.10	<u>(a) Agriculture and Extension Service</u>	<u>52,625,000</u>	<u>52,275,000</u>
16.11	<u>(1) For the Agricultural Experiment</u>		
16.12	<u>Station, Minnesota Extension Service. This</u>		
16.13	<u>appropriation includes funding to promote</u>		
16.14	<u>alternative livestock research and outreach</u>		
16.15	<u>at the Minnesota Institute for Sustainable</u>		
16.16	<u>Agriculture, and to promote sustainable and</u>		
16.17	<u>organic agricultural research and education.</u>		
16.18	<u>(2) This appropriation includes funding</u>		
16.19	<u>for research efforts that demonstrate a</u>		
16.20	<u>renewed emphasis on the needs of the state's</u>		
16.21	<u>production agriculture community and a</u>		
16.22	<u>continued focus on renewable energy derived</u>		
16.23	<u>from Minnesota biomass resources including</u>		
16.24	<u>agronomic crops, plant and animal wastes,</u>		
16.25	<u>and native plants or trees, with priority for</u>		
16.26	<u>extending the Minnesota vegetable growing</u>		
16.27	<u>season; fertilizer and soil fertility research</u>		
16.28	<u>and development; treating and curing human</u>		
16.29	<u>diseases utilizing plant and livestock cells;</u>		
16.30	<u>using biofuel production coproducts as</u>		
16.31	<u>feed for livestock; and a rapid agricultural</u>		
16.32	<u>response fund for current or emerging</u>		
16.33	<u>animal, plant, and insect problems affecting</u>		
16.34	<u>production or food safety. In addition, the</u>		

17.1 appropriation may be used to secure a facility
17.2 and retain current faculty levels for poultry
17.3 research currently conducted at UMore Park.

17.4 (3) In the area of renewable energy, priority
17.5 should be given to projects pertaining to:
17.6 biofuel and other energy production from
17.7 small grains; alternative bioenergy crops and
17.8 cropping systems; and growing, harvesting,
17.9 and transporting biomass plant material.

17.10 (4) This appropriation includes funding for
17.11 the college of food, agricultural, and natural
17.12 resources sciences to establish and maintain
17.13 a statewide organic research and education
17.14 initiative to provide leadership for organic
17.15 agronomic, horticultural, livestock, and food
17.16 systems research, education, and outreach
17.17 and for the purchase of state-of-the-art
17.18 laboratory, planting, tilling, harvesting, and
17.19 processing equipment necessary for this
17.20 project.

17.21 (5) By February 1, 2009, the Board
17.22 of Regents must report to the legislative
17.23 committees with responsibility for agriculture
17.24 and higher education finance on the research
17.25 and initiatives under this paragraph.

17.26 (6) The base appropriation is \$51,775,000
17.27 each year of the biennium ending June 30,
17.28 2011.

17.29 **(b) Health Sciences**

17.30 \$346,000 each year is to support up to 12
17.31 resident physicians each year in the St.
17.32 Cloud Hospital family practice residency
17.33 program. The program must prepare doctors
17.34 to practice primary care medicine in the rural
17.35 areas of the state. The legislature intends

	<u>5,275,000</u>	<u>5,275,000</u>
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18.1 this program to improve health care in rural
 18.2 communities, provide affordable access to
 18.3 appropriate medical care, and manage the
 18.4 treatment of patients in a more cost-effective
 18.5 manner.

18.6 The remainder of this appropriation is for
 18.7 the rural physicians associates program, the
 18.8 Veterinary Diagnostic Laboratory, health
 18.9 sciences research, dental care, and the
 18.10 Biomedical Engineering Center.

18.11	<u>(c) Institute of Technology</u>	<u>1,387,000</u>	<u>1,387,000</u>
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18.12 For the Geological Survey and the talented
 18.13 youth mathematics program.

18.14	<u>(d) System Specials</u>	<u>6,526,000</u>	<u>6,526,000</u>
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18.15 For general research, student loans matching
 18.16 money, industrial relations education,
 18.17 Natural Resources Research Institute, Center
 18.18 for Urban and Regional Affairs, and the Bell
 18.19 Museum of Natural History. \$100,000 is
 18.20 added to the base appropriation for industrial
 18.21 relations education.

18.22	<u>Subd. 5. University of Minnesota and Mayo</u>		
18.23	<u>Foundation Partnership</u>	<u>17,000,000</u>	<u>7,000,000</u>

18.24 For the direct and indirect expenses of the
 18.25 collaborative research partnership between
 18.26 the University of Minnesota and the Mayo
 18.27 Foundation for research in biotechnology
 18.28 and medical genomics. \$7,000,000 is added
 18.29 to the base. This appropriation is available
 18.30 until expended. An annual report on the
 18.31 expenditure of these funds must be submitted
 18.32 to the governor and the chairs of the senate
 18.33 and house committees responsible for higher
 18.34 education and economic development by
 18.35 June 30 of each fiscal year.

19.1 Subd. 6. Academic Health Center

19.2 The appropriation for Academic Health
19.3 Center funding under Minnesota Statutes,
19.4 section 297F.10, is \$22,250,000 each year.

19.5 Sec. 6. MAYO CLINIC

19.6 <u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>1,202,000</u>	<u>\$</u>	<u>1,250,000</u>
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19.7 The amounts that may be spent for each
19.8 purpose are specified in the following
19.9 subdivisions.

19.10 <u>Subd. 2. Medical School</u>		<u>591,000</u>		<u>615,000</u>
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19.11 The state of Minnesota must pay a capitation
19.12 each year for each student who is a resident
19.13 of Minnesota. The appropriation may be
19.14 transferred between years of the biennium to
19.15 accommodate enrollment fluctuations. The
19.16 funding base for this program is \$640,000 in
19.17 fiscal year 2010 and \$665,000 in fiscal year
19.18 2011.

19.19 It is intended that during the biennium the
19.20 Mayo Clinic use the capitation money to
19.21 increase the number of doctors practicing in
19.22 rural areas in need of doctors.

19.23 <u>Subd. 3. Family Practice and Graduate</u>				
19.24 <u>Residency Program</u>		<u>611,000</u>		<u>635,000</u>

19.25 The state of Minnesota must pay stipend
19.26 support for up to 27 residents each year. The
19.27 funding base for this program is \$660,000 in
19.28 fiscal year 2010 and \$686,000 in fiscal year
19.29 2011.

19.30 Sec. 7. LEGISLATIVE COMMISSION ON POSTSECONDARY FUNDING.

19.31 Subdivision 1. Membership. A 12-member legislative commission on
19.32 postsecondary funding is established consisting of six members of the house of

representatives appointed by the speaker and six members of the senate appointed by the Subcommittee on Committees of the Committee on Rules and Administration. The commission may elect a chair and other officers as necessary.

Subd. 2. **Charge.** The commission must develop an alternative funding formula or funding method for postsecondary education that creates incentives for high quality postsecondary education while maintaining access for students. In developing the formula or funding method, the commission must consider and address:

(1) both institutional aid and direct student aid;

(2) the major cost drivers in postsecondary education, such as inflation and enrollment;

(3) federal postsecondary funding and tax incentives for postsecondary education; and

(4) funding the formula or funding method within the projected constraints on the state budget in the coming decade.

Subd. 3. **Report.** The commission must report its recommendations to the house Division on Higher Education and Workforce Development Policy and Finance, and the senate Higher Education Budget and Policy Division by June 30, 2008.

Subd. 4. **Expiration.** The commission expires June 30, 2008.

Sec. 8. UNIVERSITY OF MINNESOTA MINNEAPOLIS AREA NEIGHBORHOOD ALLIANCE.

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

(b) "Alliance" means a representative body of the constituencies, including, but not limited to, the University of Minnesota, the city of Minneapolis, and the recognized neighborhood organizations and business associations referenced in the report.

(c) "Board" means the Board of Regents of the University of Minnesota.

(d) "Report" means the report and appendix entitled Moving Forward Together: University of Minnesota Minneapolis Area Neighborhood Impact Report, submitted to the legislature in February 2007.

(e) "University partnership district" or "district" means the area located within the city that includes the neighborhoods of Cedar-Riverside, Marcy-Holmes, South East Como, Prospect Park, and University, as they are defined by the city, and the university's Minneapolis campus.

(f) "Tier two impact zone" means the neighborhoods of northeast Minneapolis that house significant numbers of university students and staff. Transportation and housing

21.1 policy analysis and planning must include these areas but they must not be included in
21.2 the projects funded through the alliance.

21.3 (g) "University" means the University of Minnesota.

21.4 Subd. 2. **Alliance; functions.** The alliance may facilitate, initiate, or manage
21.5 projects with the board, city, or other public or private entities that are intended to
21.6 maintain the university partnership district as a viable place to study, research, and live.
21.7 Projects may include, but are not limited to, those outlined in the report, as well as
21.8 efforts to involve students in activities to maintain and improve the university partnership
21.9 district; cooperative university and university partnership district long-term planning; and
21.10 incentives to increase homeownership within the district with particular emphasis on
21.11 employees of the university and of other major employers located within the district.

21.12 Subd. 3. **Report.** The board must report to the legislature by January 15, 2009, on
21.13 the expenditure of funds appropriated under section 3.

21.14 ARTICLE 2

21.15 MINNESOTA GI BILL FOR VETERANS

21.16 Section 1. Minnesota Statutes 2006, section 136A.01, subdivision 2, is amended to
21.17 read:

21.18 Subd. 2. **Responsibilities.** The Minnesota Office of Higher Education is responsible
21.19 for:

21.20 (1) necessary state level administration of financial aid and Minnesota GI Bill
21.21 programs, including accounting, auditing, and disbursing state and federal financial aid
21.22 funds, and reporting on financial aid programs to the governor and the legislature;

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

21.25 (3) administering the Learning Network of Minnesota;

21.26 (4) negotiating and administering reciprocity agreements;

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

21.29 (6) collecting and maintaining student enrollment and financial aid data and
21.30 reporting data on students and postsecondary institutions to develop and implement a
21.31 process to measure and report on the effectiveness of postsecondary institutions;

21.32 (7) administering the federal programs that affect students and institutions on a
21.33 statewide basis; and

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

22.1 **EFFECTIVE DATE.** This section is effective July 1, 2007, and applies to
22.2 qualifying coursework taken on or after that date.

22.3 Sec. 2. **[197.791] MINNESOTA GI BILL PROGRAM.**

22.4 Subdivision 1. **Policy.** It is the policy of the state of Minnesota to provide
22.5 postsecondary educational assistance to Minnesota veterans who have provided honorable
22.6 service to this state and nation as members of the United States armed forces, whether
22.7 in peacetime or in war, and to the spouses and children of Minnesota veterans who have
22.8 become severely disabled or deceased during or as the direct result of military service.

22.9 Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.

22.10 (b) "Commissioner" means the commissioner of veterans affairs, unless otherwise
22.11 specified.

22.12 (c) "Cost of attendance" for both undergraduate and graduate students has the
22.13 meaning given in section 136A.121, subdivision 6, multiplied by a factor of 1.2.

22.14 (d) "Child" means a natural or adopted child of a person described in subdivision 5,
22.15 paragraph (a), clause (1), item (i) or (ii).

22.16 (e) "Director" means the director of the Minnesota Office of Higher Education.

22.17 (f) "Eligible institution" means a postsecondary institution located in this state
22.18 that either (1) is operated by this state; or (2) is operated publicly or privately and, as
22.19 determined by the office, maintains academic standards substantially equivalent to those
22.20 of comparable institutions operated in this state.

22.21 (g) "Eligible student" means a person who:

22.22 (1) if the student is an undergraduate student, has applied for the federal Pell Grant
22.23 and the Minnesota State Grant;

22.24 (2) is maintaining satisfactory academic progress as defined by the institution for
22.25 students participating in federal Title IV programs;

22.26 (3) is enrolled in an education program leading to a certificate, diploma, or degree
22.27 at an eligible institution;

22.28 (4) has applied for educational assistance under the Minnesota GI Bill program prior
22.29 to the end of the academic term for which the assistance is being requested.

22.30 (5) is in compliance with child support payment requirements under section
22.31 136A.121, subdivision 2, clause (5).

22.32 (h) "Part-time student" means an undergraduate student enrolled for fewer than 12
22.33 credits in a semester or the equivalent, or a graduate student as defined by the student's
22.34 eligible institution.

23.1 (i) "Program" means the Minnesota GI Bill program established in this section,
23.2 unless otherwise specified.

23.3 (j) "Service-connected" has the meaning given by the United States Department
23.4 of Veterans Affairs.

23.5 (k) "Veteran" has the meaning given in section 197.447, and also includes a service
23.6 member who has fulfilled the requirements for being a veteran but is still serving actively
23.7 in the United States armed forces.

23.8 Subd. 3. **Program established.** There is established a program to provide
23.9 postsecondary educational assistance to eligible Minnesota veterans and to the children
23.10 and spouses of deceased and severely disabled Minnesota veterans. This program may be
23.11 cited as the "Minnesota GI Bill program."

23.12 The director, in consultation with the commissioner and in cooperation with
23.13 eligible postsecondary educational institutions, shall expend a biennial appropriation
23.14 for the purpose of providing postsecondary educational assistance to eligible persons
23.15 in accordance with this program. Each public postsecondary educational institution in
23.16 the state must participate in the program and each private postsecondary educational
23.17 institution in the state is encouraged to participate in the program. Any participating
23.18 private institution may suspend or terminate its participation in the program at the end
23.19 of any semester or other academic term.

23.20 Subd. 4. **Duties; responsibilities.** (a) The director, in consultation with the
23.21 commissioner, shall establish policies and procedures including, but not limited to,
23.22 procedures for student application record keeping, information sharing, payment to
23.23 participating eligible institutions, and other procedures the director considers appropriate
23.24 and necessary for effective and efficient administration of the program established in
23.25 this section.

23.26 (b) The director, in consultation with the commissioner, may delegate part or
23.27 all of the administrative procedures for the program to responsible representatives of
23.28 participating eligible institutions.

23.29 Subd. 5. **Eligibility.** (a) A person is eligible for educational assistance under this
23.30 section if:

23.31 (1) the person is:

23.32 (i) a veteran who is serving or has served honorably in any branch or unit of the
23.33 United States armed forces at any time on or after August 2, 1990;

23.34 (ii) a nonveteran who has served honorably for a total of 16 years or more
23.35 cumulatively as a member of the Minnesota national guard or any other active or reserve

24.1 component of the United States armed forces, and any part of that service occurred on
24.2 or after August 2, 1990;

24.3 (iii) the surviving spouse or child of a person described in (i) or (ii) who has died as
24.4 a direct result of that military service; or

24.5 (iv) the spouse or child of a person described in (i) or (ii) who has a total
24.6 and permanent service-connected disability as rated by the United States veterans
24.7 administration;

24.8 (2) the person described in clause (1), item (i) or (ii), had Minnesota as the person's
24.9 state of residence at the time of the person's initial enlistment or any reenlistment in
24.10 the United States armed forces;

24.11 (3) the person receiving the educational assistance is a Minnesota resident, as
24.12 defined in section 136A.101, subdivision 8; and

24.13 (4) the person receiving the educational assistance is an eligible student.

24.14 (b) A person's eligibility terminates when the person becomes eligible for benefits
24.15 under section 135A.52.

24.16 (c) As proof of honorable service and disability or death status for a veteran or
24.17 service member, the director, by policy and in consultation with the commissioner, may
24.18 require official documentation, including the person's federal form DD-214 or other official
24.19 military discharge papers, correspondence from the United States veterans administration,
24.20 birth certificate, marriage certificate, proof of enrollment at an eligible institution, signed
24.21 affidavits, proof of residency, proof of identity, or any other official documentation the
24.22 director considers necessary to determine an applicant's eligibility status.

24.23 (d) The director, in consultation with the commissioner, may deny eligibility or
24.24 terminate benefits under this section to any person who has not provided sufficient proof of
24.25 eligibility for the program. An applicant may appeal the director's eligibility determination
24.26 in writing to the director at any time. The director must rule on any application or appeal
24.27 within 30 days of receipt of all documentation that the director requires. Upon receiving
24.28 an application with insufficient documentation, the director must notify the applicant
24.29 within 30 days of receipt of the application that the application is being suspended pending
24.30 receipt by the director of sufficient documentation from the applicant. The decision of the
24.31 director regarding an appeal is final; however, an applicant whose appeal of an eligibility
24.32 determination has been rejected by the director may submit an additional appeal of that
24.33 determination in writing to the director at any time that the applicant is able to provide
24.34 substantively significant additional information relating to the person's eligibility for the
24.35 program. An approval of an applicant's eligibility by the director following an appeal by

the applicant is not retroactively effective beyond the later of one year previously or the semester of the person's original application.

Subd. 6. **Benefit amount.** (a) On approval by the director of an applicant's eligibility for the program, the applicant shall be awarded, on a funds-available basis, the educational assistance under the program for use at any time according to program rules at any eligible institution. Eligibility for the program terminates upon exhaustion of a person's benefits as specified in paragraph (c).

(b) The amount of educational assistance in any semester or term for an eligible person must be determined by subtracting from the eligible person's cost of attendance at that eligible public institution, or in the case of an eligible private institution the cost of attendance for a comparable program at the Twin Cities campus of the University of Minnesota, the amount the person received or was eligible to receive in that semester or term from:

(1) the federal Pell Grant;

(2) the state grant under section 136A.121; and

(3) any federal military or veterans educational benefits, including, but not limited to, the Montgomery GI Bill, GI Bill Kicker, the federal tuition assistance program, vocational rehabilitation benefits, and any other federal benefits associated with the person's status as a veteran, except veterans disability payments from the United States Department of Veterans Affairs.

(c) The amount of education assistance for any eligible person must not exceed any of the following amounts:

(1) \$1,250 per semester or term of enrollment, or in the case of a part-time student \$625 per semester or term of enrollment;

(2) \$3,570 per state fiscal year; and

(3) \$10,000 total.

EFFECTIVE DATE. This section is effective July 1, 2007, and applies to qualifying coursework taken on or after that date.

Sec. 3. ANNUAL REVIEW AND RECOMMENDATION.

The commissioner of veterans affairs, in consultation with the director of higher education, must annually review veterans' participation level in and expenditures for the Minnesota GI Bill program in Minnesota Statutes, section 197.791, and, by January 15 each year, must make recommendations to the chairs of the senate and house committees having oversight responsibility for veterans affairs regarding adjustment of individual benefit levels and program funding.

ARTICLE 3

RELATED HIGHER EDUCATION

Section 1. Minnesota Statutes 2006, section 13.322, subdivision 3, is amended to read:

Subd. 3. **Minnesota Office of Higher Education.** (a) **General.** Data sharing involving the Minnesota Office of Higher Education and other institutions is governed by ~~sections~~ section 136A.05 ~~and 136A.08, subdivision 8.~~

(b) **Student financial aid.** Data collected and used by the Minnesota Office of Higher Education on applicants for financial assistance are classified under section 136A.162.

(c) **Minnesota college savings plan data.** Account owner data, account data, and data on beneficiaries of accounts under the Minnesota college savings plan are classified under section 136G.05, subdivision 10.

(d) **School financial records.** Financial records submitted by schools registering with the Minnesota Office of Higher Education are classified under section 136A.64.

(e) **Enrollment and financial aid data.** Data collected from eligible institutions on student enrollment and federal and state financial aid are governed by sections 136A.121, subdivision 18, and 136A.1701, subdivision 11.

Sec. 2. Minnesota Statutes 2006, section 16B.70, is amended by adding a subdivision to read:

Subd. 4. **Construction management education surcharge and account.** (a) For nonresidential construction building permits, the surcharge under subdivision 1 is increased by an amount equal to one-quarter mill (.00025) of the fee or 25 cents, whichever amount is greater, and designated for and deposited in the construction management education account.

(b) The construction management education account is created as an account in the special revenue fund, administered by the Minnesota Office of Higher Education for the purpose of enhancing construction management education in public postsecondary institutions. Funds in the account are appropriated to the director of the Minnesota Office of Higher Education for the purposes of section 136A.127.

Sec. 3. Minnesota Statutes 2006, section 41D.01, subdivision 1, is amended to read:

Subdivision 1. **Establishment; membership.** (a) The Minnesota Agriculture Education Leadership Council is established. The council is composed of ~~16~~ 17 members as follows:

- 27.1 (1) the chair of the University of Minnesota agricultural education program;
27.2 (2) a representative of the commissioner of education;
27.3 (3) a representative of the Minnesota State Colleges and Universities recommended
27.4 by the chancellor;
27.5 (4) the president and the president-elect of the Minnesota Association of Agriculture
27.6 Educators;
27.7 (5) a representative of the Future Farmers of America Foundation;
27.8 (6) a representative of the commissioner of agriculture;
27.9 (7) the dean of the College of Agriculture, Food, and Environmental Sciences at the
27.10 University of Minnesota;
27.11 (8) a representative of the Minnesota Private Colleges Council;
27.12 (9) two members representing agriculture education and agriculture business
27.13 appointed by the governor;
27.14 ~~(9)~~ (10) the chair of the senate Committee on Agriculture, General Legislation
27.15 and Veterans Affairs;
27.16 ~~(10)~~ (11) the chair of the house Committee on Agriculture;
27.17 ~~(11)~~ (12) the ranking minority member of the senate Committee on Agriculture,
27.18 General Legislation and Veterans Affairs, and a member of the senate Education
27.19 Committee designated by the Subcommittee on Committees of the Committee on Rules
27.20 and Administration; and
27.21 ~~(12)~~ (13) the ranking minority member of the house Agriculture Committee, and a
27.22 member of the house Education Committee designated by the speaker.
27.23 (b) An ex officio member of the council under paragraph (a), clause (1), (4), (7),
27.24 ~~(9)~~, (10), (11), ~~or~~ (12), or (13), may designate a permanent or temporary replacement
27.25 member representing the same constituency.

27.26 Sec. 4. Minnesota Statutes 2006, section 135A.031, subdivision 7, is amended to read:

27.27 Subd. 7. **Reports.** Instructional expenditure and enrollment data ~~for each~~
27.28 ~~instructional category~~ shall be submitted by the public postsecondary systems to the
27.29 Minnesota Office of Higher Education and the Department of Finance and included in the
27.30 biennial budget document. The specific data shall be submitted only after the director of
27.31 the Minnesota Office of Higher Education has consulted with a data advisory task force to
27.32 determine the need, content, and detail of the information.

27.33 Sec. 5. [135A.043] RESIDENT TUITION.

28.1 (a) A student shall qualify for a resident tuition rate or its equivalent at state
28.2 universities and colleges, including the University of Minnesota, if the student meets
28.3 all of the following requirements:

28.4 (1) high school attendance within the state for three or more years;

28.5 (2) graduation from a state high school or attainment within the state of the
28.6 equivalent of high school graduation; and

28.7 (3) registration as an entering student at, or current enrollment in, a public institution
28.8 of higher education.

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

28.12 **EFFECTIVE DATE.** This section is effective the day following final enactment
28.13 and applies to tuition for school terms commencing on or after that date.

28.14 Sec. 6. Minnesota Statutes 2006, section 135A.053, subdivision 2, is amended to read:

28.15 Subd. 2. **Performance and accountability.** Higher education systems and
28.16 campuses are expected to achieve the objectives in subdivision 1 and will be held
28.17 accountable for doing so. The legislature is increasing the flexibility of the systems and
28.18 campuses to provide greater responsibility to higher education in deciding how to achieve
28.19 statewide objectives, and to decentralize authority so that those decisions can be made
28.20 at the level where the education is delivered. ~~To demonstrate their accountability, the~~
28.21 ~~legislature expects each system and campus to measure and report on its performance,~~
28.22 ~~using meaningful indicators that are critical to achieving the objectives in subdivision 1,~~
28.23 ~~as provided in section 135A.033.~~ Nothing in this section precludes a system or campus
28.24 from determining its own objectives and performance measures beyond those identified
28.25 in this section.

28.26 Sec. 7. **[135A.104] STUDENT READINESS FOR COLLEGE.**

28.27 To reduce students' and the state of Minnesota's remedial education costs and
28.28 encourage students to take an academically sound high school curriculum, the Minnesota
28.29 State Colleges and Universities, in cooperation with the commissioner of education, must
28.30 offer the assessment of college readiness test to high school students. The test must be
28.31 offered to students no later than the 11th grade, allowing the students to makeup any
28.32 identified deficiencies while they are still in high school.

28.33 Sec. 8. Minnesota Statutes 2006, section 135A.14, subdivision 1, is amended to read:

29.1 Subdivision 1. **Definitions.** As used in this section, the following terms have the
29.2 meanings given them.

29.3 (a) "Administrator" means the administrator of the institution or other person with
29.4 general control and supervision of the institution.

29.5 (b) "Public or private postsecondary educational institution" or "institution" means
29.6 any of the following institutions having an enrollment of more than 100 persons during
29.7 any quarter, term, or semester during the preceding year: (1) the University of Minnesota;
29.8 (2) the state universities; (3) the state community colleges; (4) public technical colleges;
29.9 (5) private four-year, professional and graduate institutions; (6) private two-year colleges;
29.10 and (7) schools subject to either chapter 141, sections ~~136A.61~~ 136A.615 to 136A.71, or
29.11 schools exempt under section 136A.657, and which offer educational programs within the
29.12 state for an academic year greater than six consecutive months. An institution's report to
29.13 the Minnesota Office of Higher Education or the Minnesota Department of Education may
29.14 be considered when determining enrollment.

29.15 (c) "Student" means a person born after 1956 who did not graduate from a Minnesota
29.16 high school in 1997 or later, and who is (1) registering for more than one class during
29.17 a full academic term, such as a quarter or a semester or (2) housed on campus and is
29.18 registering for one or more classes. Student does not include persons enrolled in extension
29.19 classes only or correspondence classes only.

29.20 Sec. 9. Minnesota Statutes 2006, section 135A.51, subdivision 2, is amended to read:

29.21 Subd. 2. **Senior citizen.** "Senior citizen" means a person who has reached 62 years
29.22 of age before the beginning of any term, semester or quarter, in which a course of study
29.23 is pursued, or a person receiving a railroad retirement annuity who has reached 60 years
29.24 of age before the beginning of the term.

29.25 Sec. 10. Minnesota Statutes 2006, section 135A.52, subdivision 1, is amended to read:

29.26 Subdivision 1. **Fees and tuition.** Except for an administration fee established by the
29.27 governing board at a level to recover costs, to be collected only when a course is taken for
29.28 credit, a senior citizen who is a legal resident of Minnesota is entitled without payment
29.29 of tuition or activity fees to attend courses offered for credit, audit any courses offered
29.30 for credit, or enroll in any noncredit courses in any state supported institution of higher
29.31 education in Minnesota when space is available after all tuition-paying students have been
29.32 accommodated. A senior citizen enrolled under this section must pay any materials,
29.33 personal property, or service charges for the course. In addition, a senior citizen who is
29.34 enrolled in a course for credit must pay an administrative fee in an amount established

by the governing board of the institution to recover ~~the course~~ costs. There shall be no administrative fee charges to a senior citizen auditing a course. For the purposes of this section and section 135A.51, the term "noncredit courses" shall not include those courses designed and offered specifically and exclusively for senior citizens.

The provisions of this section and section 135A.51 do not apply to noncredit courses designed and offered by the University of Minnesota, and the Minnesota State Colleges and Universities specifically and exclusively for senior citizens. Senior citizens enrolled under the provisions of this section and section 135A.51 shall not be included by such institutions in their computation of full-time equivalent students when requesting staff or appropriations.

Sec. 11. Minnesota Statutes 2006, section 135A.52, subdivision 2, is amended to read:

Subd. 2. **Term; income of senior citizens.** (a) Except under paragraph (b), there shall be no limit to the number of terms, quarters or semesters a senior citizen may attend courses, nor income limitation imposed in determining eligibility.

(b) A senior citizen enrolled in a closed enrollment contract training ~~or professional continuing education~~ program is not eligible for benefits under subdivision 1.

Sec. 12. **[136A.002] DEFINITIONS.**

Subdivision 1. **Scope.** For purposes of this chapter, the terms defined in this section have the meanings given them.

Subd. 2. **Office of Higher Education or office.** "Office of Higher Education" or "office" means the Minnesota Office of Higher Education.

Sec. 13. Minnesota Statutes 2006, section 136A.01, subdivision 2, is amended to read:

Subd. 2. **Responsibilities.** The Minnesota Office of Higher Education is responsible for:

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

(2) approval, registration, licensing, and financial aid eligibility of private collegiate and career schools, under sections ~~136A.61~~ 136A.615 to 136A.71 and chapter 141;

(3) administering the Learning Network of Minnesota;

(4) negotiating and administering reciprocity agreements;

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

31.1 (6) collecting and maintaining student enrollment and financial aid data and
31.2 reporting data on students and postsecondary institutions to develop and implement a
31.3 process to measure and report on the effectiveness of postsecondary institutions;

31.4 (7) administering the federal programs that affect students and institutions on a
31.5 statewide basis; and

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

31.8 Sec. 14. Minnesota Statutes 2006, section 136A.031, subdivision 5, is amended to read:

31.9 Subd. 5. **Expiration.** Notwithstanding section 15.059, subdivision 5, the advisory
31.10 groups established in this section do not expire ~~on June 30, 2007.~~

31.11 Sec. 15. Minnesota Statutes 2006, section 136A.0411, is amended to read:

31.12 **136A.0411 COLLECTING FEES.**

31.13 The office may charge fees for seminars, conferences, workshops, services, and
31.14 materials. The office may collect fees for registration and licensure of private institutions
31.15 under sections ~~136A.61~~ 136A.615 to 136A.71 and chapter 141. The money is annually
31.16 appropriated to the office.

31.17 Sec. 16. Minnesota Statutes 2006, section 136A.08, subdivision 7, is amended to read:

31.18 Subd. 7. **Reporting.** The Minnesota Office of Higher Education must annually,
31.19 before the last day in January, submit a report to the committees in the house of
31.20 representatives and the senate with responsibility for higher education finance on:

31.21 (1) participation in the tuition reciprocity program by Minnesota students and
31.22 students from other states attending Minnesota postsecondary institutions under a
31.23 reciprocity agreement;

31.24 (2) reciprocity and resident tuition rates at each institution; ~~and~~

31.25 (3) interstate payments and obligations for each state participating in the tuition
31.26 reciprocity program in the prior year; and

31.27 (4) summary statistics on number of graduates by institution, degree granted, and
31.28 year of graduation for reciprocity students who attended Minnesota postsecondary
31.29 institutions.

31.30 Sec. 17. Minnesota Statutes 2006, section 136A.101, subdivision 4, is amended to read:

31.31 Subd. 4. **Eligible institution.** "Eligible institution" means a postsecondary
31.32 educational institution located in this state or in a state with which the office has entered

32.1 into a higher education reciprocity agreement on state student aid programs that ~~either~~ (1)
32.2 is operated by this state or the Board of Regents of the University of Minnesota, or (2) is
32.3 operated ~~publicly or~~ privately and, as determined by the office, meets all of the following:
32.4 (i) maintains academic standards substantially equivalent to those of comparable
32.5 institutions operated in this state; (ii) is licensed or registered as a postsecondary institution
32.6 by the office or another state agency; and (iii) by July 1, 2011, is participating in the federal
32.7 Pell Grant program under Title IV of the Higher Education Act of 1965, as amended.

32.8 Sec. 18. Minnesota Statutes 2006, section 136A.121, subdivision 5, is amended to read:

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

32.14 (1) the assigned student responsibility of at least ~~46~~ 45.5 percent of the cost of
32.15 attending the institution of the applicant's choosing;

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

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

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

32.19 Sec. 19. Minnesota Statutes 2006, section 136A.125, subdivision 2, is amended to read:

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

32.22 (1) is a resident of the state of Minnesota;

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

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

32.28 (4) has not earned a baccalaureate degree and has been enrolled full time less than
32.29 eight semesters or the equivalent;

32.30 (5) is pursuing a nonsectarian program or course of study that applies to an
32.31 undergraduate degree, diploma, or certificate;

32.32 (6) is enrolled at least half time in an eligible institution; and

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

(b) A student who withdraws from enrollment for active military service is entitled to an additional semester or the equivalent of grant eligibility and will be considered to be in continuing enrollment status upon return.

Sec. 20. **[136A.126] TEACHER EDUCATION AND COMPENSATION HELPS; MINNESOTA EARLY CHILDHOOD TEACHER RETENTION PROGRAMS.**

Subdivision 1. **TEACH.** The teacher education and compensation helps program (TEACH) is established to provide tuition scholarships, education incentives, and an early childhood teacher retention program to provide retention incentives to early care and education providers. The director shall make a grant with appropriations for this purpose to a nonprofit organization licensed to administer the TEACH early childhood program.

Subd. 2. **Program components.** (a) The nonprofit organization must use the grant for:

(1) tuition scholarships up to \$5,000 per year for courses leading to the nationally recognized child development associate credential or college-level courses leading to an associate's or bachelor's degree in early childhood development and school-age care; and

(2) education incentives of a minimum of \$100 to participants in the tuition scholarship program if they complete a year of working in the early care and education field.

(b) Applicants for the scholarship must be employed by a licensed early childhood or child care program and working directly with children, a licensed family child care provider, or an employee in a school-age program exempt from licensing under section 245A.03, subdivision 2, clause (12). Lower wage earners must be given priority in awarding the tuition scholarships. Scholarship recipients must contribute ten percent of the total scholarship and must be sponsored by their employers, who must also contribute ten percent of the total scholarship. Scholarship recipients who are self-employed must contribute 20 percent of the total scholarship.

(c) The organization must also use the grant for teacher retention incentives of \$1,000 to \$3,500 annually to be paid biannually. Applicants for the retention incentives must be employed by a licensed early childhood or child care program and working directly with children, a licensed family child care provider, or an employee in a school-age program exempt from licensing under section 245A.03, subdivision 2, clause (12). Lower wage earners must be given priority for the retention incentives. The amount of the retention incentive must be based on the applicant's level of education at the time of application. A provider is eligible for the retention incentive if the provider:

34.1 (1) has worked in the field for at least one year and has been working at the same
34.2 location for at least one year at the time of application;

34.3 (2) agrees to remain in the provider's current position for a period of at least one
34.4 year; and

34.5 (3) has an associate's or bachelor's degree or a child development associate's degree.

34.6 Subd. 3. **Advisory committee.** The TEACH early childhood and Minnesota early
34.7 childhood teacher retention programs must have an advisory board as prescribed by the
34.8 national TEACH organization.

34.9 Sec. 21. **[136A.127] CONSTRUCTION MANAGEMENT EDUCATION**
34.10 **PROGRAM.**

34.11 Subdivision 1. **Construction Management Education Account Advisory**
34.12 **Committee.** The director must establish an advisory committee for the construction
34.13 management education account. Members of the committee must include: the executive
34.14 vice-president of the Minnesota Mechanical Contractors association or designee, a
34.15 chapter manager of one of the Minnesota chapters of the National Electrical Contractors
34.16 Association or designee, the executive director of the Associated General Contractors of
34.17 Minnesota or designee, two members of the nonresidential construction industry, and a
34.18 construction management program coordinator or director from an accredited construction
34.19 management program in the Minnesota State Colleges and Universities. Members serve
34.20 three-year terms. Advisory committee members are reimbursed for expenses related to
34.21 committee activities. The director may accept funds from federal, state, or local public
34.22 agencies, or from private foundations or individuals for deposit into the construction
34.23 management education account under section 16B.70. All money in the account must
34.24 be used for the purposes of this section.

34.25 Subd. 2. **Grants.** Grants from the construction management education account must
34.26 be used to maintain and increase the quality and availability of education programs for
34.27 the construction industry by awarding grants to accredited construction management
34.28 programs in the Minnesota State Colleges and Universities. Grants must be used to
34.29 maintain and upgrade facilities and provide greater industry access to modern construction
34.30 standards and management practices. In making grants, the director, in consultation with
34.31 the committee, must:

34.32 (1) confirm the qualifications of any program applying for a grant;

34.33 (2) affirm applications for American Council for Construction Education
34.34 accreditation and, when funds are available, award grants to complete the accreditation
34.35 process;

(3) promote close ties between technical and community colleges and four-year construction management programs; and

(4) support the development of new educational programs with specific emphasis on outreach to the construction industry at large.

Subd. 3. **Grant awards.** (a) The committee may award grants to a Minnesota State Colleges and Universities institution to support construction management education and to promote outreach and continuing education in the construction industry.

(b) An eligible institution must provide one of the following:

(1) a bachelor of science construction management degree accredited by the American Council for Construction Education;

(2) a degree with an American Council for Construction Education accredited option, including, but not limited to, Engineering Technology and Industrial Technology;

(3) a bachelor of science degree program documenting placement of more than 50 percent of their graduates with Minnesota nonresidential contractors; and

(4) the development of a construction management curriculum to meet the American Council for Construction Education criteria.

(c) Grant awards may be made as follows:

(1) \$3,000 per graduate during the past academic year up to a maximum of \$100,000 for institutions qualifying under paragraph (b), clause (1);

(2) \$3,000 per graduate during the past academic year up to a maximum of \$100,000 for institutions qualifying under paragraph (b), clause (2);

(3) \$3,000 per graduate placed with Minnesota nonresidential contractors during the past academic year to a maximum of \$20,000 for institutions qualifying under paragraph (b), clause (3);

(4) up to \$25,000 for the purpose of becoming accredited by the American Council for Construction Education for two years which may be renewed if the institution is continuing progress towards accreditation; and

(5) for faculty recruitment and development in construction management programs, including support for postgraduate work leading to advanced degrees, visiting lecturer compensation and expenses, teaching assistant positions, and faculty positions; and

(6) to support general classroom and laboratory operating expenses.

Grants may only be awarded from the construction management education account to the extent that funds are available. No other state funding may be provided for these grants.

Subd. 4. **Reports.** (a) The director must annually report to the committees of the legislature responsible for higher education finance by January 15. The report must

include the names of the public postsecondary educational institutions receiving grants, the amount of the grant, the purposes for each grant, the number of students served, and the number of placements made to the construction industry for the previous academic year.

(b) After receiving an initial grant, the president of the public postsecondary educational institution must annually submit a report to the director listing the amount of all past grants awarded from the construction management education account and the uses of those funds. The report must be submitted with a request for a new or continuing grant and at a minimum must include the following:

(1) the number of graduates placed with the Minnesota contractors during the previous academic year;

(2) the expected enrollment in construction management courses in the upcoming academic year; and

(3) continuing education and extension courses offered in construction management during the previous academic year and their enrollments.

Subd. 5. **Administration.** Up to \$15,000 per year from the construction management education account may be used for the administration of this program.

Sec. 22. Minnesota Statutes 2006, section 136A.15, subdivision 1, is amended to read:

Subdivision 1. **Scope.** For purposes of sections 136A.15 to ~~136A.1702~~ 136A.1701, the terms defined in this section have the meanings ~~ascribed to~~ given them.

Sec. 23. Minnesota Statutes 2006, section 136A.15, subdivision 6, is amended to read:

Subd. 6. **Eligible institution.** "Eligible institution" means a postsecondary educational institution that ~~either~~ (1) is operated or regulated by this state; or the Board of Regents of the University of Minnesota; (2) is operated publicly or privately in another state, is approved by the United States Secretary of Education, and, as determined by the office, maintains academic standards substantially equal to those of comparable institutions operated in this state; (3) is licensed or registered as a postsecondary institution by the office or another state agency; and (4) by July 1, 2011, is participating in the federal Pell Grant program under Title IV of the Higher Education Act of 1965, as amended. It also includes any institution chartered in a province.

Sec. 24. Minnesota Statutes 2006, section 136A.16, subdivision 1, is amended to read:

Subdivision 1. **Designation.** Notwithstanding chapter 16C, the Minnesota Office of Higher Education is designated as the administrative agency for carrying out the purposes

37.1 and terms of sections 136A.15 to ~~136A.1702~~ 136A.1701. The office may establish one
37.2 or more loan programs.

37.3 Sec. 25. Minnesota Statutes 2006, section 136A.16, subdivision 2, is amended to read:

37.4 Subd. 2. **Rules.** The office shall adopt policies and prescribe appropriate rules to
37.5 carry out the purposes of sections 136A.15 to ~~136A.1702~~ 136A.1701. The policies and
37.6 rules except as they relate to loans under section 136A.1701 must be compatible with
37.7 the provisions of the National Vocational Student Loan Insurance Act of 1965 and the
37.8 provisions of title IV of the Higher Education Act of 1965, and any amendments thereof.

37.9 Sec. 26. Minnesota Statutes 2006, section 136A.16, subdivision 5, is amended to read:

37.10 Subd. 5. **Agencies.** The office may contract with guarantee agencies, insurance
37.11 agencies, collection agencies, or any other person, to carry out the purposes of sections
37.12 136A.15 to ~~136A.1702~~ 136A.1701.

37.13 Sec. 27. Minnesota Statutes 2006, section 136A.16, subdivision 8, is amended to read:

37.14 Subd. 8. **Investment.** Money made available to the office that is not immediately
37.15 needed for the purposes of sections 136A.15 to ~~136A.1702~~ 136A.1701 may be invested
37.16 by the office. The money must be invested in bonds, certificates of indebtedness, and
37.17 other fixed income securities, except preferred stocks, which are legal investments for the
37.18 permanent school fund. The money may also be invested in prime quality commercial
37.19 paper that is eligible for investment in the state employees retirement fund. All interest
37.20 and profits from such investments inure to the benefit of the office or may be pledged for
37.21 security of bonds issued by the office or its predecessor, the Minnesota Higher Education
37.22 Coordinating Board.

37.23 Sec. 28. Minnesota Statutes 2006, section 136A.16, subdivision 9, is amended to read:

37.24 Subd. 9. **Staff.** The office may employ the professional and clerical staff the
37.25 director deems necessary for the proper administration of the loan programs established
37.26 and defined by sections 136A.15 to ~~136A.1702~~ 136A.1701.

37.27 Sec. 29. Minnesota Statutes 2006, section 136A.16, subdivision 10, is amended to read:

37.28 Subd. 10. **Director.** Subject to its directives and review, the office may delegate to
37.29 the director the responsibility for issuance of public information concerning provisions of
37.30 sections 136A.15 to ~~136A.1702~~ 136A.1701, for design of loan application forms, and for
37.31 prescribing procedures for submission of applications for loans.

38.1 Sec. 30. Minnesota Statutes 2006, section 136A.17, subdivision 1, is amended to read:

38.2 Subdivision 1. **Eligibility.** A student is eligible to apply for a loan under sections
38.3 136A.15 to ~~136A.1702~~ 136A.1701 if the office finds that the student is an eligible student
38.4 as defined in those sections and is eligible for a loan under federal laws and regulations
38.5 governing the federal guaranteed student loan programs.

38.6 Sec. 31. Minnesota Statutes 2006, section 136A.1701, subdivision 1, is amended to
38.7 read:

38.8 Subdivision 1. **Establishment of program.** The Minnesota Office of Higher
38.9 Education may provide for programs of loans which may be made in lieu of or in addition
38.10 to loans authorized under sections 136A.15 to ~~136A.1702~~ 136A.1701 and applicable
38.11 provisions of federal law as provided in this section.

38.12 Sec. 32. Minnesota Statutes 2006, section 136A.1701, subdivision 2, is amended to
38.13 read:

38.14 Subd. 2. **Purpose of program.** The purpose of the loan programs under this section
38.15 is to provide financial assistance for the postsecondary education of students who are
38.16 eligible students whether or not such students qualify for a loan or loans under other
38.17 provisions of sections 136A.15 to ~~136A.1702~~ 136A.1701.

38.18 Loans granted to students may be used solely for educational purposes.

38.19 Sec. 33. Minnesota Statutes 2006, section 136A.1701, subdivision 5, is amended to
38.20 read:

38.21 Subd. 5. **Maximum loans for students.** Loans made under this section or sections
38.22 136A.15 to ~~136A.1702~~ 136A.1701 to an individual eligible student for vocational study
38.23 may be made for a maximum of three academic years or their equivalent and loans made
38.24 to any other individual eligible student may be made for a maximum of eight academic
38.25 years or their equivalent.

38.26 Sec. 34. **[136A.1704] LOAN FORGIVENESS PROGRAM FOR**
38.27 **SPEECH-LANGUAGE PATHOLOGISTS.**

38.28 Subdivision 1. **Creation of account.** A loan forgiveness program account is
38.29 established in the special revenue fund in the state treasury to promote the recruitment and
38.30 retention of licensed speech-language pathologists to work with students with speech or
38.31 hearing disorders. Money appropriated to this account does not cancel but is available

39.1 until expended. Money in the account is appropriated to the director of the Minnesota
39.2 Office of Higher Education for the purpose of this section.

39.3 Subd. 2. **Eligibility for loan forgiveness.** A student loan administered by the
39.4 Minnesota Office of Higher Education under section 136A.16, subdivision 1, may be
39.5 forgiven if the recipient graduates from a postsecondary institution with a degree in
39.6 speech-language pathology, becomes licensed to work with students with speech and
39.7 hearing disorders as defined in Minnesota Rules, part 3525.1343, and is employed as a
39.8 speech-language pathologist with primary responsibilities to work with students who are
39.9 diagnosed with speech or hearing disorders.

39.10 Subd. 3. **Loan forgiveness.** (a) To the extent of available appropriations, one-fourth
39.11 of the principal of the outstanding loan amount shall be forgiven for each year of eligible
39.12 employment or a pro rata amount for eligible employment during part of a school year,
39.13 part-time employment, or other eligible part-time work. Loans for \$2,500 or less may be
39.14 forgiven at the rate of up to \$1,250 per year. Employment with the following Minnesota
39.15 schools and programs is eligible for determining loan forgiveness:

39.16 (1) a school or program operated by a school district or a group of school districts;
39.17 (2) a tribal contract school eligible to receive aid according to section 124D.83;
39.18 (3) a charter school;
39.19 (4) a private school;
39.20 (5) a Head Start program;
39.21 (6) an early childhood family education program; or
39.22 (7) a program providing early intervention services to children with disabilities
39.23 who have not entered kindergarten.

39.24 (b) If an eligible recipient has an outstanding loan administered by the Minnesota
39.25 Office of Higher Education, the duty to make payments of principal and interest may
39.26 be deferred during any time period the person is enrolled at least one-half time in an
39.27 advanced degree program in a field related to working with students with speech or
39.28 hearing disabilities. To defer loan obligations, the person shall provide written notification
39.29 to the Minnesota Office of Higher Education.

39.30 (c) The Minnesota Office of Higher Education shall approve the loan forgiveness
39.31 and deferral, and develop procedures to administer the program.

39.32 Sec. 35. Minnesota Statutes 2006, section 136A.233, subdivision 3, is amended to read:

39.33 Subd. 3. **Payments.** Work-study payments shall be made to eligible students by
39.34 postsecondary institutions as provided in this subdivision.

(a) Students shall be selected for participation in the program by the postsecondary institution on the basis of student financial need.

(b) In selecting students for participation, priority must be given to students enrolled for at least 12 credits. In each academic year, a student may be awarded work-study payments for one period of nonenrollment or less than half-time enrollment if the student will enroll on at least a half-time basis during the following academic term.

(c) Students will be paid for hours actually worked and the maximum hourly rate of pay shall not exceed the maximum hourly rate of pay permitted under the federal college work-study program.

(d) Minimum pay rates will be determined by an applicable federal or state law.

(e) The office shall annually establish a minimum percentage rate of student compensation to be paid by an eligible employer.

(f) Each postsecondary institution receiving money for state work-study grants shall make a reasonable effort to place work-study students in employment with eligible employers outside the institution. However, a public employer other than the institution may not terminate, lay off, or reduce the working hours of a permanent employee for the purpose of hiring a work-study student, or replace a permanent employee who is on layoff from the same or substantially the same job by hiring a work-study student.

(g) The percent of the institution's work-study allocation provided to graduate students shall not exceed the percent of graduate student enrollment at the participating institution.

(h) An institution may use up to 30 percent of its allocation for student internships with private, for-profit employers.

Sec. 36. Minnesota Statutes 2006, section 136A.29, subdivision 9, is amended to read:

Subd. 9. **Revenue bonds; limit.** The authority is authorized and empowered to issue revenue bonds whose aggregate principal amount at any time shall not exceed ~~\$800,000,000~~ \$950,000,000 and to issue notes, bond anticipation notes, and revenue refunding bonds of the authority under the provisions of sections 136A.25 to 136A.42, to provide funds for acquiring, constructing, reconstructing, enlarging, remodeling, renovating, improving, furnishing, or equipping one or more projects or parts thereof.

Sec. 37. Minnesota Statutes 2006, section 136A.861, subdivision 1, is amended to read:

Subdivision 1. **Grants.** The director of the Minnesota Office of Higher Education shall award grants to foster postsecondary attendance and retention by providing outreach services to historically underserved students in grades six through 12 and historically

41.1 underrepresented college students. Grants must be awarded to programs that provide
41.2 precollege services, including, but not limited to:

- 41.3 (1) academic counseling;
- 41.4 (2) mentoring;
- 41.5 (3) fostering and improving parental involvement in planning for and facilitating a
41.6 college education;
- 41.7 (4) services for students with English as a second language;
- 41.8 (5) academic enrichment activities;
- 41.9 (6) tutoring;
- 41.10 (7) career awareness and exploration;
- 41.11 (8) orientation to college life;
- 41.12 (9) assistance with high school course selection and information about college
41.13 admission requirements; and
- 41.14 (10) financial aid counseling.

41.15 Grants shall be awarded to postsecondary institutions, professional organizations,
41.16 community-based organizations, or others deemed appropriate by the director.

41.17 Grants shall be awarded for one year and may be renewed for a second year with
41.18 documentation to the Minnesota Office of Higher Education of successful program
41.19 outcomes.

41.20 Sec. 38. Minnesota Statutes 2006, section 136A.861, subdivision 2, is amended to read:

41.21 Subd. 2. **Eligible students.** Eligible students include students in grades six through
41.22 12 who meet one or more of the following criteria:

- 41.23 (1) are counted under section 1124(c) of the Elementary and Secondary Education
41.24 Act of 1965 (Title I);
- 41.25 (2) are eligible for free or reduced-price lunch under the National School Lunch Act;
- 41.26 (3) receive assistance under the Temporary Assistance for Needy Families Law (Title
41.27 I of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996); or
- 41.28 (4) are a member of a group traditionally underrepresented in higher education.

41.29 Eligible undergraduate students include those who met the student eligibility criteria
41.30 as 6th through 12th graders.

41.31 Sec. 39. Minnesota Statutes 2006, section 136A.861, subdivision 3, is amended to read:

41.32 Subd. 3. **Application process.** The director of the Minnesota Office of Higher
41.33 Education shall develop a grant application process. The director shall attempt to support

42.1 projects in a manner that ensures that eligible students throughout the state have access
42.2 to ~~precollege~~ precollege program services.

42.3 The grant application must include, at a minimum, the following information:

42.4 (1) a description of the characteristics of the students to be served reflective of the
42.5 need for services listed in subdivision 1;

42.6 (2) a description of the services to be provided and a timeline for implementation of
42.7 the activities;

42.8 (3) a description of how the services provided will foster postsecondary attendance
42.9 and support postsecondary retention;

42.10 (4) a description of how the services will be evaluated to determine whether the
42.11 program goals were met; and

42.12 (5) other information as identified by the director.

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

42.15 Sec. 40. Minnesota Statutes 2006, section 136A.861, subdivision 6, is amended to read:

42.16 Subd. 6. **Program evaluation.** Each grant recipient must annually submit a report
42.17 to the Minnesota Office of Higher Education delineating its program and student outcome
42.18 goals, and activities implemented to achieve the stated outcomes. The goals must be
42.19 clearly stated and measurable. Grant recipients are required to collect, analyze, and report
42.20 on participation and outcome data that enable the office to verify that the program goals
42.21 were met. The office shall maintain:

42.22 (1) information about successful precollege program and undergraduate student
42.23 retention program activities for dissemination to individuals throughout the state interested
42.24 in adopting or replicating successful program practices; and

42.25 (2) data on the success of the funded projects in increasing the high school
42.26 graduation ~~and~~ college participation, and college graduation rates of students served
42.27 by the grant recipients. The office may convene meetings of the grant recipients, as
42.28 needed, to discuss issues pertaining to the implementation of precollege services and
42.29 undergraduate retention programs.

42.30 Sec. 41. Minnesota Statutes 2006, section 136F.02, subdivision 1, is amended to read:

42.31 Subdivision 1. **Membership.** The board consists of ~~15~~ 17 members appointed by
42.32 the governor with the advice and consent of the senate. At least one member of the board
42.33 must be a resident of each congressional district. Three members must be students who are
42.34 enrolled at least half time in a degree, diploma, or certificate program or have graduated

43.1 from an institution governed by the board within one year of the date of appointment. The
43.2 student members shall include: one member from a community college, one member from
43.3 a state university, and one member from a technical college. Two members must be
43.4 members of the AFL-CIO. The remaining members must be appointed to represent the
43.5 state at large.

43.6 Sec. 42. **[136F.045] UNION MEMBER SELECTION.**

43.7 Notwithstanding section 136F.03, the AFL-CIO has the responsibility for recruiting,
43.8 screening, and recommending qualified candidates for their members of the board. The
43.9 AFL-CIO must develop a statement of selection criteria for board membership and a
43.10 process for recommending candidates. Beginning in 2008, and every six years thereafter,
43.11 the AFL-CIO must recommend four candidates for the two board positions to the governor
43.12 by April 15. The governor must appoint two of the candidates to the board of trustees.

43.13 Sec. 43. Minnesota Statutes 2006, section 136F.42, subdivision 1, is amended to read:

43.14 Subdivision 1. **Time reporting.** As provided in Executive Order 96-2, the board,
43.15 in consultation with the commissioners of employee relations and finance, may develop
43.16 policies to allow system office or campus employees on salaries, as defined in section
43.17 43A.17, subdivision 1, to use negative time reporting in which employees report only that
43.18 time for which leave is taken. ~~By the end of the 1997 fiscal year, the board, in consultation~~
43.19 ~~with the commissioners of employee relations and finance, shall evaluate the use of~~
43.20 ~~negative time reporting and its potential for use with other state employees.~~

43.21 Sec. 44. Minnesota Statutes 2006, section 136F.71, subdivision 2, is amended to read:

43.22 Subd. 2. **Activity funds.** All receipts attributable to the state colleges and
43.23 universities activity funds ~~and deposited in the state treasury~~ are appropriated to the board
43.24 and are not subject to budgetary control as exercised by the commissioner of finance.

43.25 Sec. 45. Minnesota Statutes 2006, section 136F.71, is amended by adding a subdivision
43.26 to read:

43.27 Subd. 4. **Banking services.** Notwithstanding section 16A.27, the board shall
43.28 have authority to control the amount and manner of deposit of all receipts described in
43.29 this section in depositories selected by the board. The board's authority shall include
43.30 specifying the considerations, financial activities, and conditions required from the
43.31 depository, including the requirement of collateral security or a corporate surety bond
43.32 as described in section 118A.03. The board may compensate the depository, including

44.1 paying a reasonable charge to the depository, maintaining appropriate compensating
44.2 balances with the depository, or purchasing non-interest-bearing certificates of deposit
44.3 from the depository for performing depository-related services.

44.4 Sec. 46. Minnesota Statutes 2006, section 136G.11, subdivision 5, is amended to read:

44.5 Subd. 5. **Amount of matching grant.** The amount of the matching grant for a
44.6 beneficiary equals:

44.7 (1) if the beneficiary's family income is \$50,000 or less, 15 percent of the sum
44.8 of the contributions made to the beneficiary's account during the calendar year, not to
44.9 exceed ~~\$300~~ \$400; and

44.10 (2) if the beneficiary's family income is more than \$50,000 but not more than
44.11 \$80,000, ~~five~~ ten percent of the sum of the contributions made to the beneficiary's account
44.12 during the calendar year, not to exceed ~~\$300~~ \$400.

44.13 Sec. 47. **MINNESOTA WEST COMMUNITY AND TECHNICAL COLLEGE**
44.14 **AT WORTHINGTON; YMCA LEASE AGREEMENT.**

44.15 (a) The Board of Trustees of Minnesota State Colleges and Universities may enter
44.16 into a lease agreement with the YMCA not to exceed 40 years, for the lease of land on
44.17 the Minnesota West Community and Technical College at Worthington campus for the
44.18 construction of a YMCA facility. The lease may also include the city of Worthington.

44.19 (b) Siting and design of the facility must be consistent with the college's master
44.20 plan and Minnesota State Colleges and Universities' building standards. Minnesota
44.21 West Community and Technical College may negotiate for use of the facility for college
44.22 purposes. The lease must contain a provision that the lease shall terminate if the improved
44.23 property is no longer used for the partial benefit of the students at the Worthington campus.

44.24 Sec. 48. **INTEREST RATE SWAP AND OTHER AGREEMENTS;**
44.25 **IMPLEMENTATION PLAN.**

44.26 The Minnesota Office of Higher Education must develop a plan for implementing
44.27 interest rate exchanges, swaps, or other interest rate protection agreements for its student
44.28 loan programs. The plan must be presented in a report to the committees of legislature
44.29 responsible for higher education finance by January 15, 2008. The report must address
44.30 potential contracting arrangements and options, benefits and risks associated with these
44.31 agreements, and the potential impacts on the student loan program, its assets, and its
44.32 objectives.

Sec. 49. **REPEALER.**

(a) Minnesota Statutes 2006, sections 135A.031, subdivisions 1, 2, 3, 4, 5, and 6; 135A.032; 135A.033; 136A.07; and 136A.08, subdivision 8, are repealed.

(b) Minnesota Statutes 2006, sections 137.0245; and 137.0246, are repealed.

ARTICLE 4
TEXTBOOK PRICING AND ACCESS

Section 1. **[135A.25] TEXTBOOK DISCLOSURE, PRICING, AND ACCESS.**

Subdivision 1. **Short title.** This section may be cited as the Textbook Disclosure, Pricing, and Access Act.

Subd. 2. **Purpose and intent.** The purpose of this act is to ensure that every student in higher education is offered better and more timely access to affordable course materials by educating and informing faculty, students, administrators, institutions, bookstores, and publishers on all aspects of the selection, purchase, sales, and use of the materials. It is the policy of the state of Minnesota that all involved parties must work together to identify ways to decrease the cost of course materials for students while protecting the academic freedom of faculty members to provide high-quality course materials for students.

Subd. 3. **Definitions.** For the purposes of this section, the following definitions have the meanings given.

(1) "Bundled" means any course material packaged together to be sold for one price.

(2) "Bookstore" means a store that is affiliated with a postsecondary institution or has a contract with a postsecondary institution to sell course materials to students enrolled at the postsecondary institution.

(3) "Course material" means textbooks as defined in section 297A.67, subdivision 13, custom course materials, and instructional materials as defined in section 297A.67, subdivision 13a, sold to students by a bookstore in a bundled or unbundled form.

(4) "Custom course materials" means any combination of textbooks, course materials, or any part thereof that has been customized, produced, and sold by a distributor or publisher specifically for a specific course, program, or field of study.

(5) "Distributor" means an independent contractor, including its employees or agents, that is in the business of selling, distributing, advertising, marketing, or maintaining an inventory of course materials for a postsecondary institution or bookstore.

(6) "Postsecondary institution" means a Minnesota institution defined under section 136A.101, subdivision 4.

(7) "Publisher" means a publishing house, firm, or business, including its employees or agents, acting with authority of the publisher that publishes, sells, markets, or maintains an inventory of course materials to a postsecondary institution or bookstore.

Subd. 4. **Publisher disclosures.** (a) Beginning January 1, 2008, a publisher or distributor must post on its Web site, include in a catalog, or disclose in writing to a faculty member or other individual at a postsecondary institution responsible for selecting course material within seven days of a request, at least the following:

(1) the title, edition, author, and International Standard Book Number (ISBN) of all course material and custom course materials, if applicable;

(2) the price for the course material;

(3) whether the required course material is bundled with optional material, whether it can be unbundled, and the price for each bundled and unbundled component;

(4) whether the material is available in an alternative format and the cost for the alternatively formatted material; and

(5) summary of revisions to requested course material for the previous edition or release for materials that have been in circulation for five years or less and a detailed breakdown of revisions must be made available in writing within seven days of the request.

(b) A publisher or distributor must make all bundled course materials available to bookstores or postsecondary institutions in an unbundled form or provide written or verbal notice within seven days of a request under this subdivision if the unbundled materials are not available.

(c) A publisher or distributor must post on its Web site, include in its marketing materials, or disclose in writing when a request is made under this subdivision for the return policy for course material, including any penalties or conditions for returns.

(d) Disclosure under this section is not required for mass market and trade books that are not published, marketed, or sold primarily for use in or by postsecondary institutions.

Subd. 5. **Payment for course material.** Each postsecondary institution must adopt policies that allow students to add the costs of course material purchased at a bookstore to existing waivers or payment plans for tuition and fees.

Subd. 6. **Notice to purchase.** (a) An instructor shall make reasonable efforts to notify a bookstore of the final order for required and recommended course material including, but not limited to, alternative formats, previous editions, or custom course materials at least 30 days prior to the commencement of the term.

(b) The bookstore must notify students of the following information concerning the required and recommended course material at least 15 days prior to the commencement of the term for which the course material is required, including, but not limited to:

(1) the title, edition, author, and International Standard Book Number (ISBN) of the course material;

(2) the price for the course material;

(3) whether the required course material is bundled with optional material, whether it can be unbundled, and the price for each bundled and unbundled component; and

(4) whether the material is available in an alternative format and the cost for the alternatively formatted material.

Subd. 7. **Educational strategies.** (a) During the biennium ending June 30, 2009, the Minnesota Office of Higher Education shall work with postsecondary institutions to develop educational materials based upon the findings of the Minnesota Textbook Advisory Task Force recommendations and other relevant information, convene and sponsor meetings and workshops, and provide educational materials for faculty, students, administrators, institutions, bookstores, and publishers in order to educate all interested parties on strategies for reducing the costs of course materials for students attending postsecondary institutions.

(b) The Minnesota Office of Higher Education must develop and maintain a standardized request form for publisher disclosure under this section with all required information. The request form must be in an electronic format that can be downloaded from the office Web site.

ARTICLE 5 PRIVATE INSTITUTIONS

Section 1. Minnesota Statutes 2006, section 136A.61, is amended to read:

136A.61 POLICY.

The legislature has found and hereby declares that the availability of legitimate courses and programs leading to academic degrees offered by responsible private not for profit and for profit institutions of postsecondary education and the existence of legitimate private colleges and universities are in the best interests of the people of this state. The legislature has found and declares that the state can provide assistance and protection for persons choosing private institutions and programs, by establishing policies and procedures to assure the authenticity and legitimacy of private postsecondary education institutions and programs. The legislature has also found and declares that this same policy applies to any private and public postsecondary educational institution located in another state or country which offers or makes available to a Minnesota resident any course, program or educational activity which does not require the leaving of the state for its completion.

Sec. 2. [136A.615] CITATION.

Sections 136A.615 to 136A.71 may be cited as the "Minnesota Private and Out-of-State Public Postsecondary Education Act."

Sec. 3. Minnesota Statutes 2006, section 136A.62, subdivision 3, is amended to read:

Subd. 3. **School.** "School" means:

(1) any individual, partnership, company, firm, society, trust, association, corporation, or any combination thereof, which (a) (i) is, owns, or operates a private, nonprofit postsecondary education institution; (b) (ii) is, owns, or operates a private, for profit postsecondary education institution; (iii) provides a postsecondary instructional program or course leading to a degree whether or not for profit; (c) (iv) is, owns, or operates a private, postsecondary education institution which uses the term "college", "academy", "institute" or "university" in its name; or (d) operates for profit and provides programs or courses which are intended to allow an individual to fulfill in part or totally the requirements necessary to maintain a license to practice an occupation. School shall also mean

(2) any public postsecondary educational institution located in another state or country which offers or makes available to a Minnesota resident any course, program or educational activity which does not require the leaving of the state for its completion; or

(3) any individual, entity, or postsecondary institution located in another state that contracts with any school located within the state of Minnesota for the purpose of providing educational programs, training programs, or awarding postsecondary credits or continuing education credits to Minnesota residents that may be applied to a degree program.

Sec. 4. Minnesota Statutes 2006, section 136A.63, is amended to read:

136A.63 REGISTRATION.

Subdivision 1. Annual registration. All schools located within Minnesota and all schools located outside Minnesota which offer degree programs or courses within Minnesota shall register annually with the office.

Subd. 2. Sale of an institution. Within 30 days of a change of ownership the school must submit a registration renewal application, all usual and ordinary information and materials for an initial registration, and applicable registration fees for a new institution. For purposes of this subdivision, "change of ownership" means a merger or consolidation with a corporation; a sale, lease, exchange, or other disposition of all or substantially all of

49.1 the assets of a school; the transfer of a controlling interest of at least 51 percent of the
49.2 school's stock; or a change in the not-for-profit or for profit status of a school.

49.3 Sec. 5. Minnesota Statutes 2006, section 136A.64, is amended to read:

49.4 **136A.64 INFORMATION REQUIRED FOR REGISTRATION.**

49.5 Subdivision 1. **Schools to provide information.** As a basis for registration, schools
49.6 shall provide the office with such information as the office needs to determine the nature
49.7 and activities of the school, including but not limited to, ~~requirements for admission,~~
49.8 ~~enrollments, tuition charge, refund policies, curriculum, degrees granted, and faculty~~
49.9 ~~employed. The office shall have the authority to verify the accuracy of the information~~
49.10 ~~submitted to it by inspection or any other means it deems necessary.~~ the following which
49.11 shall be accompanied by an affidavit attesting to its accuracy and truthfulness:

49.12 (1) articles of incorporation, constitution, bylaws, or other operating documents;

49.13 (2) a duly adopted statement of the school's mission and goals;

49.14 (3) evidence of current school or program licenses granted by departments or
49.15 agencies of any state;

49.16 (4) a fiscal balance sheet on an accrual basis, or a certified audit of the immediate
49.17 past fiscal year including any management letters provided by the independent auditor
49.18 or, if the school is a public institution outside Minnesota, an income statement for the
49.19 immediate past fiscal year;

49.20 (5) all current promotional and recruitment materials and advertisements; and

49.21 (6) the current school catalog and, if not contained in the catalog:

49.22 (i) the members of the board of trustees or directors, if any;

49.23 (ii) the current institutional officers;

49.24 (iii) current full-time and part-time faculty with degrees held or applicable
49.25 experience;

49.26 (iv) a description of all school facilities;

49.27 (v) a description of all current course offerings;

49.28 (vi) all requirements for satisfactory completion of courses, programs, and degrees;

49.29 (vii) the school's policy about freedom or limitation of expression and inquiry;

49.30 (viii) a current schedule of fees, charges for tuition, required supplies, student
49.31 activities, housing, and all other standard charges;

49.32 (ix) the school's policy about refunds and adjustments;

49.33 (x) the school's policy about granting credit for prior education, training, and
49.34 experience; and

(xi) the school's policies about student admission, evaluation, suspension, and dismissal.

Subd. 2. **Financial records.** The office shall not disclose financial records or accreditation reports provided to it by a school pursuant to this section except for the purpose of defending, at hearings pursuant to chapter 14, or other appeal proceedings, its decision to approve or not to approve the granting of degrees or the use of a name by the school. Section 15.17, subdivision 4, shall not apply to such records.

Subd. 3. **Additional information.** If the office is unable to determine the nature and activities of a school on the basis of the information in subdivision 1, the office shall notify the school of additional information needed.

Subd. 4. **Verification of information.** The office may verify the accuracy of submitted information by inspection, visitation, or any other means it considers necessary.

Subd. 5. **Public information.** All information submitted to the office is public information except financial and accreditation records and information. The office may disclose financial records or information to defend its decision to approve or disapprove granting of degrees or the use of a name or its decisions to revoke the approval at a hearing under chapter 14 or other legal proceedings.

Subd. 6. **Late registration penalty.** Applications for renewal for any registration received after the deadline date specified in the renewal materials provided by the office are subject to a late fee equal to 20 percent of the annual registration renewal fee.

Subd. 7. **Out-of-state expenses.** A school shall reimburse the office for actual costs associated with a site evaluation visit outside Minnesota if the visit is necessary under section 136A.64, subdivision 1 or 3.

Sec. 6. **[136A.645] SCHOOL CLOSURE.**

(a) When a school decides to cease postsecondary education operations, or if its registration is refused, revoked, or suspended it must cooperate with the office in assisting students to find alternative means to complete their studies with a minimum of disruption, and inform the office of the following:

(1) the planned date for termination of postsecondary education operations;

(2) the planned date for the transfer of the student records;

(3) confirmation of the name and address of the organization to receive and hold the student records; and

(4) the official at the organization receiving the student records who is designated to provide official copies of records or transcripts upon request.

51.1 (b) Upon notice from a school of its intention to cease operations, or if a school's
51.2 registration is revoked, refused, or suspended, the office shall notify the school of the date
51.3 on which it must cease the enrollment of students and all postsecondary educational
51.4 operations.

51.5 Sec. 7. **[136A.646] ADDITIONAL SECURITY.**

51.6 In the event any registered institution is notified by the United States Department
51.7 of Education that it has fallen below minimum financial standards and that its continued
51.8 participation in Title IV will be conditioned upon its satisfying either the Zone Alternative,
51.9 Code of Federal Regulations, title 34, section 668.175, paragraph (f), or a Letter of Credit
51.10 Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (c), the
51.11 institution shall provide a surety bond conditioned upon the faithful performance of all
51.12 contracts and agreements with students in a sum equal to the "letter of credit" required by
51.13 the United States Department of Education in the Letter of Credit Alternative, but in no
51.14 event shall such bond be less than \$10,000 and not more than \$250,000.

51.15 Sec. 8. Minnesota Statutes 2006, section 136A.65, is amended to read:

51.16 **136A.65 APPROVAL OF DEGREES AND NAME.**

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

51.21 Subd. 1a. **Accreditation; requirement.** A school must not be registered or
51.22 authorized to offer any degree at any level unless the school is accredited by an agency
51.23 recognized by the United States Department of Education for purposes of eligibility to
51.24 participate in Title IV federal financial aid programs. Any registered school undergoing
51.25 institutional accreditation shall inform the office of site visits by the accrediting agency
51.26 and provide office staff the opportunity to attend the visits, including any exit interviews.
51.27 The institution must provide the office with a copy of the final report upon receipt.

51.28 Subd. 2. **Procedures.** The office shall establish procedures for approval, including
51.29 notice and an opportunity for a hearing pursuant to chapter 14 if such approval is not
51.30 granted. If a hearing is requested, no disapproval shall take effect until after such hearing.

51.31 Subd. 3. **Application.** A school subject to registration shall be granted approval to
51.32 use the term "college," "academy," "institute" or "university" in its name whether or not it
51.33 offers a program leading to a degree, if it was organized, operating and using such term in

52.1 its name on or before August 1, 1975, and if it meets the other policies and standards for
52.2 approval established by the office.

52.3 Subd. 4. **Criteria for approval.** (a) A school applying to be registered and to have
52.4 its degree or degrees and name approved must substantially meet the following criteria:

52.5 (1) the school has an organizational framework with administrative and teaching
52.6 personnel to provide the educational programs offered;

52.7 (2) the school has financial resources sufficient to meet the school's financial
52.8 obligations, including refunding tuition and other charges consistent with its stated policy
52.9 if the institution is dissolved, or if claims for refunds are made, to provide service to the
52.10 students as promised, and to provide educational programs leading to degrees as offered;

52.11 (3) the school operates in conformity with generally accepted budgeting and
52.12 accounting procedures, such as the standards adopted by the National Association of
52.13 College and University Business Officers, located at 1 Dupont Circle, Washington, D.C.,
52.14 20036;

52.15 (4) the school provides an educational program leading to the degree it offers;

52.16 (5) the school provides appropriate and accessible library, laboratory, and other
52.17 physical facilities to support the educational program offered;

52.18 (6) the school has a policy on freedom or limitation of expression and inquiry for
52.19 faculty and students which is published or available on request;

52.20 (7) the school uses only publications and advertisements which are truthful and do
52.21 not give any false, fraudulent, deceptive, inaccurate, or misleading impressions about the
52.22 school, its personnel, programs, services, or occupational opportunities for its graduates
52.23 for promotion and student recruitment;

52.24 (8) the school's compensated recruiting agents who are operating in Minnesota
52.25 identify themselves as agents of the school when talking to or corresponding with students
52.26 and prospective students; and

52.27 (9) the school provides information to students and prospective students concerning:

52.28 (i) comprehensive and accurate policies relating to student admission, evaluation,
52.29 suspension, and dismissal;

52.30 (ii) clear and accurate policies relating to granting credit for prior education, training,
52.31 and experience and for courses offered by the school;

52.32 (iii) current schedules of fees, charges for tuition, required supplies, student
52.33 activities, housing, and all other standard charges;

52.34 (iv) policies regarding refunds and adjustments for withdrawal or modification
52.35 of enrollment status; and

(v) procedures and standards used for selection of recipients and the terms of payment and repayment for any financial aid program.

(b) An application for degree approval must also include:

(i) title of degree and formal recognition awarded;

(ii) location where such degree will be offered;

(iii) proposed implementation date of the degree;

(iv) admissions requirements for the degree;

(v) length of the degree;

(vi) projected enrollment for a period of five years;

(vii) the curriculum required for the degree, including course syllabi or outlines;

(viii) statement of academic and administrative mechanisms planned for monitoring the quality of the proposed degree;

(ix) statement of satisfaction of professional licensure criteria, if applicable;

(x) documentation of the availability of clinical, internship, externship, or practicum sites, if applicable; and

(xi) statement of how the degree fulfills the institution's mission and goals, complements existing degrees, and contributes to the school's viability.

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

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

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

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

(4) a rationale showing that degree programs are consistent with the school's mission and goals.

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

Subd. 7. **Grandfathered names.** Names used before August 1, 2007, by a school, organized, operating, and using the term "academy," "institute," "college," or "university"

54.1 in its name on or before August 1, 2007, may continue using such term whether or not it
54.2 offers a program leading to a degree.

54.3 Subd. 8. **Conditional approval.** The office may grant conditional approval for a
54.4 degree or use of a term in its name for a period of less than one year if doing so would be
54.5 in the best interests of currently enrolled students or prospective students.

54.6 Subd. 9. **Disapproval of registration appeal.** If a school's degree or use of a term
54.7 in its name is disapproved by the office, the school may request a hearing under chapter
54.8 14. The request must be in writing and made to the office within 30 days of the date
54.9 the school is notified of the disapproval.

54.10 (a) The office may refuse to renew, revoke, or suspend registration, approval of
54.11 a school's degree, or use of a regulated term in its name by giving written notice and
54.12 reasons to the school. The school may request a hearing under chapter 14. If a hearing is
54.13 requested, no revocation or suspension shall take effect until after the hearing.

54.14 (b) Reasons for revocation or suspension of registration or approval may be for one
54.15 or more of the following reasons:

54.16 (1) violating the provisions of sections 136A.615 to 136A.71;

54.17 (2) providing false, misleading, or incomplete information to the office;

54.18 (3) presenting information about the school which is false, fraudulent, misleading,
54.19 deceptive, or inaccurate in a material respect to prospective students; or

54.20 (4) refusing to allow reasonable inspection or to supply reasonable information after
54.21 a written request by the office has been received.

54.22 Sec. 9. Minnesota Statutes 2006, section 136A.653, is amended to read:

54.23 **136A.653 EXEMPTIONS.**

54.24 Subdivision 1. **Exemption.** A school that is subject to licensing by the office under
54.25 chapter 141, is exempt from the provisions of sections ~~136A.61~~ 136A.615 to 136A.71.
54.26 The determination of the office as to whether a particular school is subject to regulation
54.27 under chapter 141 is final for the purposes of this exemption.

54.28 Subd. 2. **Educational program; nonprofit organizations.** Educational programs
54.29 which are sponsored by a bona fide and nonprofit trade, labor, business, professional
54.30 or fraternal organization, which programs are conducted solely for that organization's
54.31 membership or for the members of the particular industries or professions served by that
54.32 organization, and which are not available to the public on a fee basis, are exempted from
54.33 the provisions of sections ~~136A.61~~ 136A.615 to 136A.71.

54.34 Subd. 3. **Educational program; business firms.** Educational programs which are
54.35 sponsored by a business firm for the training of its employees or the employees of other

55.1 business firms with which it has contracted to provide educational services at no cost to the
55.2 employees are exempted from the provisions of sections ~~136A.61~~ 136A.615 to 136A.71.

55.3 Subd. 4. **Voluntary submission.** Any school or program exempted from the
55.4 provisions of sections ~~136A.61~~ 136A.615 to 136A.71 by the provisions of this section
55.5 may voluntarily submit to the provisions of those sections.

55.6 Sec. 10. Minnesota Statutes 2006, section 136A.657, is amended to read:

55.7 **136A.657 EXEMPTION; RELIGIOUS SCHOOLS.**

55.8 Subdivision 1. **Exemption.** Any school or any department or branch of a school (a)
55.9 which is substantially owned, operated or supported by a bona fide church or religious
55.10 organization; (b) whose programs are primarily designed for, aimed at and attended by
55.11 persons who sincerely hold or seek to learn the particular religious faith or beliefs of that
55.12 church or religious organization; and (c) whose programs are primarily intended to prepare
55.13 its students to become ministers of, to enter into some other vocation closely related to, or
55.14 to conduct their lives in consonance with, the particular faith of that church or religious
55.15 organization, is exempt from the provisions of sections ~~136A.61~~ 136A.615 to 136A.71.

55.16 Subd. 2. **Limitation.** This exemption shall not extend to any school or to any
55.17 department or branch of a school which through advertisements or solicitations represents
55.18 to any students or prospective students that the school, its aims, goals, missions or
55.19 purposes or its programs are different from those described in subdivision 1. This
55.20 exemption shall not extend to any school which represents to any student or prospective
55.21 student that the major purpose of its programs is to prepare the student for a vocation not
55.22 closely related to that particular religious faith, or to provide the student with a general
55.23 educational program recognized by other schools or the broader educational, business or
55.24 social community as being substantially equivalent to the educational programs offered
55.25 by schools or departments or branches of schools which are not exempt from sections
55.26 ~~136A.61~~ 136A.615 to 136A.71, and rules adopted pursuant thereto.

55.27 Subd. 3. **Scope.** Nothing in sections ~~136A.61~~ 136A.615 to 136A.71, or the rules
55.28 adopted pursuant thereto, shall be interpreted as permitting the office to determine the
55.29 truth or falsity of any particular set of religious beliefs.

55.30 Subd. 4. **Statement required; religious nature.** Any degree awarded upon
55.31 completion of a religiously exempt program shall include descriptive language to make
55.32 the religious nature of the award clear.

55.33 Sec. 11. Minnesota Statutes 2006, section 136A.66, is amended to read:

55.34 **136A.66 LIST.**

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

56.4 Sec. 12. Minnesota Statutes 2006, section 136A.67, is amended to read:

56.5 **136A.67 UNAUTHORIZED REPRESENTATIONS.**

56.6 ~~No school and none of its officials or employees shall advertise or represent in any~~
56.7 ~~manner that such school is approved or accredited by the office or state of Minnesota~~
56.8 ~~except that any~~ A school which is duly registered with the office, or any of its officials or
56.9 employees, may represent in advertising and shall disclose in catalogues, applications,
56.10 and enrollment materials that the school is registered with the office: by prominently
56.11 displaying the following statement: "(Name of school) is registered as a private institution
56.12 with the Minnesota Office of Higher Education pursuant to sections 136A.615 to 136A.71.
56.13 Registration is not an endorsement of the institution. Credits earned at the institution
56.14 may not transfer to all other institutions."

56.15 Sec. 13. **[136A.675] RISK ANALYSIS.**

56.16 The office shall develop a set of financial and programmatic evaluation metrics to
56.17 aid in the detection of the failure or potential failure of a school to meet the standards
56.18 established under sections 136A.61 to 136A.71. These metrics shall include indicators
56.19 of financial stability, changes in the senior management or the financial aid and senior
56.20 administrative staff of an institution, changes in enrollment, changes in program offerings,
56.21 and changes in faculty staffing patterns. The development of financial standards shall use
56.22 industry standards as benchmarks. The development of the nonfinancial standards shall
56.23 include a measure of trends and dramatic changes in trends or practice. The agency must
56.24 specify the metrics and standards for each area and provide a copy to each registered
56.25 institution and post them on the agency Web site. The agency shall use regularly reported
56.26 data submitted to the federal government or other regulatory or accreditation agencies
56.27 wherever possible. The agency may require more frequent data reporting by an institution
56.28 to ascertain whether the standards are being met.

56.29 Sec. 14. Minnesota Statutes 2006, section 136A.68, is amended to read:

56.30 **136A.68 RECORDS.**

56.31 ~~After August 1, 1975, all schools located in this state must maintain permanent~~
56.32 ~~records of all students enrolled therein at any time. The office may require schools to~~
56.33 ~~provide a plan acceptable to the office for preserving all such records for at least ten years.~~

57.1 ~~The office may require that such plan include the filing of a continuous surety bond or a~~
57.2 ~~deposit of funds in trust in an amount not to exceed \$20,000 for the purpose of preserving~~
57.3 ~~records after such school ceases to exist. A registered school shall maintain a permanent~~
57.4 ~~record for each student for 50 years from the last date of the student's attendance. A~~
57.5 ~~registered school offering distance instruction to a student located in Minnesota shall~~
57.6 ~~maintain a permanent record for each Minnesota student for 50 years from the last date of~~
57.7 ~~the student's attendance. Records include a student's academic transcript, documents, and~~
57.8 ~~files containing student data about academic credits earned, courses completed, grades~~
57.9 ~~awarded, degrees awarded, and periods of attendance. To preserve permanent records, a~~
57.10 ~~school shall submit a plan that meets the following requirements:~~

57.11 (1) at least one copy of the records must be held in a secure, fireproof depository
57.12 or duplicate records must be maintained off site in a secure location and in a manner
57.13 approved by the office;

57.14 (2) an appropriate official must be designated to provide a student with copies of
57.15 records or a transcript upon request;

57.16 (3) an alternative method approved by the office of complying with clauses (1) and
57.17 (2) must be established if the school ceases to exist; and

57.18 (4) if the school has no binding agreement approved by the office for preserving
57.19 student records, a continuous surety bond must be filed with the office in an amount not to
57.20 exceed \$20,000. The bond shall run to the state of Minnesota.

57.21 Sec. 15. Minnesota Statutes 2006, section 136A.69, is amended to read:

57.22 **136A.69 FEES.**

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

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

57.29 Subd. 3. **Program addition fee.** The office processing fee for adding a program
57.30 that represents a significant departure in the objectives, content, or method of delivery of
57.31 programs that are currently offered by the school is \$500 per program.

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

58.1 (1) \$300 for the team base fee or for a paper review conducted by a consultant if the
58.2 office determines that a fact-finding visit is not required;

58.3 (2) \$300 for each day or part thereof on site per team member; and

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

58.6 Subd. 5. **Modification fee.** The fee for modification of any existing program is
58.7 \$100 and is due if there is:

58.8 (1) an increase or decrease of 25 percent or more from the original date of program
58.9 approval, in clock hours, credit hours, or calendar length of an existing program;

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

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

58.14 Sec. 16. **[136A.705] PENALTY.**

58.15 The director may assess fines for violations of a provision of sections 136A.615 to
58.16 136A.71. Each day's failure to comply with a provision of sections 136A.615 to 136A.71
58.17 shall be a separate violation and fines shall not exceed \$500 per day per violation.
58.18 Amounts received under this section must be deposited in the special revenue fund and are
58.19 appropriated for the purposes in sections 136A.615 to 136A.71.

58.20 Sec. 17. Minnesota Statutes 2006, section 136A.71, is amended to read:

58.21 **136A.71 INJUNCTION.**

58.22 Upon application of the attorney general the district courts shall have jurisdiction to
58.23 enjoin any violations of sections ~~136A.61~~ 136A.615 to 136A.71.

58.24 Sec. 18. Minnesota Statutes 2006, section 141.21, subdivision 1a, is amended to read:

58.25 Subd. 1a. **Office of Higher Education or office.** "Office of Higher Education" or
58.26 "office" means the Minnesota Office of Higher Education.

58.27 Sec. 19. Minnesota Statutes 2006, section 141.21, subdivision 5, is amended to read:

58.28 Subd. 5. **School.** "School" means any person, within or outside the state, who
58.29 maintains, advertises, administers, solicits for, or conducts any program ~~for profit at~~
58.30 ~~any less than an associate degree level other than baccalaureate or graduate programs,~~
58.31 ~~and is not specifically exempted by sections 141.21 to~~ and is not registered as a private

59.1 institution under sections 136A.615 to 136A.71 and is not specifically exempted by
59.2 section 141.35 or 141.37.

59.3 Sec. 20. Minnesota Statutes 2006, section 141.25, subdivision 1, is amended to read:

59.4 Subdivision 1. **Required.** A school must not maintain, advertise, solicit for,
59.5 administer, or conduct any program in Minnesota without first obtaining a license from
59.6 the office.

59.7 Sec. 21. Minnesota Statutes 2006, section 141.25, subdivision 5, is amended to read:

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

59.13 (b) The amount of the surety bond shall be ten percent of the preceding year's gross
59.14 income from student tuition, fees, and other required institutional charges, but in no event
59.15 less than \$10,000 nor greater than \$250,000, except that a school may deposit a greater
59.16 amount at its own discretion. A school in each annual application for licensure must
59.17 compute the amount of the surety bond and verify that the amount of the surety bond
59.18 complies with this subdivision, unless the school maintains a surety bond equal to at least
59.19 \$250,000. A school that operates at two or more locations may combine gross income
59.20 from student tuition, fees, and other required institutional charges for all locations for the
59.21 purpose of determining the annual surety bond requirement. The gross tuition and fees
59.22 used to determine the amount of the surety bond required for a school having a license for
59.23 the sole purpose of recruiting students in Minnesota shall be only that paid to the school
59.24 by the students recruited from Minnesota.

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

59.32 (d) In lieu of bond, the applicant may deposit with the commissioner of finance a
59.33 sum equal to the amount of the required surety bond in cash, or securities as may be

60.1 legally purchased by savings banks or for trust funds in an aggregate market value equal
60.2 to the amount of the required surety bond.

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

60.5 Sec. 22. Minnesota Statutes 2006, section 141.25, subdivision 7, is amended to read:

60.6 Subd. 7. **Minimum standards.** A license shall be issued if the office first
60.7 determines:

60.8 (1) that the applicant has a sound financial condition with sufficient resources
60.9 available to:

60.10 (i) meet the school's financial obligations;

60.11 (ii) refund all tuition and other charges, within a reasonable period of time, in the
60.12 event of dissolution of the school or in the event of any justifiable claims for refund against
60.13 the school by the student body;

60.14 (iii) provide adequate service to its students and prospective students; and

60.15 (iv) maintain and support the school;

60.16 (2) that the applicant has satisfactory facilities with sufficient tools and equipment
60.17 and the necessary number of work stations to prepare adequately the students currently
60.18 enrolled, and those proposed to be enrolled;

60.19 (3) that the applicant employs a sufficient number of qualified teaching personnel to
60.20 provide the educational programs contemplated;

60.21 (4) that the school has an organizational framework with administrative and
60.22 instructional personnel to provide the programs and services it intends to offer;

60.23 (5) that the premises and conditions under which the students work and study are
60.24 sanitary, healthful, and safe, according to modern standards;

60.25 (6) that the quality and content of each occupational course or program of study
60.26 provides education and adequate preparation to enrolled students for entry level positions
60.27 in the occupation for which prepared;

60.28 (7) that the living quarters which are owned, maintained, recommended, or approved
60.29 by the applicant for students are sanitary and safe;

60.30 (8) that the contract or enrollment agreement used by the school complies with
60.31 the provisions in section 141.265;

60.32 (9) that contracts and agreements do not contain a wage assignment provision or a
60.33 confession of judgment clause; and

61.1 (10) that there has been no adjudication of fraud or misrepresentation in any
61.2 criminal, civil, or administrative proceeding in any jurisdiction against the school or its
61.3 owner, officers, agents, or sponsoring organization.

61.4 Sec. 23. Minnesota Statutes 2006, section 141.25, subdivision 9, is amended to read:

61.5 Subd. 9. **Catalog, brochure, or electronic display.** Before a license is issued to
61.6 a school, the school shall furnish to the office a catalog, brochure, or electronic display
61.7 including:

61.8 (1) identifying data, such as volume number and date of publication;

61.9 (2) name and address of the school and its governing body and officials;

61.10 (3) a calendar of the school showing legal holidays, beginning and ending dates of
61.11 each course quarter, term, or semester, and other important dates;

61.12 (4) the school policy and regulations on enrollment including dates and specific
61.13 entrance requirements for each program;

61.14 (5) the school policy and regulations about leave, absences, class cuts, make-up
61.15 work, tardiness, and interruptions for unsatisfactory attendance;

61.16 (6) the school policy and regulations about standards of progress for the student
61.17 including the grading system of the school, the minimum grades considered satisfactory,
61.18 conditions for interruption for unsatisfactory grades or progress, a description of any
61.19 probationary period allowed by the school, and conditions of reentrance for those
61.20 dismissed for unsatisfactory progress;

61.21 (7) the school policy and regulations about student conduct and conditions for
61.22 dismissal for unsatisfactory conduct;

61.23 (8) a detailed schedule of fees, charges for tuition, books, supplies, tools, student
61.24 activities, laboratory fees, service charges, rentals, deposits, and all other charges;

61.25 (9) the school policy and regulations, including an explanation of section 141.271,
61.26 about refunding tuition, fees, and other charges if the student does not enter the program,
61.27 withdraws from the program, or the program is discontinued;

61.28 (10) a description of the available facilities and equipment;

61.29 (11) a course outline syllabus for each course offered showing course objectives,
61.30 subjects or units in the course, type of work or skill to be learned, and approximate time,
61.31 hours, or credits to be spent on each subject or unit;

61.32 (12) the school policy and regulations about granting credit for previous education
61.33 and preparation;

61.34 (13) a notice to students relating to the transferability of any credits earned at the
61.35 school to other institutions;

62.1 (14) a procedure for investigating and resolving student complaints; and
62.2 ~~(14)~~ (15) the name and address of the Minnesota Office of Higher Education.
62.3 A school that is exclusively a distance education school is exempt from clauses
62.4 (3) and (5).

62.5 Sec. 24. Minnesota Statutes 2006, section 141.25, subdivision 10, is amended to read:

62.6 Subd. 10. **Placement records.** (a) Before a license is ~~issued~~ reissued to a school
62.7 that offers, advertises or implies a placement service, the school shall file with the office
62.8 for the past year and thereafter at reasonable intervals determined by the office, a certified
62.9 copy of the school's placement record, containing a list of graduates, a description of their
62.10 jobs, names of their employers, and other information as the office may prescribe.

62.11 (b) Each school that offers a placement service shall furnish to each prospective
62.12 student, upon request, prior to enrollment, written information concerning the percentage
62.13 of the previous year's graduates who were placed in the occupation for which prepared or
62.14 in related employment.

62.15 Sec. 25. Minnesota Statutes 2006, section 141.25, subdivision 12, is amended to read:

62.16 Subd. 12. **Permanent records.** A school licensed under this chapter and located
62.17 in Minnesota shall maintain a permanent record for each student for 50 years from the
62.18 last date of the student's attendance. A school licensed under this chapter and offering
62.19 distance instruction to a student located in Minnesota shall maintain a permanent record
62.20 for each Minnesota student for 50 years from the last date of the student's attendance.
62.21 Records include school transcripts, documents, and files containing student data about
62.22 academic credits earned, courses completed, grades awarded, degrees awarded, and
62.23 periods of attendance. To preserve permanent records, a school shall submit a plan that
62.24 meets the following requirements:

62.25 (1) at least one copy of the records must be held in a secure, fireproof depository;

62.26 (2) an appropriate official must be designated to provide a student with copies of
62.27 records or a transcript upon request;

62.28 (3) an alternative method, approved by the office, of complying with clauses (1) and
62.29 (2) must be established if the school ceases to exist; and

62.30 (4) a continuous surety bond must be filed with the office in an amount not to exceed
62.31 \$20,000 if the school has no binding agreement approved by the office, for preserving
62.32 student records ~~or a trust must be arranged if the school ceases to exist. The bond shall run~~
62.33 to the state of Minnesota.

63.1 Sec. 26. Minnesota Statutes 2006, section 141.255, subdivision 2, is amended to read:

63.2 Subd. 2. **Renewal licensure fee; late fee.** (a) The office processing fee for a
63.3 renewal licensure application is:

63.4 (1) for a category A school, as determined by the office, the fee is \$865 if the school
63.5 offers one program or \$1,150 if the school offers two or more programs; and

63.6 (2) for a category B or C school, as determined by the office, the fee is \$430 if the
63.7 school offers one program or \$575 if the school offers two or more programs.

63.8 (b) If a license renewal application is not received by the office by the close of
63.9 business at least 60 days before the expiration of the current license, a late fee of \$100
63.10 per business day, not to exceed \$3,000, shall be assessed.

63.11 Sec. 27. Minnesota Statutes 2006, section 141.265, subdivision 2, is amended to read:

63.12 Subd. 2. **Contract information.** A contract or enrollment agreement used by a
63.13 school must include at least the following:

63.14 (1) the name and address of the school, clearly stated;

63.15 (2) a clear and conspicuous disclosure that the agreement is a legally binding
63.16 instrument upon written acceptance of the student by the school unless canceled under
63.17 section 141.271;

63.18 (3) the school's cancellation and refund policy that shall be clearly and conspicuously
63.19 entitled "Buyer's Right to Cancel";

63.20 (4) a clear statement of total cost of the program including tuition and all other
63.21 charges;

63.22 (5) the name and description of the program, including the number of hours or
63.23 credits of classroom instruction, or distance instruction, that shall be included; and

63.24 (6) a clear and conspicuous explanation of the form and means of notice the student
63.25 should use in the event the student elects to cancel the contract or sale, the effective
63.26 date of cancellation, and the name and address of the seller to which the notice should
63.27 be sent or delivered.

63.28 The contract or enrollment agreement must not include a wage assignment provision or a
63.29 confession of judgment clause.

63.30 Sec. 28. Minnesota Statutes 2006, section 141.271, subdivision 10, is amended to read:

63.31 Subd. 10. **Cancellation occurrence.** Written notice of cancellation shall take place
63.32 on the date the letter of cancellation is postmarked or, in the cases where the notice is hand
63.33 carried, it shall occur on the date the notice is delivered to the school. If a student has not
63.34 attended ~~classes~~ class for a period of 21 consecutive days without contacting the school to

64.1 indicate an intent to continue in school or otherwise making arrangements concerning the
64.2 absence, the student is considered to have withdrawn from school for all purposes as of
64.3 the student's last documented date of attendance.

64.4 Sec. 29. Minnesota Statutes 2006, section 141.271, subdivision 12, is amended to read:

64.5 Subd. 12. **Instrument not to be negotiated.** A school shall not negotiate any
64.6 promissory instrument received as payment of tuition or other charge prior to completion
64.7 of 50 percent of the program-, except that prior to that time, instruments may be transferred
64.8 by assignment to purchasers who shall be subject to all defenses available against the
64.9 school named as payee.

64.10 Sec. 30. Minnesota Statutes 2006, section 141.28, subdivision 1, is amended to read:

64.11 Subdivision 1. ~~Not to advertise state approval~~ **Disclosure required.** ~~Schools,~~
64.12 ~~agents of schools, and solicitors may not advertise or represent in writing or orally that~~
64.13 ~~such school is approved or accredited by the state of Minnesota, except that any A~~
64.14 ~~school, agent, or solicitor may advertise~~ represent in advertisements and shall disclose
64.15 in catalogues, applications, and enrollment materials that the school and solicitor have
64.16 ~~been~~ is duly licensed by the state ~~using~~ by prominently displaying the following language
64.17 statement:

64.18 "(Name of school) is licensed as a private career school with the Minnesota Office of
64.19 Higher Education. Licensure is not an endorsement of the institution. Credits earned at the
64.20 institution may not transfer to all other institutions. ~~The educational programs may not~~
64.21 ~~meet the needs of every student or employer."~~

64.22 Sec. 31. Minnesota Statutes 2006, section 141.32, is amended to read:

64.23 **141.32 PENALTY.**

64.24 ~~Violation of a provision of this chapter shall be a misdemeanor. Each day's failure~~
64.25 ~~to comply with this chapter shall be a separate violation. The office shall adopt rules~~
64.26 ~~establishing a list of civil penalties and the fine associated with each violation. Fines for~~
64.27 ~~violations shall not exceed \$500 per day per violation. The director may assess fines for~~
64.28 violations of a provision of this chapter. Each day's failure to comply with a provision
64.29 of sections 136A.615 to 136A.71 shall be a separate violation and fines shall not exceed
64.30 \$500 per day per violation. Amounts received under this section must be deposited in the
64.31 special revenue fund and are appropriated for the purposes of this chapter.

65.1 Sec. 32. Minnesota Statutes 2006, section 141.35, is amended to read:

65.2 **141.35 EXEMPTIONS.**

65.3 Sections 141.21 to ~~141.35~~ 141.32 shall not apply to the following:

65.4 (1) public postsecondary institutions;

65.5 (2) ~~private~~ postsecondary institutions registered under sections ~~136A.61~~ 136A.615
65.6 to 136A.71 ~~that are nonprofit, or that are for profit and registered under sections 136A.61~~
65.7 ~~to 136A.71 as of December 31, 1998, or are approved to offer exclusively baccalaureate~~
65.8 ~~or postbaccalaureate programs;~~

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

65.11 (4) private schools complying with the requirements of section 120A.22, subdivision
65.12 4;

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

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

65.17 (7) schools licensed by boards authorized under Minnesota law to issue licenses;

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

65.21 (9) schools engaged exclusively in the teaching of purely avocational, recreational,
65.22 or remedial subjects as determined by the office;

65.23 (10) ~~driver training schools and instructors as defined in section 171.33, subdivisions~~
65.24 ~~1 and 2;~~

65.25 ~~(11)~~ classes, courses, or programs conducted by a bona fide trade, professional, or
65.26 fraternal organization, solely for that organization's membership;

65.27 ~~(12)~~ (11) programs in the fine arts provided by organizations exempt from taxation
65.28 under section 290.05 and registered with the attorney general under chapter 309. For
65.29 the purposes of this clause, "fine arts" means activities resulting in artistic creation or
65.30 artistic performance of works of the imagination which are engaged in for the primary
65.31 purpose of creative expression rather than commercial sale or employment. In making
65.32 this determination the office may seek the advice and recommendation of the Minnesota
65.33 Board of the Arts;

65.34 ~~(13)~~ (12) classes, courses, or programs intended to fulfill the continuing education
65.35 requirements for licensure or certification in a profession, that have been approved by
65.36 a legislatively or judicially established board or agency responsible for regulating the

practice of the profession, and that are offered exclusively to an individual practicing the profession;

~~(14)~~ (13) classes, courses, or programs intended to prepare students to sit for undergraduate, graduate, postgraduate, or occupational licensing and occupational entrance examinations;

~~(15)~~ (14) classes, courses, or programs providing 16 or fewer clock hours of instruction that are not part of the curriculum for an occupation or entry level employment;

~~(16)~~ (15) classes, courses, or programs providing instruction in personal development, modeling, or acting;

~~(17)~~ (16) training or instructional programs, in which one instructor teaches an individual student, that are not part of the curriculum for an occupation or are not intended to prepare a person for entry level employment; and

~~(18)~~ (17) schools with no physical presence in Minnesota, as determined by the office, engaged exclusively in offering distance instruction that are located in and regulated by other states or jurisdictions.

Sec. 33. **[141.37] EXEMPTION; RELIGIOUS SCHOOLS.**

Subdivision 1. **Exemption.** Any school or any department or branch of a school:

(1) which is substantially owned, operated, or supported by a bona fide church or religious organization;

(2) whose programs are primarily designed for, aimed at, and attended by persons who sincerely hold or seek to learn the particular religious faith or beliefs of that church or religious organization; and

(3) whose programs are primarily intended to prepare its students to become ministers of, to enter into some other vocation closely related to, or to conduct their lives in consonance with the particular faith of that church or religious organization,
is exempt from the provisions of sections 141.21 to 141.32.

Subd. 2. **Limitations.** (a) An exemption shall not extend to any school, department or branch of a school, or program of a school which through advertisements or solicitations represents to any students or prospective students that the school, its aims, goals, missions, purposes, or programs are different from those described in subdivision 1.

(b) An exemption shall not extend to any school which represents to any student or prospective student that the major purpose of its programs is to:

(1) prepare the student for a vocation not closely related to that particular religious faith; or

(2) provide the student with a general educational program recognized by other schools or the broader educational, business, or social community as being substantially equivalent to the educational programs offered by schools or departments or branches of schools which are not religious in nature and are not exempt from chapter 141 and from rules adopted pursuant under this chapter.

Subd. 3. **Scope.** Nothing in this chapter or the rules adopted under it shall be interpreted as permitting the office to determine the truth or falsity of any particular set of religious beliefs.

Subd. 4. **Descriptive language required.** Any certificate, diploma, degree, or other formal recognition awarded upon completion of any religiously exempt program shall include such descriptive language as to make the religious nature of the award clear.

Sec. 34. **EFFECTIVE DATE; TRANSITION PROCESS.**

Changes in Minnesota Statutes, chapter 141, and sections 136A.615 to 136A.71, shall be effective July 1, 2007. Schools currently licensed pursuant to Minnesota Statutes, chapter 141, that qualify for private institution registration after July 1, 2007, shall apply for and complete the process for registration prior to the expiration of their current private career school license. Schools currently registered as private institutions pursuant to Minnesota Statutes, sections 136A.61 to 136A.71, that are required to obtain a private career school license after August 1, 2007, shall apply for and complete the process for licensure prior to the expiration of the current registration, but in any event no later than December 31, 2007. The office is authorized to extend existing license or registration for a reasonable period of time to allow for the completion of the new processes when necessary.

ARTICLE 6

JOBS AND ECONOMIC DEVELOPMENT APPROPRIATIONS

Section 1. **JOBS AND ECONOMIC DEVELOPMENT 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>	\$ 94,246,000	\$ 59,895,000	\$ 154,141,000
<u>Workforce Development</u>	14,935,000	14,951,000	29,886,000
<u>Remediation</u>	700,000	700,000	1,400,000
<u>State Government Special Revenue</u>	1,877,000	1,925,000	3,802,000
<u>Workers' Compensation</u>	23,379,000	23,763,000	47,142,000
<u>Total</u>	\$ 135,137,000	\$ 101,234,000	\$ 236,371,000

Sec. 2. JOBS AND ECONOMIC DEVELOPMENT.

The sums shown in the columns marked "Appropriations" are appropriated 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 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, 2007, 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. DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT

Subdivision 1. <u>Total Appropriation</u>	\$	<u>100,573,000</u>	\$	<u>65,825,000</u>
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	<u>Appropriations by Fund</u>	
	<u>2008</u>	<u>2009</u>
<u>General</u>	<u>85,703,000</u>	<u>50,955,000</u>
<u>Remediation</u>	<u>700,000</u>	<u>700,000</u>
<u>Workforce Development</u>	<u>14,170,000</u>	<u>14,170,000</u>

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

Subd. 2. <u>Business and Community Development</u>	<u>48,679,000</u>	<u>14,183,000</u>
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	<u>Appropriations by Fund</u>	
<u>General</u>	<u>47,979,000</u>	<u>13,483,000</u>
<u>Remediation</u>	<u>700,000</u>	<u>700,000</u>

(a)(1) \$1,100,000 is 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 policy analysis on emerging economic and social

69.1 issues in rural Minnesota, to serve as a
69.2 policy resource center for rural Minnesota
69.3 communities, to encourage collaboration
69.4 across higher education institutions, to
69.5 provide interdisciplinary team approaches
69.6 to research and problem-solving in rural
69.7 communities, and to administer overall
69.8 operations of the center.

69.9 (2) The grant shall be provided upon the
69.10 condition that each state-appropriated
69.11 dollar be matched with a nonstate dollar.
69.12 Acceptable matching funds are nonstate
69.13 contributions that the center has received and
69.14 have not been used to match previous state
69.15 grants. Any funds not spent the first year are
69.16 available the second year.

69.17 (b) \$200,000 each year is for a grant to
69.18 WomenVenture for women's business
69.19 development programs.

69.20 (c) \$500,000 the first year is for a grant to
69.21 University Enterprise Laboratories (UEL)
69.22 for its direct and indirect expenses to support
69.23 efforts to encourage the growth of early-stage
69.24 and emerging bioscience companies. UEL
69.25 must provide a report by June 30 each year
69.26 to the commissioner on the expenditures
69.27 until the appropriation is expended. This is a
69.28 onetime appropriation and is available until
69.29 expended.

69.30 (d) \$2,000,000 the first year is for grants
69.31 under Minnesota Statutes, section 116J.571,
69.32 for the redevelopment grant program. This is
69.33 a onetime appropriation.

69.34 (e) \$100,000 each year is to the Public
69.35 Facilities Authority for the small community

70.1 wastewater treatment program under
70.2 Minnesota Statutes, chapter 446A.

70.3 (f) \$510,000 the first year is for the urban
70.4 initiative program under Minnesota Statutes,
70.5 chapter 116M, of which, \$255,000 is for
70.6 a grant to the Metropolitan Economic
70.7 Development Association for continuing
70.8 minority business development programs
70.9 in the metropolitan area. This is a onetime
70.10 appropriation.

70.11 (g) \$85,000 each year is for a grant to the
70.12 Minnesota Inventors Congress, of which
70.13 \$10,000 must be used for youth inventors.

70.14 (h) \$151,000 the first year is for a grant to the
70.15 city of Faribault to design, construct, furnish,
70.16 and equip renovations to accommodate
70.17 handicapped accessibility at the Paradise
70.18 Center for the Arts.

70.19 (i) \$3,000,000 the first year is for loans
70.20 authorized under Minnesota Statutes, section
70.21 116J.417. This appropriation is available
70.22 until expended.

70.23 (j) \$1,000,000 each year is to Minnesota
70.24 Technology, Inc. for the small business
70.25 growth acceleration program established
70.26 under Minnesota Statutes, section 116O.115.
70.27 This is a onetime appropriation.

70.28 (k) \$350,000 the first year is for a grant to
70.29 the city of Northome for the construction
70.30 of a new municipal building to replace the
70.31 structures damaged by fire on July 22, 2006.
70.32 This appropriation is available when the
70.33 commissioner determines that a sufficient
70.34 match is available from nonstate sources to
70.35 complete the project.

71.1 (l) \$325,000 each year is for a technology
71.2 and commercialization unit established
71.3 under article 7, section 32. This is a onetime
71.4 appropriation.

71.5 (m) \$500,000 in the first year is for a
71.6 grant to the city of Worthington for an
71.7 agricultural-based bioscience training and
71.8 testing center. Funds appropriated under this
71.9 section must be used to provide a training
71.10 and testing facility for incubator firms
71.11 developing new agricultural processes and
71.12 products. This is a onetime appropriation
71.13 and is available until expended.

71.14 (n) \$2,200,000 in the first year is for a grant
71.15 to BioBusiness Alliance of Minnesota for
71.16 bioscience business development programs
71.17 to promote and position the state as a global
71.18 leader in bioscience business activities.

71.19 These funds may be used for:

71.20 (1) completion and periodic updating of
71.21 a statewide bioscience business industry
71.22 assessment of business technology
71.23 enterprises and Minnesota's competitive
71.24 position employing annual updates to federal
71.25 industry classification data;

71.26 (2) long-term strategic planning that includes
71.27 projections of market changes resulting
71.28 from developments in biotechnology and the
71.29 development of 20-year goals, strategies, and
71.30 identified objectives for renewable energy,
71.31 medical devices, biopharma, and biologics
71.32 business development in Minnesota;

71.33 (3) the design and construction of a
71.34 Minnesota focused bioscience business
71.35 model to test competing strategies and

72.1 scenarios, evaluate options, and forecast
72.2 outcomes; and
72.3 (4) creation of a bioscience business
72.4 resources network that includes development
72.5 of a statewide bioscience business economic
72.6 development framework to encourage
72.7 bioscience business development and
72.8 encourage spin-off activities, attract
72.9 bioscience business location or expansion in
72.10 Minnesota, and establish a local capability to
72.11 support strategic system level planning for
72.12 industry, government, and academia.
72.13 This appropriation is available until June 30,
72.14 2009.
72.15 (o) \$325,000 is for a grant to the Walker
72.16 Area Community Center, Inc., to construct,
72.17 furnish, and equip the Walker Area
72.18 Community Center. This appropriation is
72.19 not available until the commissioner has
72.20 determined that an amount sufficient to
72.21 complete the project has been committed
72.22 from nonstate sources.
72.23 (p) \$120,000 the first year is for a grant
72.24 to the Pine Island Economic Development
72.25 Authority for predesign to upgrade and
72.26 extend utilities to serve Elk Run Bioscience
72.27 Research Park and The Falls - Healthy
72.28 Living By Nature, an integrated medicine
72.29 facility. This is a onetime appropriation and
72.30 is available until expended.
72.31 (q) \$300,000 the first year is for a grant
72.32 to Thomson Township for infrastructure
72.33 improvements for the industrial park. This is
72.34 a onetime appropriation.

73.1 (r) \$75,000 the first year for a grant to
73.2 Le Sueur County for the cost of cleaning
73.3 debris from lakes in Le Sueur County,
73.4 caused by the August 24, 2006, tornado in
73.5 southern Le Sueur County. This is a onetime
73.6 appropriation.

73.7 (s) \$3,000,000 the second year is for
73.8 bioscience business development and
73.9 commercialization grants. The commissioner
73.10 shall designate an evaluation team to accept
73.11 grant applications, review and evaluate
73.12 grant proposals, and select up to five grant
73.13 proposals to receive funding each year.

73.14 The evaluation team shall be comprised
73.15 of not more than 12 members including:
73.16 the commissioner or the commissioner's
73.17 designee; representatives of bioscience
73.18 businesses; public and private institutions
73.19 of higher education; private investment
73.20 companies; a nonprofit entity that qualifies as
73.21 a 501(c)6 under the Internal Revenue Code
73.22 and is a trade association representing the
73.23 life sciences industry; and a bio business
73.24 alliance that qualifies as a 501(c)3 under the
73.25 Internal Revenue Code. The criteria used
73.26 by the evaluation team in evaluating grant
73.27 proposals must include, but is not limited
73.28 to: the potential to create and sustain jobs
73.29 within the state of Minnesota; the potential
73.30 for long-term business activity, growth,
73.31 and expansion in Minnesota; the level of
73.32 technological maturity; the potential to attract
73.33 private investment; and the availability and
73.34 readiness of markets. The commissioner
73.35 must report to the standing committees of
73.36 the house of representatives and the senate

74.1 having jurisdiction over bioscience and
74.2 technology issues by February 1 each year
74.3 on the number, type, and amounts of grants
74.4 awarded and the activities of the grant
74.5 recipients. This is a onetime appropriation
74.6 and is available until expended.

74.7 (t) \$1,500,000 the first year is for the urban
74.8 challenge grant program under Minnesota
74.9 Statutes, section 116M.18, of which
74.10 \$1,000,000 is for a grant to the Neighborhood
74.11 Development Center for assistance necessary
74.12 to retain minority business enterprises
74.13 at the Global Market. This is a onetime
74.14 appropriation.

74.15 (u) \$375,000 each year is to develop and
74.16 operate a bioscience business marketing
74.17 program to market Minnesota bioscience
74.18 businesses and business opportunities
74.19 to other states and other countries. The
74.20 bioscience business marketing program must
74.21 emphasize bioscience business location and
74.22 expansion opportunities in communities
74.23 outside of the seven-county metropolitan
74.24 area as defined in Minnesota Statutes,
74.25 section 473.121, subdivision 2, that have
74.26 established collaborative plans among two
74.27 or more municipal units for bioscience
74.28 business activities, and that are within 15
74.29 miles of a four-year, baccalaureate degree
74.30 granting institution or a two-year technical
74.31 or community college that offers bioscience
74.32 curricula. The commissioner must report
74.33 to the committees of the senate and house
74.34 of representatives having jurisdiction
74.35 over bioscience and technology issues by
74.36 February 1 of each year on the expenditures

75.1 of these funds and the promotional activities
75.2 undertaken to market the Minnesota
75.3 bioscience industry to persons outside of the
75.4 state. This is a onetime appropriation and is
75.5 available until expended.

75.6 (v) \$225,000 each year is for the purposes
75.7 of the nanotechnology development fund
75.8 (NDF) established in section 12, for grants
75.9 to promote increased use of advanced
75.10 instrumentation for nanomaterials analysis,
75.11 to be awarded on a one-to-one matching basis
75.12 to qualifying Minnesota small businesses.
75.13 This is a onetime appropriation.

75.14 (w) \$50,000 the first year is for a contract
75.15 with a public higher education institution
75.16 in Minnesota jointly entered into with the
75.17 Center for Rural Development to study the
75.18 needs of the renewable energy economy for
75.19 trained employees and the training required
75.20 for those employees. The study must include
75.21 extensive consultation and involvement of
75.22 representatives of the renewable energy
75.23 industry, environmental interests, labor, the
75.24 University of Minnesota, and the Minnesota
75.25 State Colleges and Universities. The
75.26 commissioner shall report the results of the
75.27 study to the chairs of the finance divisions
75.28 of the legislature with jurisdiction over
75.29 economic development, energy, and higher
75.30 education by November 1, 2007. This is a
75.31 onetime appropriation.

75.32 (x) \$25,000,000 is for the Minnesota
75.33 minerals 21st century fund created in
75.34 Minnesota Statutes, section 116J.423,
75.35 to restore the money unallotted by the

76.1 commissioner of finance in 2003 pursuant
76.2 to Minnesota Statutes, section 16A.152.
76.3 This appropriation may be used as provided
76.4 in Minnesota Statutes, section 116J.423,
76.5 subdivision 2. This appropriation is available
76.6 until expended.

76.7 (y) \$900,000 each year is for a grant to the
76.8 city of St. Paul to be used to pay debt service
76.9 on bond obligations issued by the city of St.
76.10 Paul in 1996 for the convention center.

76.11 (z) \$189,000 each year is appropriated from
76.12 the general fund to the commissioner of
76.13 employment and economic development for
76.14 grants of \$63,000 to eligible organizations
76.15 each year and for the purposes of this
76.16 paragraph. Each state grant dollar must be
76.17 matched with \$1 of nonstate funds. Any
76.18 balance in the first year does not cancel but is
76.19 available in the second year.

76.20 The commissioner of employment and
76.21 economic development must make grants to
76.22 organizations to assist in the development
76.23 of entrepreneurs and small businesses.

76.24 Three grants must be awarded to continue
76.25 or to develop a program. One grant must
76.26 be awarded to the Riverbend Center for
76.27 Entrepreneurial Facilitation in Blue Earth
76.28 County, and two to other organizations
76.29 serving Faribault and Martin Counties. Grant
76.30 recipients must report to the commissioner
76.31 by February 1 of each year that the
76.32 organization receives a grant with the
76.33 number of customers served; the number of
76.34 businesses started, stabilized, or expanded;
76.35 the number of jobs created and retained; and

77.1	<u>business success rates. The commissioner</u>		
77.2	<u>must report to the house of representatives</u>		
77.3	<u>and senate committees with jurisdiction</u>		
77.4	<u>over economic development finance on the</u>		
77.5	<u>effectiveness of these programs for assisting</u>		
77.6	<u>in the development of entrepreneurs and</u>		
77.7	<u>small businesses.</u>		
77.8	Subd. 3. Workforce Development	<u>48,896,000</u>	<u>48,622,000</u>
77.9	<u>Appropriations by Fund</u>		
77.10	<u>General</u>	<u>34,726,000</u>	<u>34,452,000</u>
77.11	<u>Workforce</u>		
77.12	<u>Development</u>	<u>14,170,000</u>	<u>14,170,000</u>
77.13	<u>(a) \$6,785,000 each year is for the Minnesota</u>		
77.14	<u>job skills partnership program under</u>		
77.15	<u>Minnesota Statutes, sections 116L.01 to</u>		
77.16	<u>116L.17. If the appropriation for either</u>		
77.17	<u>year is insufficient, the appropriation for the</u>		
77.18	<u>other year is available. This appropriation is</u>		
77.19	<u>available until spent.</u>		
77.20	<u>(b) \$305,000 each year is for a grant under</u>		
77.21	<u>Minnesota Statutes, section 116J.8747, to</u>		
77.22	<u>Twin Cities RISE! to provide training to</u>		
77.23	<u>hard-to-train individuals.</u>		
77.24	<u>(c) \$1,125,000 each year is from</u>		
77.25	<u>the workforce development fund for</u>		
77.26	<u>Opportunities Industrialization Center</u>		
77.27	<u>programs.</u>		
77.28	<u>(d) \$5,864,000 each year is from the general</u>		
77.29	<u>fund and \$6,920,000 each year is from the</u>		
77.30	<u>workforce development fund for extended</u>		
77.31	<u>employment services for persons with</u>		
77.32	<u>severe disabilities or related conditions</u>		
77.33	<u>under Minnesota Statutes, section 268A.15.</u>		
77.34	<u>Of this, \$250,000 is to supplement funds</u>		
77.35	<u>paid for wage incentive for the community</u>		

78.1 support fund established in Minnesota Rules,
78.2 part 3300.2045.

78.3 (e) \$1,900,000 each year is for grants for
78.4 programs that provide employment support
78.5 services to persons with mental illness under
78.6 Minnesota Statutes, sections 268A.13 and
78.7 268A.14. Up to \$77,000 each year may be
78.8 used for administrative and salary expenses.

78.9 (f) \$2,190,000 each year is for grants under
78.10 Minnesota Statutes, section 268A.11, for the
78.11 eight centers for independent living. Money
78.12 not expended the first year is available the
78.13 second year.

78.14 (g) \$5,940,000 each year is for State Services
78.15 for the Blind activities.

78.16 (h) \$150,000 each year is from the general
78.17 fund and \$175,000 each year is from the
78.18 workforce development fund for grants under
78.19 Minnesota Statutes, section 268A.03, to Rise,
78.20 Inc. for the Minnesota Employment Center
78.21 for People Who are Deaf or Hard-of-Hearing.
78.22 Money not expended the first year is
78.23 available the second year.

78.24 (i) \$9,021,000 each year is for the vocational
78.25 rehabilitation program. At least \$325,000
78.26 each year must be used for interpreters for
78.27 a regional transition program specializing
78.28 in culturally appropriate transition
78.29 services leading to employment for deaf,
78.30 hard-of-hearing, and deaf-blind students.

78.31 (j) \$150,000 each year is for a grant to
78.32 Advocating Change Together for training,
78.33 technical assistance, and resource materials
78.34 to persons with developmental and mental
78.35 illness disabilities.

79.1 (k) \$250,000 each year for a grant to
79.2 Lifetrack Resources for its immigrant/refugee
79.3 collaborative programs, including those
79.4 related to job-seeking skills and workplace
79.5 orientation, intensive job development,
79.6 functional work English, and on-site job
79.7 coaching.

79.8 (l) \$1,075,000 each year is for the youthbuild
79.9 program under Minnesota Statutes, sections
79.10 116L.361 to 116L.366.

79.11 (m) \$1,350,000 each year is from the
79.12 workforce development fund for grants
79.13 to fund summer youth employment in
79.14 Minneapolis. The grants shall be used to
79.15 fund up to 500 jobs for youth each summer.
79.16 Of this appropriation, \$350,000 each year is
79.17 for a grant to the learn-to-earn summer youth
79.18 employment program. The commissioner
79.19 shall establish criteria for awarding the
79.20 grants. This appropriation is available in
79.21 either year of the biennium and is available
79.22 until spent.

79.23 (n) \$50,000 each year is for a grant
79.24 to Northern Connections in Perham to
79.25 implement and operate a pilot workforce
79.26 program that provides one-stop supportive
79.27 services to assist individuals as they transition
79.28 into the workforce. This appropriation is
79.29 available to the extent it is matched by \$1 of
79.30 nonstate money for each \$1 of state money.

79.31 (o) \$100,000 each year is for a grant to
79.32 Ramsey County Workforce Investment Board
79.33 for the development of the building lives
79.34 program. This is a onetime appropriation.

80.1 (p) \$300,000 each year is for a grant to the
80.2 Hennepin-Carver Workforce Investment
80.3 Board (WIB) to coordinate with the Partners
80.4 for Progress Regional Skills Consortium
80.5 to provide employment and training as
80.6 demonstrated by the Twin Cities regional
80.7 health care training partnership project.

80.8 (q) \$160,000 the first year is for a grant
80.9 to Workforce Development, Inc., for a
80.10 pilot project to provide demand-driven
80.11 employment and training services to
80.12 welfare recipients and other economically
80.13 disadvantaged populations in Mower,
80.14 Freeborn, Dodge, and Steele Counties. This
80.15 is a onetime appropriation.

80.16 (r) \$200,000 each year is for a grant to
80.17 HIRED to operate its industry sector training
80.18 initiatives, which provide employee training
80.19 developed in collaboration with employers in
80.20 specific, high-demand industries. This is a
80.21 onetime appropriation.

80.22 (s) \$200,000 the first year is for a grant
80.23 to a nonprofit organization. The nonprofit
80.24 organization must work on behalf of all
80.25 licensed vendors to coordinate their efforts
80.26 to respond to solicitations or other requests
80.27 from private and governmental units as
80.28 defined in Minnesota Statutes, section
80.29 471.59, subdivision 1, in order to increase
80.30 employment opportunities for persons with
80.31 disabilities.

80.32 (t) \$3,500,000 each year from the workforce
80.33 development fund is for the Minnesota youth
80.34 program under Minnesota Statutes, section
80.35 116L.56 and 116L.561.

81.1 (u) \$500,000 each year from the workforce
81.2 development fund is for a grant to the
81.3 Minnesota Alliance of Boys and Girls
81.4 Clubs to administer a statewide project
81.5 of youth job skills development. This
81.6 project, which may have career guidance
81.7 components, including health and life skills,
81.8 is to encourage, train, and assist youth in
81.9 job-seeking skills, workplace orientation,
81.10 and job site knowledge through coaching.
81.11 This grant requires a 25 percent match from
81.12 nonstate resources.

81.13 (v) \$350,000 in each year from the workforce
81.14 development fund is for a grant to Ramsey
81.15 County for a summer youth employment
81.16 program to place at-risk youth, ages 14 to 21,
81.17 in subsidized summer employment.

81.18 The commissioner must provide funding
81.19 for the Minnesota Conservation Corps to
81.20 provide learning stipends for deaf students
81.21 and wages for interpreters participating in
81.22 the MCC summer youth program.

81.23 <u>Subd. 4. State-Funded Administration</u>	<u>2,998,000</u>	<u>3,020,000</u>
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81.24 The first \$1,450,000 deposited in each
81.25 year of the biennium and in each year of
81.26 subsequent bienniums into the contingent
81.27 account created under Minnesota Statutes,
81.28 section 268.196, subdivision 3, shall be
81.29 transferred by June 30 of each fiscal year
81.30 to the workforce development fund created
81.31 under Minnesota Statutes, section 116L.20.
81.32 Deposits in excess of \$1,450,000 shall be
81.33 transferred by June 30 of each fiscal year to
81.34 the general fund.

82.1	Sec. 4. <u>DEPARTMENT OF LABOR AND</u>		
82.2	<u>INDUSTRY</u>		
82.3	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 29,002,000</u>	<u>\$ 29,794,000</u>
82.4	<u>Appropriations by Fund</u>		
82.5	<u>2008</u>	<u>2009</u>	
82.6	<u>General</u>	<u>4,644,000</u>	<u>5,035,000</u>
82.7	<u>Workers'</u>		
82.8	<u>Compensation</u>	<u>21,716,000</u>	<u>22,053,000</u>
82.9	<u>Workforce</u>		
82.10	<u>Development</u>	<u>765,000</u>	<u>781,000</u>
82.11	<u>State Government</u>		
82.12	<u>Special Revenue</u>	<u>1,877,000</u>	<u>1,925,000</u>
82.13	<u>The amounts that may be spent for each</u>		
82.14	<u>purpose are specified in the following</u>		
82.15	<u>subdivisions.</u>		
82.16	<u>Subd. 2. Workers' Compensation</u>	<u>10,381,000</u>	<u>10,659,000</u>
82.17	<u>This appropriation is from the workers'</u>		
82.18	<u>compensation fund.</u>		
82.19	<u>\$200,000 each year is for grants to the</u>		
82.20	<u>Vinland Center for rehabilitation services.</u>		
82.21	<u>Subd. 3. Safety Codes and Services</u>	<u>9,949,000</u>	<u>10,134,000</u>
82.22	<u>\$5,292,000 the first year and \$5,388,000</u>		
82.23	<u>the second year are from the workers'</u>		
82.24	<u>compensation fund. \$1,877,000 the first year</u>		
82.25	<u>and \$1,925,000 the second year are from the</u>		
82.26	<u>state government special revenue fund.</u>		
82.27	<u>\$1,000,000 each year is from the workers'</u>		
82.28	<u>compensation fund for patient safe handling</u>		
82.29	<u>grants under Minnesota Statutes, section</u>		
82.30	<u>182.6553.</u>		
82.31	<u>\$100,000 each year is from the workers'</u>		
82.32	<u>compensation fund for the operation of</u>		
82.33	<u>the meatpacking industry workers' rights</u>		
82.34	<u>ombudsman under Minnesota Statutes,</u>		
82.35	<u>section 179.87.</u>		

83.1	Subd. 4. <u>Labor Standards/Apprenticeship</u>	<u>2,629,000</u>	<u>2,995,000</u>
83.2	<u>Appropriations by Fund</u>		
83.3	<u>General</u>	<u>1,864,000</u>	<u>2,214,000</u>
83.4	<u>Workforce</u>		
83.5	<u>Development</u>	<u>765,000</u>	<u>781,000</u>
83.6	<u>The appropriation from the workforce</u>		
83.7	<u>development fund is for the apprenticeship</u>		
83.8	<u>program under Minnesota Statutes, chapter</u>		
83.9	<u>178, and includes \$100,000 each year for</u>		
83.10	<u>labor education and advancement program</u>		
83.11	<u>grants.</u>		
83.12	<u>\$360,000 the first year and \$300,000 the</u>		
83.13	<u>second year from the general fund are for</u>		
83.14	<u>prevailing wage enforcement of which</u>		
83.15	<u>\$60,000 in the first year is for outreach and</u>		
83.16	<u>survey participation improvements.</u>		
83.17	Subd. 5. <u>General Support</u>	<u>6,043,000</u>	<u>6,006,000</u>
83.18	<u>This appropriation is from the workers'</u>		
83.19	<u>compensation fund.</u>		
83.20	Sec. 5. <u>BUREAU OF MEDIATION</u>		
83.21	<u>SERVICES</u>		
83.22	Subdivision 1. <u>Total Appropriation</u>	<u>\$ 1,850,000</u>	<u>\$ 1,877,000</u>
83.23	<u>The amounts that may be spent for each</u>		
83.24	<u>purpose are specified in the following</u>		
83.25	<u>subdivisions.</u>		
83.26	Subd. 2. <u>Mediation Services</u>	<u>1,700,000</u>	<u>1,727,000</u>
83.27	Subd. 3. <u>Labor Management Cooperation</u>		
83.28	<u>Grants</u>	<u>150,000</u>	<u>150,000</u>
83.29	<u>\$150,000 each year is for grants to area labor</u>		
83.30	<u>management committees. Grants may be</u>		
83.31	<u>awarded for a 12-month period beginning</u>		
83.32	<u>July 1 each year. Any unencumbered balance</u>		
83.33	<u>remaining at the end of the first year does not</u>		
83.34	<u>cancel but is available for the second year.</u>		

84.1	Sec. 6. <u>WORKERS' COMPENSATION</u>			
84.2	<u>COURT OF APPEALS</u>	\$	<u>1,663,000</u>	\$ <u>1,710,000</u>
84.3	<u>This appropriation is from the workers'</u>			
84.4	<u>compensation fund.</u>			
84.5	Sec. 7. <u>BOARD OF ACCOUNTANCY</u>	\$	<u>493,000</u>	\$ <u>499,000</u>
84.6	Sec. 8. <u>BOARD OF ARCHITECTURE,</u>			
84.7	<u>ENGINEERING, LAND SURVEYING,</u>			
84.8	<u>LANDSCAPE ARCHITECTURE,</u>			
84.9	<u>GEOSCIENCE, AND INTERIOR DESIGN</u>	\$	<u>795,000</u>	\$ <u>805,000</u>
84.10	Sec. 9. <u>BOARD OF BARBER EXAMINERS</u>	\$	<u>711,000</u>	\$ <u>724,000</u>
84.11	Sec. 10. <u>MINNESOTA BOXING</u>			
84.12	<u>COMMISSION</u>	\$	<u>50,000</u>	\$ <u>-0-</u>
84.13	<u>To transition the commission to being a</u>			
84.14	<u>self-funded entity.</u>			
84.15	Sec. 11. <u>BIOSCIENCE ZONES DESIGNATION.</u>			
84.16	<u>The commissioner of employment and economic development must establish a</u>			
84.17	<u>criteria for expanding the zones. The criteria must limit designating a new zone to a</u>			
84.18	<u>community that has adequate resources and infrastructure to support bioindustry, including</u>			
84.19	<u>postsecondary institutions, strong health care systems, and existing bioscience companies.</u>			
84.20	<u>It must also require that a new zone be located on a transportation corridor.</u>			
84.21	Sec. 12. <u>NANOTECHNOLOGY DEVELOPMENT FUND.</u>			
84.22	<u>Subdivision 1. Nanotechnology development fund created. The nanotechnology</u>			
84.23	<u>development fund (NDF) is created in the state treasury. Money in the fund is appropriated</u>			
84.24	<u>to the commissioner of employment and economic development for the purposes of this</u>			
84.25	<u>section.</u>			
84.26	<u>Subd. 2. Program established; purpose. The nanotechnology development</u>			
84.27	<u>fund program is established to develop a collaborative economic development initiative</u>			
84.28	<u>between the state of Minnesota, the private sector, and multiple academic institutions</u>			
84.29	<u>to promote by small businesses an increased use of advanced nanoinstrumentation for</u>			
84.30	<u>characterization, fabrication, and other related processes; provide research consulting</u>			
84.31	<u>by knowledgeable specialists; and provide student internship opportunities to increase</u>			
84.32	<u>nanotechnology experience by working with small, medium, or large Minnesota</u>			

companies. The NDF program shall be administered by the Department of Employment and Economic Development and is not a state agency.

Subd. 3. **Definition; qualifying Minnesota small business.** "Qualifying Minnesota small business" means:

(1) a Minnesota small business corporation, sole proprietorship, or partnership that has fewer than 50 employees; or

(2) a Minnesota business corporation, sole proprietorship, or partnership that:

(i) has 51 to 100 employees; and

(ii) demonstrates current financial adversity or risk or a major prospect of aiding the business's long-term outlook by significant use of nanotechnology in the business's offerings.

Subd. 4. **Use of fund; grants.** The commissioner shall extend onetime matching grants from the NDF to qualifying Minnesota small businesses located throughout the state to:

(1) add nanotechnology applications to products that are being developed by Minnesota small businesses to enhance distinctiveness;

(2) promote the depth, breadth, and value of technologies being developed by Minnesota businesses with the aid of nanotechnology;

(3) encourage more frequent use of nanoinstrumentation to speed businesses' product time-to-market, with higher incidence of distinct product characteristics;

(4) provide Minnesota small businesses with broader access to experienced research consultants; and

(5) increase the number of researchers experienced in working with nanoinstrumentation.

Subd. 5. **Grant application and award procedure.** (a) The commissioner may give priority to applicants:

(1) whose intellectual property would benefit from utilization of nanoinstrumentation not possessed in-house;

(2) who are currently utilizing nanoinstrumentation either at the University of Minnesota or a private sector location on a leased, hourly basis; and

(3) who wish to increase their access to experienced research consultants.

(b) The commissioner shall decide whether to award a grant to an eligible applicant based on:

(1) the applicant's planned frequency of usage of nanoinstrumentation for characterization, fabrication, and other related processes; and

(2) the applicant's demonstration of rental of nanoinstrumentation, in the form of a signed affidavit from a certified facility to confirm the one-to-one private sector investment has been met.

(c) A grant made under this section must:

(1) include verification of matching rental fees or internship stipends paid by the grantee; and

(2) be for a total amount paid to each grantee of not less than \$500 nor more than \$20,000 within the biennium.

Subd. 6. **Administration.** The commissioner of employment and economic development must develop and maintain a record-keeping system that specifies how funds from the NDF are applied for and distributed. Businesses receiving grants from the NDF must provide contact information, the date and time of the use of the nanoinstrumentation, proof of their matching contribution to meet the rental costs or provide an internship's stipend, and a general statement of the expected outcome from the use of the nanoinstrumentation, to the extent documentation can be made without divulging proprietary information.

Subd. 7. **Gifts and donations.** Gifts and donations, including land or interests in land, may be made to NDF. Noncash gifts and donations must be disposed of for cash as soon as the commissioner of employment and economic development can prudently maximize the value of the gift or donation. All funds must be credited to the nanotechnology development fund. All interest earned by the fund must be credited to the NDF.

Subd. 8. **Report to legislature.** By June 30 of each odd-numbered year, the commissioner of employment and economic development must submit a report to the legislature with statistics about the use of the NDF.

ARTICLE 7

EMPLOYMENT AND DEVELOPMENT-RELATED PROVISIONS

Section 1. Minnesota Statutes 2006, section 116J.401, is amended by adding a subdivision to read:

Subd. 4. **Use of funds for unemployed worker assistance.** Payment of employee compensation costs from the Wagner-Peyser Act referenced in subdivision 1, clause (8), must be used to provide direct benefit to unemployed and underemployed workers through the state's workforce centers. At least 75 percent of the employee compensation paid from Wagner-Peyser funds must be used for employees at workforce centers who provide direct assistance to unemployed and underemployed workers and no more than

87.1 25 percent may be used for providing hiring and human resource services for employers.
87.2 The funds under this section may be used to establish an internet based labor exchange
87.3 system. By July 1 of each year, the commissioner must submit a report to the committees
87.4 of the legislature responsible for oversight of unemployment insurance with details on
87.5 the use of Wagner-Peyser funds, including the number of employee positions funded, the
87.6 location of the employees, and the use of funds for internet labor exchange system and
87.7 other business assistance.

87.8 Sec. 2. **[116J.417] GREATER MINNESOTA BUSINESS DEVELOPMENT**
87.9 **INVESTMENT FUND.**

87.10 Subdivision 1. **Eligible organization.** For the purposes of this section, "eligible
87.11 organization" means an organization established pursuant to section 116J.415 which
87.12 provides business financing to greater Minnesota businesses.

87.13 Subd. 2. **Investment fund establishment.** The commissioner shall establish an
87.14 investment fund from which fund investments can be made in eligible organizations. The
87.15 funds repaid by the eligible organizations are to be returned to the fund for subsequent
87.16 reinvestment in eligible organizations.

87.17 Subd. 3. **Authorized investments.** The commissioner is authorized to make
87.18 investments in eligible organizations. The commissioner shall invest funds in the form of
87.19 loans to eligible organizations for the purpose of providing capital to new and expanding
87.20 businesses in the form of debt or equity, or both.

87.21 Subd. 4. **Investment authorized.** The commissioner may make investments in
87.22 eligible organizations under the following terms:

87.23 (1) the organization seeking an investment of funds must guarantee repayment of not
87.24 less than 100 percent of the funds invested in the eligible organization;

87.25 (2) the investments are to be made in the form of a loan to the eligible organization
87.26 for a term of ten years, at an interest rate of one percent;

87.27 (3) during the ten-year term of the loan, the eligible organization shall make annual
87.28 interest-only payments;

87.29 (4) at the end of the ten-year term, the eligible organization is required to make a
87.30 payment in the entire principal amount of the initial loan;

87.31 (5) the state investment by the commissioner in any eligible organization may not
87.32 exceed \$2,000,000;

87.33 (6) the full amount of state investment will be advanced to the approved eligible
87.34 organization upon execution of a formal investment agreement, specifying the terms of the
87.35 loan, as well as reporting and other requirements outlined in subdivision 5;

(7) the eligible organization must maintain the funds in accounts that allow the funds to be readily available for business investments;

(8) the eligible organization must make business investments totaling the entire amount of funds loaned by the state within three years of the execution of the investment agreement and subsequent transmittal of the funds; and

(9) an eligible organization that receives an investment under this section shall report annually, in a format prescribed by the commissioner, the nature and amount of the business investments made, including, for each financing transaction involving funds received pursuant to this section, all forms and amounts of financing provided by the eligible organization from sources other than the investment fund established pursuant to this section, along with the number of jobs created and private sector investment leveraged.

Subd. 5. Requirements for state investments. All investments are subject to an investment agreement which must include:

(1) a description of the eligible organization, including business finance experience, qualifications, and investment history;

(2) a description of the uses of investment proceeds by the eligible organization;

(3) an explanation of the investment objectives;

(4) a description of accounting and reporting standards to be used by the eligible organization; and

(5) a copy of the most recent audited financial statements of the eligible organization.

Sec. 3. Minnesota Statutes 2006, section 116J.551, subdivision 1, is amended to read:

Subdivision 1. **Grant account.** A contaminated site cleanup and development grant account is created in the general fund. Money in the account may be used, as appropriated by law, to make grants as provided in section 116J.554 and to pay for the commissioner's costs in reviewing applications and making grants. Notwithstanding section 16A.28, money appropriated to the account for this program from any source is available ~~for four years~~ until spent.

Sec. 4. Minnesota Statutes 2006, section 116J.554, subdivision 2, is amended to read:

Subd. 2. **Qualifying sites.** A site qualifies for a grant under this section, if the following criteria are met:

(1) the site is not scheduled for funding during the current or next fiscal year under the Comprehensive Environmental Response, Compensation, and Liability Act, United States Code, title 42, section 9601, et seq. or under the Environmental Response, and Liability Act under sections 115B.01 to 115B.20;

~~(2) the appraised value of the site after adjusting for the effect on the value of the presence or possible presence of contaminants using accepted appraisal methodology, or the current market value of the site as issued under section 273.121, separately taking into account the effect of the contaminants on the market value, (i) is less than 75 percent of the estimated project costs for the site or (ii) is less than or equal to the estimated cleanup costs for the site and the cleanup costs equal or exceed \$3 per square foot for the site; and~~

~~(3)~~ (2) if the proposed cleanup is completed, it is expected that the site will be improved with buildings or other improvements and these improvements will provide a substantial increase in the property tax base within a reasonable period of time or the site will be used for an important publicly owned or tax-exempt facility.

Sec. 5. Minnesota Statutes 2006, section 116J.555, subdivision 1, is amended to read:

Subdivision 1. **Priorities.** (a) The legislature expects that applications for grants will exceed the available appropriations and the agency will be able to provide grants to only some of the applicant development authorities.

(b) If applications for grants for qualified sites exceed the available appropriations, the agency shall make grants for sites that, in the commissioner's judgment, provide the highest return in public benefits for the public costs incurred and that meet all the requirements provided by law. In making this judgment, the commissioner shall consider the following factors:

(1) the recommendations or ranking of projects by the commissioner of the Pollution Control Agency regarding the potential threat to public health and the environment that would be reduced or eliminated by completion of each of the response action plans;

(2) the potential increase in the property tax base of the local taxing jurisdictions, considered relative to the fiscal needs of the jurisdictions, that will result from developments that will occur because of completion of each of the response action plans;

(3) the social value to the community of the cleanup and redevelopment of the site, including the importance of development of the proposed public facilities on each of the sites;

(4) the probability that each site will be cleaned up without use of government money in the reasonably foreseeable future by considering but not limited to the current market value of the site versus the cleanup cost;

(5) the amount of cleanup costs for each site; and

(6) the amount of the commitment of municipal or other local resources to pay for the cleanup costs.

90.1 The factors are not listed in a rank order of priority; rather the commissioner may
90.2 weigh each factor, depending upon the facts and circumstances, as the commissioner
90.3 considers appropriate. The commissioner may consider other factors that affect the net
90.4 return of public benefits for completion of the response action plan. The commissioner,
90.5 notwithstanding the listing of priorities and the goal of maximizing the return of public
90.6 benefits, shall make grants that distribute available money to sites both within and outside
90.7 of the metropolitan area. The commissioner shall provide a written statement of the
90.8 supporting reasons for each grant. Unless sufficient applications are not received for
90.9 qualifying sites outside of the metropolitan area, at least 25 percent of the money provided
90.10 as grants must be made for sites located outside of the metropolitan area.

90.11 Sec. 6. Minnesota Statutes 2006, section 116J.575, subdivision 1, is amended to read:

90.12 Subdivision 1. **Commissioner discretion.** The commissioner may make a grant for
90.13 up to 50 percent of the eligible costs of a project. The determination of whether to make a
90.14 grant for a site is within the discretion of the commissioner, subject to this section and
90.15 sections 116J.571 to 116J.574 and available unencumbered money in the redevelopment
90.16 account. For grants made in fiscal years 2008 and 2009, at least 75 percent of the available
90.17 grant funds must be used for grants in greater Minnesota. For grants made in fiscal year
90.18 2010 and later, at least 50 percent of the available grant funds must be used for grants
90.19 in greater Minnesota. If the commissioner determines that the applications for grants
90.20 for projects in greater Minnesota are less than the amount of grant funds available, the
90.21 commissioner may make grants for projects anywhere in Minnesota. The commissioner's
90.22 decisions and application of the priorities under this section are not subject to judicial
90.23 review, except for abuse of discretion.

90.24 Sec. 7. Minnesota Statutes 2006, section 116J.575, subdivision 1a, is amended to read:

90.25 Subd. 1a. **Priorities.** (a) If applications for grants exceed the available
90.26 appropriations, grants shall be made for sites that, in the commissioner's judgment, provide
90.27 the highest return in public benefits for the public costs incurred. "Public benefits" include
90.28 job creation, bioscience development, environmental benefits to the state and region,
90.29 efficient use of public transportation, efficient use of existing infrastructure, provision of
90.30 affordable housing, multiuse development that constitutes community rebuilding rather
90.31 than single-use development, crime reduction, blight reduction, community stabilization,
90.32 and property tax base maintenance or improvement. In making this judgment, the
90.33 commissioner shall give priority to redevelopment projects with one or more of the
90.34 following characteristics:

91.1 (1) the need for redevelopment in conjunction with contamination remediation needs;
91.2 (2) the redevelopment project meets current tax increment financing requirements
91.3 for a redevelopment district and tax increments will contribute to the project;
91.4 (3) the redevelopment potential within the municipality;
91.5 (4) proximity to public transit if located in the metropolitan area; ~~and~~
91.6 (5) redevelopment costs related to expansion of a bioscience business in Minnesota;
91.7 and

91.8 ~~(5)~~ (6) multijurisdictional projects that take into account the need for affordable
91.9 housing, transportation, and environmental impact.

91.10 (b) The factors in paragraph (a) are not listed in a rank order of priority; rather, the
91.11 commissioner may weigh each factor, depending upon the facts and circumstances, as
91.12 the commissioner considers appropriate. The commissioner may consider other factors
91.13 that affect the net return of public benefits for completion of the redevelopment plan. The
91.14 commissioner, notwithstanding the listing of priorities and the goal of maximizing the
91.15 return of public benefits, shall make grants that distribute available money to sites both
91.16 within and outside of the metropolitan area. Unless sufficient applications are not received
91.17 for qualifying sites outside of the metropolitan area, at least 25 percent of the money
91.18 provided as grants must be made for sites located outside of the metropolitan area.

91.19 Sec. 8. Minnesota Statutes 2006, section 116J.966, subdivision 1, is amended to read:

91.20 Subdivision 1. **Generally.** (a) The commissioner shall promote, develop, and
91.21 facilitate trade and foreign investment in Minnesota. In furtherance of these goals, and in
91.22 addition to the powers granted by section 116J.035, the commissioner may:

91.23 (1) locate, develop, and promote international markets for Minnesota products
91.24 and services;

91.25 (2) arrange and lead trade missions to countries with promising international markets
91.26 for Minnesota goods, technology, services, and agricultural products;

91.27 (3) promote Minnesota products and services at domestic and international trade
91.28 shows;

91.29 (4) organize, promote, and present domestic and international trade shows featuring
91.30 Minnesota products and services;

91.31 (5) host trade delegations and assist foreign traders in contacting appropriate
91.32 Minnesota businesses and investments;

91.33 (6) develop contacts with Minnesota businesses and gather and provide information
91.34 to assist them in locating and communicating with international trading or joint venture
91.35 counterparts;

92.1 (7) provide information, education, and counseling services to Minnesota businesses
92.2 regarding the economic, commercial, legal, and cultural contexts of international trade;

92.3 (8) provide Minnesota businesses with international trade leads and information
92.4 about the availability and sources of services relating to international trade, such as
92.5 export financing, licensing, freight forwarding, international advertising, translation, and
92.6 custom brokering;

92.7 (9) locate, attract, and promote foreign direct investment and business development
92.8 in Minnesota to enhance employment opportunities in Minnesota;

92.9 (10) provide foreign businesses and investors desiring to locate facilities in
92.10 Minnesota information regarding sources of governmental, legal, real estate, financial, and
92.11 business services;

92.12 (11) enter into contracts or other agreements with private persons and public entities,
92.13 including agreements to establish and maintain offices and other types of representation in
92.14 foreign countries, to carry out the purposes of promoting international trade and attracting
92.15 investment from foreign countries to Minnesota and to carry out this section, without
92.16 regard to section 16C.06; and

92.17 (12) market trade-related materials to businesses and organizations, and the proceeds
92.18 of which must be placed in a special revolving account and are appropriated to the
92.19 commissioner to prepare and distribute trade-related materials.

92.20 (b) The programs and activities of the commissioner of employment and economic
92.21 development and the Minnesota Trade Division may not duplicate programs and activities
92.22 of the commissioner of agriculture.

92.23 (c) The commissioner shall notify the chairs of the senate Finance and house Ways
92.24 and Means Committees of each agreement under this subdivision to establish and maintain
92.25 an office or other type of representation in a foreign country.

92.26 (d) The Minnesota Trade Office shall serve as the state's office of protocol providing
92.27 assistance to official visits by foreign government representatives and shall serve as liaison
92.28 to the foreign diplomatic corps in Minnesota.

92.29 Sec. 9. Minnesota Statutes 2006, section 116L.01, is amended by adding a subdivision
92.30 to read:

92.31 Subd. 4. **Workforce development intermediaries.** "Workforce development
92.32 intermediaries" means public, private, or nonprofit entities that provide employment
92.33 services to low-income individuals and have a demonstrated track record bringing together
92.34 employers and workers, private and public funding streams, and other stakeholders to
92.35 implement pathways to career advancement for low-income individuals. Entities may

93.1 include, but are not limited to, nonprofit organizations, educational institutions, or the
93.2 administrative entity of a local workforce service area.

93.3 Sec. 10. Minnesota Statutes 2006, section 116L.04, subdivision 1a, is amended to read:

93.4 Subd. 1a. **Pathways program.** The pathways program may provide grants-in-aid
93.5 for developing programs which assist in the transition of persons from welfare to work and
93.6 assist individuals at or below 200 percent of the federal poverty guidelines. The program
93.7 is to be operated by the board. The board shall consult and coordinate with program
93.8 administrators at the Department of Employment and Economic Development to design
93.9 and provide services for temporary assistance for needy families recipients.

93.10 Pathways grants-in-aid may be awarded to educational or other nonprofit training
93.11 institutions or to workforce development intermediaries for education and training
93.12 programs and services supporting education and training programs that serve eligible
93.13 recipients.

93.14 Preference shall be given to projects that:

93.15 (1) provide employment with benefits paid to employees;

93.16 (2) provide employment where there are defined career paths for trainees;

93.17 (3) pilot the development of an educational pathway that can be used on a continuing
93.18 basis for transitioning persons from welfare to work; and

93.19 (4) demonstrate the active participation of Department of Employment and
93.20 Economic Development workforce centers, Minnesota State College and University
93.21 institutions and other educational institutions, and local welfare agencies.

93.22 Pathways projects must demonstrate the active involvement and financial
93.23 commitment of private business. Pathways projects must be matched with cash or in-kind
93.24 contributions on at least a ~~one-to-one~~ one-half-to-one ratio by participating private
93.25 business.

93.26 A single grant to any one institution shall not exceed \$400,000. A portion of a grant
93.27 may be used for preemployment training.

93.28 Sec. 11. Minnesota Statutes 2006, section 116L.17, subdivision 1, is amended to read:

93.29 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms
93.30 have the meanings given them in this subdivision.

93.31 (b) "Commissioner" means the commissioner of employment and economic
93.32 development.

93.33 (c) "Dislocated worker" means an individual who is a resident of Minnesota at the
93.34 time employment ceased or was working in the state at the time employment ceased and:

94.1 (1) has been permanently separated or has received a notice of permanent separation
94.2 from public or private sector employment and is eligible for or has exhausted entitlement
94.3 to unemployment benefits, and is unlikely to return to the previous industry or occupation;

94.4 (2) has been long-term unemployed and has limited opportunities for employment
94.5 or reemployment in the same or a similar occupation in the area in which the individual
94.6 resides, including older individuals who may have substantial barriers to employment by
94.7 reason of age;

94.8 (3) has been terminated or has received a notice of termination of employment as a
94.9 result of a plant closing or a substantial layoff at a plant, facility, or enterprise;

94.10 (4) has been self-employed, including farmers and ranchers, and is unemployed as a
94.11 result of general economic conditions in the community in which the individual resides or
94.12 because of natural disasters; or

94.13 ~~(4)~~ (5) is a displaced homemaker. A "displaced homemaker" is an individual who
94.14 has spent a substantial number of years in the home providing homemaking service and
94.15 (i) has been dependent upon the financial support of another; and now due to divorce,
94.16 separation, death, or disability of that person, must find employment to self support; or (ii)
94.17 derived the substantial share of support from public assistance on account of dependents
94.18 in the home and no longer receives such support.

94.19 To be eligible under this clause, the support must have ceased while the worker
94.20 resided in Minnesota.

94.21 (d) "Eligible organization" means a state or local government unit, nonprofit
94.22 organization, community action agency, business organization or association, or labor
94.23 organization.

94.24 (e) "Plant closing" means the announced or actual permanent shutdown of a single
94.25 site of employment, or one or more facilities or operating units within a single site of
94.26 employment.

94.27 (f) "Substantial layoff" means a permanent reduction in the workforce, which is
94.28 not a result of a plant closing, and which results in an employment loss at a single site
94.29 of employment during any 30-day period for at least 50 employees excluding those
94.30 employees that work less than 20 hours per week.

94.31 Sec. 12. Minnesota Statutes 2006, section 116L.20, subdivision 1, is amended to read:

94.32 Subdivision 1. **Determination and collection of special assessment.** (a) In addition
94.33 to amounts due from an employer under the Minnesota unemployment insurance program,
94.34 each employer, except an employer making reimbursements is liable for a special
94.35 assessment levied at the rate of .10 percent per year ~~for calendar years 2006 and 2007~~ on

95.1 all taxable wages, as defined in section 268.035, subdivision 24. ~~Beginning January 1,~~
95.2 ~~2008, the special assessment shall be levied at a rate of .085 percent per year on all taxable~~
95.3 ~~wages.~~ The assessment shall become due and be paid by each employer on the same
95.4 schedule and in the same manner as other amounts due from an employer under section
95.5 268.051, subdivision 1.

95.6 (b) The special assessment levied under this section shall be subject to the same
95.7 requirements and collection procedures as any amounts due from an employer under the
95.8 Minnesota unemployment insurance program.

95.9 Sec. 13. Minnesota Statutes 2006, section 116M.18, subdivision 6a, is amended to read:

95.10 Subd. 6a. **Nonprofit corporation loans.** The board may make loans to a nonprofit
95.11 corporation with which it has entered into an agreement under subdivision 1. These
95.12 loans must be used to support a new or expanding business. This support may include
95.13 such forms of financing as the sale of goods to the business on installment or deferred
95.14 payments, lease purchase agreements, or royalty investments in the business. The interest
95.15 rate charged by a nonprofit corporation for a loan under this subdivision must not exceed
95.16 the Wall Street Journal prime rate plus four percent. For a loan under this subdivision, the
95.17 nonprofit corporation may charge a loan origination fee equal to or less than one percent
95.18 of the loan value. The nonprofit corporation may retain the amount of the origination fee.
95.19 The nonprofit corporation must provide at least an equal match to the loan received by the
95.20 board. The maximum loan available to the nonprofit corporation under this subdivision is
95.21 \$50,000. Loans made to the nonprofit corporation under this subdivision may be made
95.22 without interest. Repayments made by the nonprofit corporation must be deposited in the
95.23 revolving fund created for urban initiative grants.

95.24 Sec. 14. **[116O.115] SMALL BUSINESS GROWTH ACCELERATION**
95.25 **PROGRAM.**

95.26 Subdivision 1. **Establishment; purpose.** The small business growth acceleration
95.27 program is established. The purpose of the program is to (1) help qualified companies
95.28 implement technology and business improvements; and (2) bridge the gap between
95.29 standard market pricing for technology and business improvements and what qualified
95.30 companies can afford to pay.

95.31 Subd. 2. **Qualified company.** A company is qualified to receive assistance under
95.32 the small business growth acceleration program if it is a manufacturing company or a
95.33 manufacturing-related service company that employs 100 or fewer full-time equivalent
95.34 employees.

96.1 Subd. 3. **Applications for assistance.** A company seeking assistance under the
96.2 small business growth acceleration program must file an application according to the
96.3 requirements of the corporation. A company's application for small business growth
96.4 acceleration program assistance must include documentation of the company's overall plan
96.5 for technology and business improvement and prioritize the components of the overall
96.6 plan. The application must also document the company's need for small business growth
96.7 acceleration program funds in order to carry forward the highest priority components of
96.8 the plan.

96.9 Subd. 4. **Fund awards; use of funds.** (a) The corporation shall establish
96.10 procedures for determining which applicants for assistance under the small business
96.11 growth acceleration program will receive program funding. Funding shall be awarded
96.12 only to accelerate a qualified company's adoption of needed technology or business
96.13 improvements when the corporation concludes that it is unlikely the improvements could
96.14 be accomplished in any other way.

96.15 (b) The maximum amount of funds awarded to a qualified company under the small
96.16 business growth acceleration program for a particular project must not exceed 50 percent
96.17 of the total cost of a project and must not under any circumstances exceed \$25,000 during
96.18 a calendar year. The corporation shall not award to a qualified company small business
96.19 growth acceleration program funds in excess of \$50,000 per year.

96.20 (c) Any funds awarded to a qualified company under the small business growth
96.21 acceleration program must be used for business services and products that will enhance the
96.22 operation of the company. These business services and products must come either directly
96.23 from the corporation or from a network of expert providers identified and approved by
96.24 the corporation. No company receiving small business growth acceleration program
96.25 funds may use the funds for refinancing, overhead costs, new construction, renovation,
96.26 equipment, or computer hardware.

96.27 (d) Any funds awarded must be disbursed to the qualified company as reimbursement
96.28 documented according to requirements of the corporation.

96.29 Subd. 5. **Service agreements.** The corporation shall enter a written service
96.30 agreement with each company awarded funds under the small business growth acceleration
96.31 program. Each service agreement shall clearly articulate the company's need for service,
96.32 state the cost of the service, identify who will provide the service, and define the scope of
96.33 the service that will be provided. The service agreement must also include an estimate
96.34 of the financial impact of the service on the company and require the company to report
96.35 the actual financial impact of the service to the corporation 24 months after the service is
96.36 provided.

97.1 Subd. 6. **Reporting.** The corporation shall report annually to the legislative
97.2 committees with fiscal jurisdiction over the Department of Employment and Economic
97.3 Development:

97.4 (1) the funds awarded under the small business growth acceleration program during
97.5 the past 12 months;

97.6 (2) the estimated financial impact of the funds awarded to each company receiving
97.7 service under the program; and

97.8 (3) the actual financial impact of funds awarded during the past 24 months.

97.9 Sec. 15. **[179.86] PACKINGHOUSE WORKERS BILL OF RIGHTS.**

97.10 Subdivision 1. **Definitions.** For the purposes of this section and section 179.87:

97.11 (1) "employer" means any person or business entity having 25 or more employees
97.12 in the meatpacking industry; and

97.13 (2) "meatpacking industry" means business operations in which slaughtering,
97.14 butchering, meat canning, meat packing, meat manufacturing, poultry canning, poultry
97.15 packing, poultry manufacturing, pet food manufacturing, processing of meatpacking
97.16 products, or rendering is carried on. Meatpacking products include livestock and poultry
97.17 products.

97.18 Subd. 2. **Right to adequate facilities.** An employer must provide its employees:

97.19 (1) adequate and working restroom facilities;

97.20 (2) adequate room for meal and rest breaks;

97.21 (3) adequate locker facilities; and

97.22 (4) adequate time for necessary restroom and meal breaks as required under chapter
97.23 177; United States Code, title 29, chapter 15; and United States Code, title 42, chapter
97.24 126, or a valid collective bargaining agreement.

97.25 Subd. 3. **Right to adequate equipment and training.** An employer must furnish its
97.26 employees with equipment and training that is adequate to perform the job task assigned.
97.27 An employer must make ongoing skill development and training opportunities, including
97.28 supervisory training, available to employees.

97.29 Subd. 4. **Information provided to employee by employer.** (a) An employer must
97.30 provide an explanation in an employee's native language of the employee's rights and
97.31 duties as an employee either person-to-person or through written materials as required
97.32 by state or federal law, or a valid collective bargaining agreement that, at a minimum,
97.33 includes:

97.34 (1) a complete description of the salary and benefits plans as they relate to the
97.35 employee as required under chapter 181;

98.1 (2) a job description for the employee's position as required under chapter 181;

98.2 (3) a description of leave policies as required under chapter 181 and United States
98.3 Code, title 29, chapter 28;

98.4 (4) a description of the work hours and work hours policy as required under chapter
98.5 181; United States Code, title 29, chapter 201; or a valid collective bargaining agreement;
98.6 and

98.7 (5) a description of the occupational hazards known to exist for the position as
98.8 required under chapters 181 and 182 and United States Code, title 29, chapter 15.

98.9 (b) The explanation must also include information on the following employee rights
98.10 as protected by state or federal law and a description of where additional information
98.11 about those rights may be obtained:

98.12 (1) the right to organize and bargain collectively as required under this chapter and
98.13 chapter 177, and United States Code, title 29, chapter 7;

98.14 (2) the right to a safe workplace as required under chapters 181 and 182 and United
98.15 States Code, title 29, chapter 15; and

98.16 (3) the right to be free from discrimination as required under this chapter and
98.17 chapters 181, 182, and 363A, and United States Code, title 42, chapter 21.

98.18 Subd. 5. **Civil action.** A person aggrieved as a result of a violation of this section
98.19 may file suit in any district court of this state. If the court finds that the respondent has
98.20 intentionally violated this section, the court may award damages up to and including an
98.21 amount equal to the original damages and may provide injunctive relief.

98.22 Subd. 6. **Criminal penalty.** An employer who violates this section is guilty of a
98.23 misdemeanor.

98.24 Sec. 16. **[179.87] MEATPACKING INDUSTRY WORKERS RIGHTS**
98.25 **OMBUDSMAN.**

98.26 Subdivision 1. **Position established.** The position of meatpacking industry workers
98.27 rights ombudsman is established within the Department of Labor and Industry. The
98.28 ombudsman shall be an employee of the department. The ombudsman shall be appointed
98.29 by the commissioner in consultation with the chairs of the standing committees of the
98.30 senate and house of representatives with jurisdiction over labor and employment issues in
98.31 accordance with the preference established in subdivision 5.

98.32 Subd. 2. **Duties.** The ombudsman shall inspect and review the practices and
98.33 procedures of meatpacking operations in the state. The ombudsman shall work to ensure
98.34 workers rights under section 179.86 are protected.

99.1 Subd. 3. **Access.** The ombudsman or designated representatives of the ombudsman
99.2 shall have access to all meatpacking operations in the state at any time meatpacking
99.3 products are being processed and industry workers are on the job.

99.4 Subd. 4. **Office.** Necessary office space, furniture, equipment, and supplies as
99.5 well as necessary assistance for the ombudsman shall be provided by the Department of
99.6 Labor and Industry.

99.7 Subd. 5. **Language preference.** Preference shall be given to applicants for the
99.8 ombudsman position who are fluent in languages in addition to English.

99.9 Subd. 6. **Report.** The ombudsman shall, on or before December 1 of each year,
99.10 submit a report to the members of the legislature and the governor regarding any
99.11 recommended actions the ombudsman deems necessary or appropriate to provide for the
99.12 fair treatment of workers in the meatpacking industry.

99.13 Sec. 17. Minnesota Statutes 2006, section 181.78, is amended by adding a subdivision
99.14 to read:

99.15 Subd. 4. **Forfeiture of employer rights.** (a) This subdivision applies to an
99.16 invention or proposal by an employee in which the employer has an enforceable interest
99.17 by contract or otherwise.

99.18 (b) An employer who has a right to develop or utilize an invention or proposal
99.19 must make a substantial investment in the invention or proposal within five years of the
99.20 submission of the invention or proposal or forfeit all rights and interests in the invention
99.21 or proposal to the employee.

99.22 (c) An employee who has acquired the rights and interests of an employer under
99.23 paragraph (b) may transfer that interest in the invention or proposal to anyone.

99.24 (d) An employer must notify in writing an employee who submits an invention or
99.25 proposal to the employer of the employee's right under this subdivision within ten days of
99.26 the submission. The employer must date and describe the proposal or invention received
99.27 by the employer and provide a copy to the employee.

99.28 Sec. 18. **[181A.115] PROHIBITED EMPLOYMENT RELATING TO THE**
99.29 **PRESENCE OF LIQUOR.**

99.30 No minor under the age of 18 shall be employed in any rooms constituting the place
99.31 in which intoxicating liquors or 3.2 percent malt liquors are served or consumed or in any
99.32 tasks involving the serving, dispensing, or handling of such liquors that are consumed on
99.33 the premises except that:

100.1 (1) minors who have reached the age of 16 may be employed to perform busing or
100.2 dishwashing services in those rooms or areas of a restaurant, hotel, motel, or resort where
100.3 the presence of intoxicating liquor is incidental to food service or preparation;

100.4 (2) minors who have reached the age of 16 may be employed to perform busing or
100.5 dishwashing services or to provide waiter or waitress service in rooms or areas where the
100.6 presence of 3.2 percent malt liquor is incidental to food service or preparation;

100.7 (3) minors who have reached the age of 16 may be employed to provide musical
100.8 entertainment in those rooms or areas where the presence of intoxicating liquor and 3.2
100.9 percent malt liquor is incidental to food service or preparation; and

100.10 (4) minors are not prevented from working at tasks which are not prohibited by law
100.11 in establishments where liquor is sold, served, dispensed, or handled in those rooms or
100.12 areas where no liquor is consumed or served.

100.13 Sec. 19. Minnesota Statutes 2006, section 182.65, subdivision 2, is amended to read:

100.14 Subd. 2. **Legislative findings and purpose.** The legislature finds that the burden on
100.15 employers and employees of this state resulting from personal injuries and illnesses arising
100.16 out of work situations is substantial; that the prevention of these injuries and illnesses is an
100.17 important objective of the government of this state; that the greatest hope of attaining this
100.18 objective lies in programs of research and education, and in the earnest cooperation of
100.19 government, employers and employees; and that a program of regulation and enforcement
100.20 is a necessary supplement to these more basic programs.

100.21 The legislature declares it to be its purpose and policy through the exercise of its
100.22 powers to assure so far as possible every worker in the state of Minnesota safe and
100.23 healthful working conditions and to preserve our human resources by:

100.24 (a) authorizing the Occupational Safety and Health Advisory Council to advise,
100.25 consult with or recommend on any matters relating to the Minnesota occupational
100.26 safety and health plan to the commissioner of labor and industry and by authorizing the
100.27 commissioner of labor and industry to promulgate and enforce mandatory occupational
100.28 safety and health standards applicable to employers and employees in the state of
100.29 Minnesota;

100.30 (b) encouraging employers and employees to increase their efforts to reduce the
100.31 number of occupational safety and health hazards at their places of employment, and to
100.32 stimulate employers and employees to institute new and to perfect existing programs for
100.33 providing safe and healthful working conditions;

100.34 (c) providing that employers and employees have separate but dependent
100.35 responsibilities and rights with respect to achieving safe and healthful working conditions;

101.1 (d) providing for research in the field of occupational safety and health; including
101.2 the psychological factors involved, and by developing innovative methods, techniques,
101.3 and approaches for dealing with occupational safety and health problems;

101.4 (e) exploring ways to discover latent diseases, establishing causal connections
101.5 between diseases and work in environmental conditions, and conducting other research
101.6 relating to health problems, in recognition of the fact that occupational health standards
101.7 present problems often different from those involved in occupational safety;

101.8 (f) utilizing advances already made by federal laws and regulations providing safe
101.9 and healthful working conditions;

101.10 (g) providing criteria which will assure insofar as practicable that no employee
101.11 will suffer diminished health, functional capacity, or life expectancy as a result of work
101.12 experience;

101.13 (h) providing an effective enforcement program which shall include locating
101.14 enforcement personnel in areas of the state with a higher incidence of workplace fatalities,
101.15 injuries, and complaints and a prohibition against giving advance notice of an inspection
101.16 and sanctions for any individual violating this prohibition;

101.17 (i) providing for appropriate reporting procedures with respect to occupational
101.18 safety and health, which procedures will help achieve the objectives of this chapter and
101.19 accurately describe the nature of the occupational safety and health problem;

101.20 (j) encouraging joint labor-management efforts to reduce injuries and diseases
101.21 arising out of employment;

101.22 (k) providing consultation to employees and employers which will aid them in
101.23 complying with their responsibilities under this chapter where such consultation does not
101.24 interfere with the effective enforcement of this chapter; and

101.25 (l) providing for training programs to increase the number and competence of
101.26 personnel engaged in the field of occupational safety and health.

101.27 Sec. 20. **[182.6551] CITATION.**

101.28 Sections 182.6551 to 182.6553 may be cited as the "Safe Patient Handling Act."

101.29 Sec. 21. **[182.6552] DEFINITIONS.**

101.30 Subdivision 1. **Direct patient care worker.** "Direct patient care worker" means an
101.31 individual doing the job of directly providing physical care to patients including nurses, as
101.32 defined by section 148.171, who provide physical care to patients.

102.1 Subd. 2. **Health care facility.** "Health care facility" means a hospital as defined in
102.2 section 144.50, subdivision 2; an outpatient surgical center as defined in section 144.55,
102.3 subdivision 2; and a nursing home as defined in section 144A.01, subdivision 5.

102.4 Subd. 3. **Safe patient handling.** "Safe patient handling" means a process, based on
102.5 scientific evidence on causes of injuries, that uses safe patient handling equipment rather
102.6 than people to transfer, move, and reposition patients in all health care facilities to reduce
102.7 workplace injuries. This process also reduces the risk of injury to patients.

102.8 Subd. 4. **Safe patient handling equipment.** "Safe patient handling equipment"
102.9 means engineering controls, lifting and transfer aids, or mechanical assistive devices used
102.10 by nurses and other direct patient care workers instead of manual lifting to perform the
102.11 acts of lifting, transferring, and repositioning health care facility patients and residents.

102.12 Sec. 22. **[182.6553] SAFE PATIENT HANDLING PROGRAM.**

102.13 Subdivision 1. **Safe patient handling program required.** (a) By July 1, 2008,
102.14 every licensed health care facility in the state shall adopt a written safe patient handling
102.15 policy establishing the facility's plan to achieve by January 1, 2011, the goal of minimizing
102.16 manual lifting of patients by nurses and other direct patient care workers by utilizing
102.17 safe patient handling equipment.

102.18 (b) The program shall address:

102.19 (1) assessment of hazards with regard to patient handling;

102.20 (2) the acquisition of an adequate supply of appropriate safe patient handling
102.21 equipment;

102.22 (3) initial and ongoing training of nurses and other direct patient care workers on
102.23 the use of this equipment;

102.24 (4) procedures to ensure that physical plant modifications and major construction
102.25 projects are consistent with program goals; and

102.26 (5) periodic evaluations of the safe patient handling program.

102.27 Subd. 2. **Safe patient handling committee.** (a) By July 1, 2008, every licensed
102.28 health care facility in the state shall establish a safe patient handling committee either by
102.29 creating a new committee or assigning the functions of a safe patient handling committee
102.30 to an existing committee.

102.31 (b) Membership of a safe patient handling committee or an existing committee must
102.32 meet the following requirements:

102.33 (1) at least half the members shall be nonmanagerial nurses and other direct patient
102.34 care workers; and

103.1 (2) in a health care facility where nurses and other direct patient care workers
103.2 are covered by a collective bargaining agreement, the union shall select the committee
103.3 members proportionate to its representation of nonmanagerial workers, nurses, and other
103.4 direct patient care workers.

103.5 (c) A health care organization with more than one covered health care facility may
103.6 establish a committee at each facility or one committee to serve this function for all the
103.7 facilities. If the organization chooses to have one overall committee for multiple facilities,
103.8 at least half of the members of the overall committee must be nonmanagerial nurses and
103.9 other direct patient care workers and each facility must be represented on the committee.

103.10 (d) Employees who serve on a safe patient handling committee must be compensated
103.11 by their employer for all hours spent on committee business.

103.12 Subd. 3. **Facilities with existing programs.** A facility that has already adopted a
103.13 safe patient handling policy that satisfies the requirements of subdivision 1, and established
103.14 a safe patient handling committee by July 1, 2008, is considered to be in compliance
103.15 with those requirements. The committee must continue to satisfy the requirements of
103.16 subdivision 2, paragraph (b), on an ongoing basis.

103.17 Subd. 4. **Committee duties.** A safe patient handling committee shall:

103.18 (1) complete a patient handling hazard assessment that:

103.19 (i) considers patient handling tasks, types of nursing units, patient populations, and
103.20 the physical environment of patient care areas;

103.21 (ii) identifies problems and solutions;

103.22 (iii) identifies areas of highest risk for lifting injuries; and

103.23 (iv) recommends a mechanism to report, track, and analyze injury trends;

103.24 (2) make recommendations on the purchase, use, and maintenance of an adequate
103.25 supply of appropriate safe patient handling equipment;

103.26 (3) make recommendations on training of nurses and other direct patient care
103.27 workers on use of safe patient handling equipment, initially when the equipment arrives at
103.28 the facility and periodically afterwards;

103.29 (4) conduct annual evaluations of the safe patient handling implementation plan and
103.30 progress toward goals established in the safe patient handling policy; and

103.31 (5) recommend procedures to ensure that, when remodeling of patient care areas
103.32 occurs, the plans incorporate safe patient handling equipment or the physical space and
103.33 construction design needed to accommodate safe patient handling equipment at a later date.

103.34 Subd. 5. **Training materials.** The commissioner shall make training materials on
103.35 implementation of this section available to all health care facilities at no cost as part of the
103.36 training and education duties of the commissioner under section 182.673.

104.1 Subd. 6. **Enforcement.** This section shall be enforced by the commissioner under
104.2 section 182.661. A violation of this section is subject to the penalties provided under
104.3 section 182.666.

104.4 Subd. 7. **Grant program.** The commissioner may make grants to health care
104.5 facilities to acquire safe patient handling equipment and for training on safe patient
104.6 handling and safe patient handling equipment. Grants to any one facility may not exceed
104.7 \$40,000. A grant must be matched on a dollar-for-dollar basis by the grantee. The
104.8 commissioner shall establish a grant application process. The commissioner may give
104.9 priority for grants to facilities that demonstrate that acquiring safe patient handling
104.10 equipment will impose a financial hardship on the facility. For health care facilities
104.11 that provide evidence of hardship, the commissioner may waive the 50 percent match
104.12 requirement and may grant such a facility more than \$40,000. Health care facilities that
104.13 the commissioner determines are experiencing hardship shall not be required to meet the
104.14 safe patient handling requirements until July 1, 2012.

104.15 Sec. 23. Minnesota Statutes 2006, section 268.085, subdivision 3, is amended to read:

104.16 **Subd. 3. Payments that delay unemployment benefits.** (a) An applicant shall not
104.17 be eligible to receive unemployment benefits for any week with respect to which the
104.18 applicant is receiving, has received, or has filed for payment, equal to or in excess of the
104.19 applicant's weekly unemployment benefit amount, in the form of:

104.20 (1) vacation pay paid upon temporary, indefinite, or seasonal separation. This clause
104.21 shall not apply to vacation pay paid upon a permanent separation from employment;

104.22 (2) severance pay, bonus pay, sick pay, and any other money payments, except
104.23 earnings under subdivision 5, and back pay under subdivision 6, paid by an employer
104.24 because of, upon, or after separation from employment, but only if the money payment is
104.25 considered wages at the time of payment under section 268.035, subdivision 29, or United
104.26 States Code, title 26, section 3121, clause (2), of the Federal Insurance Contribution Act;
104.27 This clause does not apply to the first \$10,000 of any amount of severance pay, bonus
104.28 pay, sick pay, or any other payments paid to an employee with annual salary or wages
104.29 under \$75,000; or

104.30 (3) pension, retirement, or annuity payments from any plan contributed to by a base
104.31 period employer including the United States government, except Social Security benefits
104.32 which are provided for in subdivision 4. The base period employer contributed to the
104.33 plan if the contribution is excluded from the definition of wages under section 268.035,
104.34 subdivision 29, clause (1), or United States Code, title 26, section 3121, clause (2), of
104.35 the Federal Insurance Contribution Act.

105.1 An applicant shall not be considered to have received the lump sum payment if the
105.2 applicant immediately deposits that payment in a qualified pension plan or account; or
105.3 (4) holiday pay.

105.4 (b) This subdivision shall apply to all the weeks of payment and shall be applied to
105.5 the period immediately following the last day of employment. The number of weeks of
105.6 payment shall be determined as follows:

105.7 (1) if the payments are made periodically, the total of the payments to be received
105.8 shall be divided by the applicant's last level of regular weekly pay from the employer; or

105.9 (2) if the payment is made in a lump sum, that sum shall be divided by the applicant's
105.10 last level of regular weekly pay from the employer.

105.11 (c) If the payment is less than the applicant's weekly unemployment benefit amount,
105.12 unemployment benefits shall be reduced by the amount of the payment. If the computation
105.13 of reduced unemployment benefits is not a whole dollar, it shall be rounded down to the
105.14 next lower whole dollar.

105.15 **EFFECTIVE DATE.** This section is effective for unemployment benefits paid on
105.16 or after January 1, 2006, regardless of when the continued request was filed or the week
105.17 for which the unemployment benefits are paid.

105.18 Sec. 24. Minnesota Statutes 2006, section 268.196, is amended by adding a subdivision
105.19 to read:

105.20 **Subd. 5. Unemployment insurance benefits telephone system.** The commissioner
105.21 must ensure that the telephone system used for unemployment insurance benefits provides
105.22 an option for any caller to speak to an unemployment insurance specialist. An individual
105.23 who calls any of the publicized telephone numbers seeking information about applying for
105.24 benefits or on the status of a claim must have the option to speak on the telephone to a
105.25 specialist who can provide direct assistance or can direct the caller to the person or office
105.26 that is able to respond to the caller's needs.

105.27 Sec. 25. Minnesota Statutes 2006, section 268A.01, subdivision 13, is amended to read:

105.28 Subd. 13. **Supported employment.** (a) "Supported employment" means
105.29 employment of a person with a disability so severe that the person needs ongoing training
105.30 and support to get and keep a job in which:

105.31 (1) the person engages in paid work in a position removed from the service vendor's
105.32 site where individuals without disabilities who do not require public subsidies also may
105.33 be employed;

106.1 (2) public funds are necessary to provide ongoing training and support services
106.2 throughout the period of the person's employment; and

106.3 (3) the person has the opportunity for social interaction with individuals who do not
106.4 have disabilities and who are not paid caregivers.

106.5 (b) If the commissioner has certified a rehabilitation facility setting as integrated,
106.6 then employment at that site may be considered supported employment.

106.7 Sec. 26. Minnesota Statutes 2006, section 268A.01, is amended by adding a
106.8 subdivision to read:

106.9 Subd. 14. **Affirmative business enterprise employment.** "Affirmative business
106.10 enterprise employment" means employment which provides paid work on the premises of
106.11 an affirmative business enterprise as certified by the commissioner.

106.12 Affirmative business enterprise employment is considered community employment
106.13 for purposes of funding under Minnesota Rules, parts 3300.1000 to 3300.2055, provided
106.14 that the wages for individuals reported must be at or above customary wages for the
106.15 same employer. The employer must also provide one benefit package that is available to
106.16 all employees.

106.17 Sec. 27. Minnesota Statutes 2006, section 268A.085, subdivision 1, is amended to read:

106.18 Subdivision 1. **Appointment; membership.** Every city, town, county, nonprofit
106.19 corporation, or combination thereof establishing a rehabilitation facility shall appoint a
106.20 rehabilitation facility board of no fewer than ~~nine~~ seven voting members before becoming
106.21 eligible for the assistance provided by sections 268A.06 to 268A.15. When any city,
106.22 town, or county singly establishes such a rehabilitation facility, the board shall be
106.23 appointed by the chief executive officer of the city or the chair of the governing board
106.24 of the county or town. When any combination of cities, towns, counties, or nonprofit
106.25 corporations establishes a rehabilitation facility, the chief executive officers of the cities,
106.26 nonprofit corporations, and the chairs of the governing bodies of the counties or towns
106.27 shall appoint the board. If a nonprofit corporation singly establishes a rehabilitation
106.28 facility, the corporation shall appoint the board of directors. Membership on a board
106.29 shall be representative of the community served and shall include a person with a
106.30 disability. ~~One-third to one-half of the board shall be representative of industry or~~
106.31 ~~business. The remaining members should be representative of lay associations for persons~~
106.32 ~~with a disability, labor, the general public, and education, welfare, medical, and health~~
106.33 ~~professions. Nothing in sections 268A.06 to 268A.15 shall be construed to preclude~~
106.34 ~~the appointment of elected or appointed public officials or members of the board of~~

107.1 ~~directors of the sponsoring nonprofit corporation to the board, so long as the representation~~
107.2 ~~described above is preserved.~~ If a county establishes an extended employment program
107.3 and manages the program with county employees, the governing board shall be the county
107.4 board of commissioners, and other provisions of this chapter pertaining to membership on
107.5 the governing board do not apply.

107.6 Sec. 28. Minnesota Statutes 2006, section 268A.15, is amended by adding a
107.7 subdivision to read:

107.8 Subd. 9. **Integrated setting.** At the commissioner's discretion, paid work on the
107.9 premises of a rehabilitation facility may be certified as an integrated setting after a site
107.10 review by the department.

107.11 Sec. 29. Minnesota Statutes 2006, section 462.39, is amended by adding a subdivision
107.12 to read:

107.13 Subd. 5. **Local planning assistance.** A regional development commission or,
107.14 in regions not served by regional development commissions, a regional organization
107.15 selected by the commissioner of employment and economic development, may develop a
107.16 program to support planning on behalf of local units of government. The local planning
107.17 must be related to issues of regional or statewide significance and may include, but is not
107.18 limited to, the following:

107.19 (1) local planning and development assistance, which may include local zoning
107.20 ordinances and land use plans;

107.21 (2) community or economic development plans, which may include workforce
107.22 development plans, housing development plans and market analysis, JOBZ administration,
107.23 grant writing assistance, and grant administration;

107.24 (3) environment and natural resources plans, which may include solid waste
107.25 management plans, wastewater management plans, and renewable energy development
107.26 plans;

107.27 (4) rural community health services; and

107.28 (5) development of geographical information systems to serve regional needs,
107.29 including hardware and software purchases and related labor costs.

107.30 Each regional development commission or organization shall submit to the
107.31 commissioner of employment and economic development an annual work program
107.32 that outlines the work items for the upcoming year and establishes the relationship of
107.33 the work items to development issues of regional or statewide significance. The entity
107.34 completing the annual work program and identifying the statewide development issues

108.1 shall consider input from the Departments of Employment and Economic Development,
108.2 Natural Resources, Transportation, Agriculture, Commerce, and other state agencies as
108.3 appropriate to the issues.

108.4 Sec. 30. **WORKFORCE ENHANCEMENT FEE.**

108.5 If the commissioner of employment and economic development determines that
108.6 the need for services under the dislocated worker program substantially exceeds the
108.7 resources that will be available for the program, the commissioner may increase the
108.8 special assessment levied under Minnesota Statutes, section 116L.20, subdivision 1, to no
108.9 more than .12 percent of taxable wages.

108.10 Sec. 31. **FEDERAL PROCUREMENT LIAISON.**

108.11 The commissioner of employment and economic development must establish and
108.12 operate a technology and commercialization unit in the Department of Employment and
108.13 Economic Development. Appropriation for this purpose must be used to: coordinate
108.14 public and private efforts to procure federal funding for collaborative research and
108.15 development projects of primary benefit to small- and medium-sized businesses; promote
108.16 contractual relationships between Minnesota businesses who, as recipients of federal
108.17 grants, are prime contractors, and appropriate Minnesota-based subcontractors; assess
108.18 the research and development capabilities of small- and medium-sized businesses;
108.19 undertake referral activities to link Minnesota companies with federal requests for
108.20 proposal opportunities; and develop a framework for Minnesota companies to establish
108.21 sole-sourcing relationships with federal agencies.

108.22 The commissioner must report to the committees in the house of representatives and
108.23 the senate having jurisdiction over bioscience and technology issues on the activities of
108.24 the technology and commercialization unit by June 30 of each year.

108.25 Sec. 32. **LOCATION OF NORTHERN MINNESOTA INSPECTORS.**

108.26 By December 31, 2007, the commissioner of labor and industry must assign three
108.27 occupational safety and health inspectors to one or more offices on the Iron Range and one
108.28 inspector to an office in Bemidji.

108.29 Sec. 33. **ROLE OF STATE LEGISLATURE IN TRADE POLICY.**

108.30 (a) It shall be the policy of the state that approval for the state to be bound by any
108.31 trade agreement requires the consent of the state legislature.

109.1 (b) Four state legislative contacts must be informed by the governor when any trade
109.2 agreement arrives in the governor's office. The four contacts are the majority and minority
109.3 leader of the senate or their designated legislators, and the speaker and minority leader in
109.4 the house of representatives or their designated legislators. The legislature declares that
109.5 the purposes of the state contacts are to:

109.6 (1) serve as the state's official legislative liaisons with the governor and the state
109.7 legislature on trade-related matters;

109.8 (2) serve as the legislature's designated recipients from the governor of federal
109.9 requests for consent to consultation regarding investment, procurement, services, or other
109.10 provisions of international trade agreements, which impinge on state law or regulatory
109.11 authority reserved to the states;

109.12 (3) transmit information regarding federal requests from the governor to all
109.13 appropriate legislative committees;

109.14 (4) issue a formal request to the Department of Employment and Economic
109.15 Development and all appropriate state agencies to provide analysis of all proposed trade
109.16 agreements' impact on state legislative authority and the economy of the state;

109.17 (5) inform all members of the legislature on a regular basis about ongoing trade
109.18 negotiations and dispute settlement proceedings with implications for the state more
109.19 generally;

109.20 (6) communicate the concerns of the legislature to the governor and the United
109.21 States trade representative regarding ongoing and proposed trade negotiations; and

109.22 (7) notify the governor and the United States trade representative of the outcome
109.23 of any legislative action.

109.24 (c) The following actions are required before the state shall consent to the terms of
109.25 a trade agreement:

109.26 (1) when a federal trade request has been received, the governor must submit the
109.27 request to the legislative contacts on a day both houses are in session. The request must
109.28 contain a copy of the final legal text of the agreement together with:

109.29 (i) a report by the Department of Employment and Economic Development in
109.30 consultation with, at a minimum, the following agencies: Department of Administration,
109.31 Department of Labor and Industry, Department of Agriculture, Department of Natural
109.32 Resources, and the Minnesota Pollution Control Agency. The report shall include an
109.33 analysis of how the agreement of the state to the specific provisions of the agreement
109.34 will change or affect existing state law;

109.35 (ii) a statement of any administrative action proposed to implement these trade
109.36 agreement provisions in the state; and

110.1 (iii) a draft of legislation authorizing the state to sign on to the specific listed
110.2 provisions of the agreement in question;

110.3 (2) at least one public hearing, with adequate public notice, shall occur before the
110.4 legislature votes on the bill; and

110.5 (3) the bill authorizing the state to sign on to specific listed provisions of an
110.6 agreement is enacted into law.

110.7 (d) It is the sense of this legislature that Congress should pass legislation instructing
110.8 the United States trade representative to fully and formally consult individual state
110.9 legislatures regarding procurement, services, investment, or any other trade agreement
110.10 rules that impact state laws or authority before negotiations begin and as they develop,
110.11 and to seek consent from state legislatures in addition to governors prior to binding
110.12 states to conform their laws to the terms of international commercial agreements. Such
110.13 legislation is necessary to ensure the prior informed consent of the state with regard to
110.14 future international trade and investment agreements.

110.15 (e) The state attorney general shall notify the United States trade representative of
110.16 the policies in paragraph (d) in writing no later than 30 days after its effective date, and
110.17 shall provide copies of the notice to the president of the senate, speaker of the house of
110.18 representatives, the governor, and the state's congressional delegation.

110.19 Sec. 34. **STUDY; SAFE PATIENT HANDLING.**

110.20 (a) The commissioner of labor and industry shall study ways to require workers'
110.21 compensation insurers to recognize compliance with Minnesota Statutes, section
110.22 182.6553, in the workers' compensation premiums of health care and long-term care
110.23 facilities. The commissioner shall report by January 15, 2008, the results of the study
110.24 to the chairs of the policy committees of the legislature with primary jurisdiction over
110.25 workers' compensation issues.

110.26 (b) By January 15, 2008, the commissioner must make recommendations to the
110.27 legislature regarding funding sources available to health care facilities for safe patient
110.28 handling programs and equipment, including, but not limited to, low interest loans, interest
110.29 free loans, and federal, state, or county grants.

110.30 Sec. 35. **WORK GROUP; SAFE PATIENT HANDLING.**

110.31 The Minnesota State Council on Disability shall convene a work group comprised
110.32 of representatives from the Minnesota Medical Association and other organizations
110.33 representing clinics, disability advocates, and direct care workers, to do the following:

111.1 (1) assess the current options for and use of safe patient handling equipment in
111.2 unlicensed outpatient clinics, physician offices, and dental settings;
111.3 (2) identify barriers to the use of safe patient handling equipment in these settings;
111.4 and
111.5 (3) define clinical settings that move patients to determine applicability of the Safe
111.6 Patient Handling Act.
111.7 The work group must report to the legislature by January 15, 2008, including
111.8 reports to the chairs of the senate and house of representatives committees on workforce
111.9 development.

111.10 Sec. 36. **EFFECT ON RULES.**

111.11 The commissioner of labor and industry shall amend Minnesota Rules, part
111.12 5200.0910, to conform to Minnesota Statutes, section 181A.115. The commissioner
111.13 may use the good cause exemption in Minnesota Statutes, section 14.388, in adopting
111.14 the amendment required by this section.

111.15 **Sec. 37. PUBLIC FACILITIES AUTHORITY FUNDING.**

111.16 To the greatest practical extent, projects on the Public Facilities Authority's 2007
111.17 intended use plan, the listings for which were based on the Pollution Control Agency's
111.18 2006 project priority list, shall be carried over to the 2008 intended use plan. Projects that
111.19 qualified for funding from the Public Facilities Authority under Laws 2006, chapter 258,
111.20 section 21, that could not be certified by the Pollution Control Agency by the applicable
111.21 deadline shall have until May 1, 2008, or six months after the Minnesota Supreme Court
111.22 issues an opinion in the cities of Maple Lake and Annandale matter, whichever is later, to
111.23 obtain the required certification from the Pollution Control Agency.

111.24 **Sec. 38. REPEALER.**

111.25 Minnesota Statutes 2006, section 16C.18, subdivision 2, is repealed.

111.26 **ARTICLE 8**
111.27 **LICENSING AND WAGES**

111.28 Section 1. Minnesota Statutes 2006, section 177.27, subdivision 1, is amended to read:

111.29 Subdivision 1. **Examination of records.** The commissioner may enter during

111.30 reasonable office hours or upon request and inspect the place of business or employment of

111.31 any employer of employees working in the state, to examine and inspect books, registers,

111.32 payrolls, and other records of any employer that in any way relate to wages, hours, and

112.1 other conditions of employment of any employees. The commissioner may transcribe any
112.2 or all of the books, registers, payrolls, and other records as the commissioner deems
112.3 necessary or appropriate and may question the employees to ascertain compliance with
112.4 sections 177.21 to ~~177.35~~ 177.435. The commissioner may investigate wage claims or
112.5 complaints by an employee against an employer if the failure to pay a wage may violate
112.6 Minnesota law or an order or rule of the department.

112.7 Sec. 2. Minnesota Statutes 2006, section 177.27, subdivision 4, is amended to read:

112.8 Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an
112.9 employer to comply with sections 177.21 to ~~177.35~~ 177.435, 181.02, 181.03, 181.031,
112.10 181.032, 181.101, 181.11, 181.12, 181.13, 181.14, 181.145, 181.15, ~~and~~ 181.79, 181.932,
112.11 and 181.9325, or with any rule promulgated under section 177.28. The department shall
112.12 serve the order upon the employer or the employer's authorized representative in person or
112.13 by certified mail at the employer's place of business. An employer who wishes to contest
112.14 the order must file written notice of objection to the order with the commissioner within
112.15 15 calendar days after being served with the order. A contested case proceeding must then
112.16 be held in accordance with sections 14.57 to 14.69. If, within 15 calendar days after being
112.17 served with the order, the employer fails to file a written notice of objection with the
112.18 commissioner, the order becomes a final order of the commissioner.

112.19 Sec. 3. Minnesota Statutes 2006, section 177.27, subdivision 5, is amended to read:

112.20 Subd. 5. **Civil actions.** (a) The commissioner may bring an action in the district
112.21 court where an employer resides or where the commissioner maintains an office to enforce
112.22 or require compliance with orders issued under subdivision 4.

112.23 (b) If the district court determines that a violation of section 181.932 or 181.9325
112.24 occurred, the court may order any appropriate relief, including but not limited to
112.25 reinstatement, back pay, restoration of lost service credit, if appropriate, compensatory
112.26 damages, and the expungement of any adverse records of a state employee or applicant
112.27 for state employment who was the subject of the alleged acts of misconduct, and any
112.28 appropriate relief as described in section 181.936.

112.29 Sec. 4. Minnesota Statutes 2006, section 177.27, subdivision 8, is amended to read:

112.30 Subd. 8. **Court actions; suits brought by private parties.** An employee may bring
112.31 a civil action seeking redress for a violation or violations of sections 177.21 to ~~177.35~~
112.32 177.44 directly to district court. An employer who pays an employee less than the wages
112.33 and overtime compensation to which the employee is entitled under sections 177.21 to

113.1 ~~177.35~~ 177.44 is liable to the employee for the full amount of the wages, gratuities, and
113.2 overtime compensation, less any amount the employer is able to establish was actually
113.3 paid to the employee and for an additional equal amount as liquidated damages. In
113.4 addition, in an action under this subdivision the employee may seek damages and other
113.5 appropriate relief provided by subdivision 7 and otherwise provided by law. An agreement
113.6 between the employee and the employer to work for less than the applicable wage is not
113.7 a defense to the action.

113.8 Sec. 5. Minnesota Statutes 2006, section 177.27, subdivision 9, is amended to read:

113.9 Subd. 9. **District court jurisdiction.** Any action brought under subdivision 8 may
113.10 be filed in the district court of the county wherein a violation or violations of sections
113.11 177.21 to ~~177.35~~ 177.44 are alleged to have been committed, where the respondent resides
113.12 or has a principal place of business, or any other court of competent jurisdiction. The
113.13 action may be brought by one or more employees.

113.14 Sec. 6. Minnesota Statutes 2006, section 177.27, subdivision 10, is amended to read:

113.15 Subd. 10. **Attorney fees and costs.** In any action brought pursuant to subdivision 8,
113.16 the court shall order an employer who is found to have committed a violation or violations
113.17 of sections 177.21 to ~~177.35~~ 177.44 to pay to the employee or employees reasonable costs,
113.18 disbursements, witness fees, and attorney fees.

113.19 Sec. 7. Minnesota Statutes 2006, section 177.27, is amended by adding a subdivision
113.20 to read:

113.21 Subd. 11. **Investigation of certain complaints.** (a) The commissioner shall conduct
113.22 an investigation of any matter that alleges a violation of sections 181.932 and 181.9325.
113.23 The identity of the person providing the information that initiated the investigation shall
113.24 be classified as private data, pursuant to section 13.02, subdivision 12, except that the
113.25 identity may be disclosed to a law enforcement agency that is conducting a criminal
113.26 investigation of the matter.

113.27 (b) For each investigation completed, if the commissioner determines that there is
113.28 reasonable cause to believe that an employer has violated section 181.932 or 181.9325,
113.29 the commissioner shall report the nature and details of the alleged violation to the head
113.30 of the employing agency or the appropriate appointing authority. If appropriate, the
113.31 commissioner shall report this information to the attorney general, the policy committees
113.32 of the house of representatives and senate having jurisdiction over the subject involved,
113.33 and to any other authority that the commissioner deems appropriate. In any case

114.1 in which the commissioner submits a report of alleged violations to the head of the
114.2 employing agency or appropriate appointing authority, that individual shall report to the
114.3 commissioner with respect to any action taken by the individual regarding the activity, the
114.4 first report being transmitted no later than 30 days after the date of the auditor's report,
114.5 and monthly thereafter until final action has been taken.

114.6 (c) This subdivision shall not limit any authority conferred upon the attorney general
114.7 or other department or agency of government to investigate and prosecute any matter.

114.8 (d) The commissioner shall have all the powers and authority described in this
114.9 section to conduct investigations pursuant to this subdivision.

114.10 Sec. 8. **[177.275] INVESTIGATION PROCEDURE.**

114.11 (a) The commissioner shall initiate an investigation of a written complaint of
114.12 reprisal or retaliation in public employment as prohibited by section 181.932 or 181.9325
114.13 within ten working days of its submission. The commissioner shall complete findings
114.14 of the investigation within 60 working days thereafter, and shall provide a copy of the
114.15 findings to the complaining employee or applicant for employment and to the appropriate
114.16 supervisor, manager, employee, or appointing authority. When the allegations contained
114.17 in a complaint of reprisal or retaliation are the same as, or similar to, those contained in
114.18 another appeal, the commissioner may consolidate the appeals into the most appropriate
114.19 format. In these cases, the time limits described in this subdivision shall not apply.

114.20 (b) If the commissioner finds that the supervisor, manager, employee, or appointing
114.21 power retaliated against the complainant for engaging in protected whistle-blower
114.22 activities, the commissioner may issue a compliance order under section 177.27,
114.23 subdivision 4.

114.24 (c) In order for the governor and the legislature to determine the need to continue
114.25 or modify state personnel procedures as they relate to the investigations of reprisals or
114.26 retaliation for the disclosure of information by public employees, the commissioner, by
114.27 June 30 of each year, shall submit a report to the governor and the legislature regarding
114.28 complaints filed, hearings held, and legal actions taken under this section.

114.29 Sec. 9. Minnesota Statutes 2006, section 177.28, subdivision 1, is amended to read:

114.30 Subdivision 1. **General authority.** The commissioner may adopt rules, including
114.31 definitions of terms, to carry out the purposes of sections 177.21 to ~~177.35~~ 177.44, to
114.32 prevent the circumvention or evasion of those sections, and to safeguard the minimum
114.33 wage and overtime rates established by sections 177.24 and 177.25.

115.1 Sec. 10. Minnesota Statutes 2006, section 177.30, is amended to read:

115.2 **177.30 KEEPING RECORDS; PENALTY.**

115.3 Every employer subject to sections 177.21 to ~~177.35~~ 177.44 must make and keep a
115.4 record of:

115.5 (1) the name, address, and occupation of each employee;

115.6 (2) the rate of pay, and the amount paid each pay period to each employee;

115.7 (3) the hours worked each day and each workweek by the employee; ~~and~~

115.8 (4) for each employer subject to sections 177.41 to 177.44, and while performing
115.9 work on public works projects funded in whole or in part with state funds, the prevailing
115.10 wage master job classification of each employee working on the project for each hour
115.11 worked; and

115.12 ~~(4)~~ (5) other information the commissioner finds necessary and appropriate to
115.13 enforce sections 177.21 to 177.35. The records must be kept for three years in or near the
115.14 premises where an employee works except each employer subject to sections 177.41 to
115.15 177.44, and while performing work on public works projects funded in whole or in part
115.16 with state funds, the records must be kept for three years after the contracting authority
115.17 has made final payment on the public works project.

115.18 The commissioner may fine an employer up to \$1,000 for each failure to maintain
115.19 records as required by this section. This penalty is in addition to any penalties provided
115.20 under section 177.32, subdivision 1. In determining the amount of a civil penalty under
115.21 this subdivision, the appropriateness of such penalty to the size of the employer's business
115.22 and the gravity of the violation shall be considered.

115.23 Sec. 11. Minnesota Statutes 2006, section 177.43, subdivision 3, is amended to read:

115.24 Subd. 3. **Contract requirements.** The contract must specifically state the prevailing
115.25 wage rates, prevailing hours of labor, and hourly basic rates of pay. The contract must also
115.26 provide that the contracting authority may demand and the contractor or subcontractor
115.27 shall furnish to the contracting authority, copies of any and all payrolls, and that the
115.28 contracting authority may examine all records relating to wages paid laborers or mechanics
115.29 on work to which sections 177.41 to 177.44 apply. The requirements of this subdivision
115.30 are in addition to any other requirements or authority set forth in other laws or rules for
115.31 work to which sections 177.41 to 177.44 apply.

115.32 Sec. 12. Minnesota Statutes 2006, section 177.43, subdivision 4, is amended to read:

115.33 Subd. 4. **Determination by commissioner; posting; petition for reconsideration.**

115.34 The prevailing wage rates, prevailing hours of labor, and hourly basic rates of pay for all

116.1 trades and occupations required in any project must be ascertained before the state asks for
116.2 bids. The commissioner of labor and industry shall investigate as necessary to ascertain
116.3 the information. ~~The commissioner~~ Each contractor and subcontractor performing work
116.4 on a public project shall keep the information posted on the project in at least one
116.5 conspicuous place for the information of the employees working on the project. A person
116.6 aggrieved by a final determination of the commissioner may petition the commissioner for
116.7 reconsideration of findings. A person aggrieved by a decision of the commissioner after
116.8 reconsideration may, within 20 days after the decision, petition the commissioner for a
116.9 public hearing in the manner of a contested case under sections 14.57 to 14.61.

116.10 Sec. 13. Minnesota Statutes 2006, section 177.43, subdivision 6, is amended to read:

116.11 Subd. 6. **Examination of records; investigation by the department.** The
116.12 Department of Labor and Industry shall enforce this section. The department may
116.13 demand, and the contractor and subcontractor shall furnish to the department, copies
116.14 of any or all payrolls. The department may examine all records relating to wages paid
116.15 laborers or mechanics on work to which sections 177.41 to 177.44 apply. The department
116.16 shall employ at least three investigators to perform on-site project reviews, receive and
116.17 investigate complaints of violations of this section, and conduct training and outreach to
116.18 contractors and contracting authorities for public works projects financed in whole or
116.19 in part with state funds.

116.20 Sec. 14. Minnesota Statutes 2006, section 177.43, is amended by adding a subdivision
116.21 to read:

116.22 Subd. 6a. **Prevailing wage violations.** Upon issuing a compliance order to an
116.23 employer pursuant to section 177.27, subdivision 4, for violation of sections 177.41 to
116.24 177.44, the commissioner shall issue a withholding order to the contracting authority
116.25 ordering the contracting authority to withhold payment of sufficient sum to the prime
116.26 or general contractor on the project to satisfy the back wages assessed or otherwise
116.27 cure the violation, and the contracting authority must withhold the sum ordered until
116.28 the compliance order has become a final order of the commissioner and has been fully
116.29 paid or otherwise resolved by the employer.

116.30 During an investigation of a violation of sections 177.41 to 177.44 which the
116.31 commissioner reasonably determines is likely to result in the finding of a violation of
116.32 sections 177.41 to 177.44 and the issuance of a compliance order pursuant to section
116.33 177.27, subdivision 4, the commissioner may notify the contracting authority of the
116.34 determination and the amount expected to be assessed and the contracting authority shall

117.1 give the commissioner 90 days' prior notice of the date the contracting authority intends to
117.2 make final payment.

117.3 Sec. 15. **[181.723] DEFINITIONS.**

117.4 Subdivision 1. **Scope.** The definitions in this subdivision apply to this section.

117.5 (a) "Person" means any individual, limited liability corporation, corporation,
117.6 partnership, incorporated or unincorporated association, sole proprietorship, joint stock
117.7 company, or any other legal or commercial entity.

117.8 (b) "Department" means the Department of Labor and Industry.

117.9 (c) "Commissioner" means the commissioner of labor and industry or a duly
117.10 designated representative of the commissioner who is either an employee of the
117.11 Department of Labor and Industry or person working under contract with the Department
117.12 of Labor and Industry.

117.13 (d) "Individual" means a human being.

117.14 (e) "Day" means calendar day unless otherwise provided.

117.15 (f) "Knowingly" means knew or could have known with the exercise of reasonable
117.16 diligence.

117.17 (g) "Document" or "documents" includes papers; books; records; memoranda; data;
117.18 contracts; drawings; graphs; charts; photographs; digital, video, and audio recordings;
117.19 records; accounts; files; statements; letters; e-mails; invoices; bills; notes; and calendars
117.20 maintained in any form or manner.

117.21 Subd. 2. **Limited application.** This section only applies to individuals performing
117.22 public or private sector commercial or residential building construction or improvement
117.23 services.

117.24 Subd. 3. **Employee-employer relationship.** Except as provided in subdivision
117.25 4, for purposes of chapters 176, 177, 181A, 182, and 268, as of January 1, 2009, an
117.26 individual who performs services for a person that are in the course of the person's trade,
117.27 business, profession, or occupation is an employee of that person and that person is an
117.28 employer of the individual.

117.29 Subd. 4. **Independent contractor.** An individual is an independent contractor and
117.30 not an employee of the person for whom the individual is performing services in the course
117.31 of the person's trade, business, profession, or occupation only if (a) the individual holds
117.32 a current independent contractor exemption certificate issued by the commissioner; and
117.33 (b) the individual is performing services for the person under the independent contractor
117.34 exemption certificate as provided in subdivision 6. The requirements in clauses (a) and (b)
117.35 must be met in order to qualify as an independent contractor and not as an employee of

118.1 the person for whom the individual is performing services in the course of the person's
118.2 trade, business, profession, or occupation.

118.3 Subd. 5. **Application.** To obtain an independent contractor exemption certificate,
118.4 the individual must submit, in the manner prescribed by the commissioner, a complete
118.5 application and the certificate fee required under subdivision 14.

118.6 (a) A complete application must include all of the following information:

118.7 (1) the individual's full name;

118.8 (2) the individual's residence address and telephone number;

118.9 (3) the individual's business name, address, and telephone number;

118.10 (4) the services for which the individual is seeking an independent contractor
118.11 exemption certificate;

118.12 (5) the individual's Social Security number;

118.13 (6) the individual's or the individual's business federal employer identification
118.14 number, if a number has been issued to the individual or the individual's business;

118.15 (7) any information or documentation that the commissioner requires by rule that
118.16 will assist the department in determining whether to grant or deny the individual's
118.17 application; and

118.18 (8) The individual's sworn statement that the individual meets all of the following
118.19 conditions:

118.20 (i) the individual maintains a separate business with the individual's own office,
118.21 equipment, materials, and other facilities;

118.22 (ii) the individual holds or has applied for a federal employer identification number
118.23 or has filed business or self-employment income tax returns with the federal Internal
118.24 Revenue Service if the person has performed services in the previous year for which the
118.25 individual is seeking the independent contractor exemption certificate;

118.26 (iii) the individual operates under contracts to perform specific services for specific
118.27 amounts of money and under which the individual controls the means of performing the
118.28 services;

118.29 (iv) the individual incurs the main expenses related to the service that the individual
118.30 performs under contract;

118.31 (v) the individual is responsible for the satisfactory completion of services that the
118.32 individual contracts to perform and is liable for a failure to complete the service;

118.33 (vi) the individual receives compensation for service performed under a contract on
118.34 a commission or per-job or competitive bid basis and not on any other basis;

118.35 (vii) the individual may realize a profit or suffer a loss under contracts to perform
118.36 service;

119.1 (viii) the individual has continuing or recurring business liabilities or obligations; and
119.2 (ix) the success or failure of the individual's business depends on the relationship of
119.3 business receipts to expenditures.

119.4 (b) Within 30 days of receiving a complete application and the certificate fee, the
119.5 commissioner must either grant or deny the application. The commissioner may deny
119.6 an application for an independent contractor exemption certificate if the individual has
119.7 not submitted a complete application and certificate fee or if the individual does not
119.8 meet all of the conditions for holding the independent contractor exemption certificate.
119.9 The commissioner may revoke an independent contractor exemption certificate if the
119.10 commissioner determines that the individual no longer meets all of the conditions for
119.11 holding the independent contractor exemption certificate, commits any of the actions
119.12 set out in subdivision 7, or fails to cooperate with a department investigation into the
119.13 continued validity of the individual's certificate. Once issued, an independent contractor
119.14 exemption certificate remains in effect for two years unless:

119.15 (1) revoked by the commissioner; or

119.16 (2) canceled by the individual.

119.17 (c) If the department denies an individual's original or renewal application for
119.18 an independent contractor exemption certificate or revokes an independent contractor
119.19 exemption certificate, the commissioner shall issue to the individual an order denying or
119.20 revoking the certificate. The commissioner may issue an administrative penalty order to
119.21 an individual or person who commits any of the actions set out in subdivision 7.

119.22 (d) An individual or person to whom the commissioner issues an order under
119.23 paragraph (c) shall have 30 days after service of the order to request a hearing. The request
119.24 for hearing must be in writing and must be served on or faxed to the commissioner at the
119.25 address or fax number specified in the order by the 30th day after service of the order.
119.26 If the individual does not request a hearing or if the individual's request for a hearing is
119.27 not served on or faxed to the commissioner by the 30th day after service of the order, the
119.28 order shall become a final order of the commissioner and will not be subject to review
119.29 by any court or agency. The date on which a request for hearing is served by mail shall
119.30 be the postmark date on the envelope in which the request for hearing is mailed. If the
119.31 individual serves or faxes a timely request for hearing, the hearing shall be a contested
119.32 case hearing and shall be held in accordance with chapter 14.

119.33 Subd. 6. **Qualifications for exemption certificate.** An individual is performing
119.34 services for a person under an independent contractor exemption certificate if:

119.35 (a) the individual is performing services listed on the individual's independent
119.36 contractor exemption certificate;

120.1 (b) at the time the individual is performing services listed on the individual's
120.2 independent contractor exemption certificate, the individual meets all of the following
120.3 conditions:

120.4 (1) the individual maintains a separate business with the individual's own office,
120.5 equipment, materials, and other facilities;

120.6 (2) the individual holds or has applied for a federal employer identification number
120.7 or has filed business or self-employment income tax returns with the federal Internal
120.8 Revenue Service if the individual performed services in the previous year for which the
120.9 individual has the independent contractor exemption certificate;

120.10 (3) the individual is operating under contract to perform the specific services for
120.11 the person for specific amounts of money and under which the individual controls the
120.12 means of performing the services;

120.13 (4) the individual is incurring the main expenses related to the services that the
120.14 individual is performing for the person under the contract;

120.15 (5) the individual is responsible for the satisfactory completion of the services
120.16 that the individual has contracted to perform for the person and is liable for a failure
120.17 to complete the services;

120.18 (6) the individual receives compensation from the person for the services performed
120.19 under the contract on a commission or per-job or competitive bid basis and not on any
120.20 other basis;

120.21 (7) the individual may realize a profit or suffers a loss under the contract to perform
120.22 services for the person;

120.23 (8) the individual has continuing or recurring business liabilities or obligations; and

120.24 (9) the success or failure of the individual's business depends on the relationship of
120.25 business receipts to expenditures.

120.26 Subd. 7. **Prohibited activities.** (a) An individual shall not:

120.27 (1) perform work as an independent contractor without first obtaining from the
120.28 department an independent contractor exemption certificate;

120.29 (2) perform work as an independent contractor when the department has denied or
120.30 revoked the individual's independent contractor exemption certificate;

120.31 (3) transfer to another individual or allow another individual to use the individual's
120.32 independent contractor exemption certificate;

120.33 (4) alter or falsify an independent contractor exemption certificate;

120.34 (5) misrepresent the individual's status as an independent contractor; or

121.1 (6) make a false material statement, representation, or certification; omit material
121.2 information; or alter, conceal, or fail to file a document required by this section or any rule
121.3 promulgated by the commissioner under rulemaking authority set out in this section.

121.4 (b) A person for whom an individual is performing services shall not:

121.5 (1) require an individual through coercion, misrepresentation, or fraudulent means to
121.6 adopt independent contractor status;

121.7 (2) knowingly misrepresent that an individual who has not been issued an
121.8 independent contractor exemption certificate or is not performing services for the person
121.9 under an independent contractor exemption certificate is an independent contractor; or

121.10 (3) make a false material statement, representation, or certification; omit material
121.11 information; or alter, conceal, or fail to file a document required by this section or any rule
121.12 promulgated by the commissioner under rulemaking authority set out in this section.

121.13 (c) A person for whom an individual is performing services must obtain a copy of the
121.14 individual's independent contractor exemption certificate before services may commence.
121.15 A copy of the independent contractor exemption certificate must be retained for five years
121.16 from the date of receipt by the person for whom an individual is performing services.

121.17 Subd. 8. Remedies. (a) An individual or person who violates any provision of
121.18 subdivision 7 is subject to a penalty to be assessed by the department of up to \$1,000 for
121.19 each violation. The department shall deposit penalties in the assigned risk safety account.

121.20 (b) An individual who has been injured by a violation of subdivision 7, paragraph
121.21 (b), may bring a civil action for damages against the violator. If the individual is
121.22 determined to be an employee or an independent contractor considered an employee of
121.23 the violator of subdivision 7, paragraph (b), the employee's representative as defined in
121.24 section 179.01, subdivision 5, may bring a civil action for damages against the violator
121.25 on behalf of the employee. In addition to damages the court may award attorney fees,
121.26 costs, and disbursements to a recovery under this provision.

121.27 (c) Any court finding that a violation of subdivision 7 has occurred shall
121.28 transmit a copy of its findings of fact and conclusion of law to the commissioner. The
121.29 commissioner shall report the findings to the relevant state and federal agencies, including
121.30 the commissioner of commerce, the commissioner of employment and economic
121.31 development, the commissioner of revenue, the federal Internal Revenue Service, and the
121.32 United States Department of Labor.

121.33 Subd. 9. Commissioner's powers. (a) In order to carry out the purposes of this
121.34 section, the commissioner may:

121.35 (1) administer oaths and affirmations, certify official acts, interview, question, take
121.36 oral or written statements, and take depositions;

122.1 (2) request, examine, take possession of, photograph, record, and copy any
122.2 documents, equipment, or materials;

122.3 (3) at a time and place indicated by the commissioner, request persons to appear
122.4 before the commissioner to give testimony and produce documents, equipment, or
122.5 materials;

122.6 (4) issue subpoenas to compel persons to appear before the commissioner to give
122.7 testimony and produce documents, equipment, or materials; and

122.8 (5) with or without notice, enter without delay upon any property, public or private,
122.9 for the purpose of taking any action authorized under this subdivision or the applicable
122.10 law, including obtaining information or conducting inspections or investigations.

122.11 (b) Persons requested by the commissioner to give testimony or produce documents,
122.12 equipment, or materials shall respond within the time and in the manner specified by the
122.13 commissioner. If no time to respond is specified in the request, then a response shall be
122.14 submitted within 30 days of the commissioner's service of the request.

122.15 (c) Upon the refusal or anticipated refusal of a property owner, lessee, property
122.16 owner's representative, or lessee's representative to permit the commissioner's entry onto
122.17 property as provided in paragraph (a), the commissioner may apply for an administrative
122.18 inspection order in the Ramsey County District Court or, at the commissioner's discretion,
122.19 in the district court in the county in which the property is located. The commissioner may
122.20 anticipate that a property owner or lessee will refuse entry if the property owner, lessee,
122.21 property owner's representative, or lessee's representative has refused to permit entry on a
122.22 prior occasion or has informed the commissioner that entry will be refused. Upon showing
122.23 of administrative probable cause by the commissioner, the district court shall issue an
122.24 administrative inspection order that compels the property owner or lessee to permit the
122.25 commissioner to enter the property for the purposes specified in paragraph (a).

122.26 (d) Upon the application of the commissioner, a district court shall treat the failure of
122.27 any person to obey a subpoena lawfully issued by the commissioner under this subdivision
122.28 as a contempt of court.

122.29 Subd. 10. **Notice requirements.** Unless otherwise specified, service of a document
122.30 on a person under this section or section 326B.083 may be by mail, by personal service,
122.31 or in accordance with any consent to service filed with the commissioner. Service by
122.32 mail shall be accomplished in the manner provided in Minnesota Rules, part 1400.5550,
122.33 subpart 2. Personal service shall be accomplished in the manner provided in Minnesota
122.34 Rules, part 1400.5550, subpart 3.

122.35 Subd. 11. **Facsimile; timely service.** When this section or section 326B.083
122.36 permits a request for reconsideration or request for hearing to be served by facsimile on

123.1 the commissioner, the facsimile shall not exceed 15 pages in length. The request shall be
123.2 considered timely served if the facsimile is received by the commissioner, at the facsimile
123.3 number identified by the commissioner in the order or notice of violation, no later than
123.4 4:30 p.m. central time on the last day permitted for faxing the request. Where the quality
123.5 or authenticity of the faxed request is at issue, the commissioner may require the original
123.6 request to be filed. Where the commissioner has not identified quality or authenticity
123.7 of the faxed request as an issue and the request has been faxed in accordance with this
123.8 subdivision, the person faxing the request does not need to file the original request with
123.9 the commissioner.

123.10 Subd. 12. **Time period computation.** In computing any period of time prescribed
123.11 or allowed by this section, the day of the act, event, or default from which the designated
123.12 period of time begins to run shall not be included. The last day of the period so computed
123.13 shall be included, unless it is a Saturday, Sunday, or legal holiday, in which event the
123.14 period runs until the next day which is not a Saturday, Sunday, or legal holiday.

123.15 Subd. 13. **Rulemaking.** The commissioner may, in consultation with the
123.16 commissioner of revenue and the commissioner of employment and economic
123.17 development, adopt, amend, suspend, and repeal rules under the rulemaking provisions
123.18 of chapter 14 that relate to the commissioner's responsibilities under this section. This
123.19 subdivision is effective the day following final enactment.

123.20 Subd. 14. **Fee.** The certificate fee for the original application and for the renewal
123.21 of an independent contractor exemption certificate shall be \$150. If an individual
123.22 simultaneously submits an application for both an independent contractor exemption
123.23 certificate under this section and a license under section 326.98, the application fee for
123.24 the independent contractor exemption certificate shall be reduced to \$100. The certificate
123.25 fee is appropriated to the commissioner for payment of the costs related to administering
123.26 and enforcing this section.

123.27 Subd. 15. **Notice to commissioner; review by commissioner of revenue.** When
123.28 the commissioner has reason to believe that an individual who holds a certificate has failed
123.29 to maintain all the conditions required by subdivision 3 or is not performing services for a
123.30 person under the independent contractor exemption certificate, the commissioner must
123.31 notify the commissioner of revenue and the commissioner of employment and economic
123.32 development. Upon receipt of notification from the commissioner that an individual who
123.33 holds a certificate has failed to maintain all the conditions required by subdivision 3
123.34 or is not performing services for a person under the independent contractor exemption
123.35 certificate, the commissioner of revenue must review the information returns required
123.36 under section 6041A of the Internal Revenue Code. The commissioner of revenue shall

124.1 also review the submitted certification that is applicable to returns audited or investigated
124.2 under section 289A.35.

124.3 Subd. 16. **Data classified.** Certifications issued by the commissioner are public
124.4 data. Applications and required documentation submitted by an individual is private
124.5 data on an individual. Upon request of the Department of Revenue or the Department
124.6 of Employment and Economic Development, the commissioner may release to the
124.7 Department of Revenue and the Department of Employment and Economic Development
124.8 applications and required documentation submitted by individuals and investigative data
124.9 that relates to the department's issuance or denial of applications and the department's
124.10 revocations of certificates. Except as otherwise provided by this subdivision, the
124.11 department's investigative data shall be classified as provided in chapter 13.

124.12 **EFFECTIVE DATE.** This section is effective July 1, 2008.

124.13 Sec. 16. Minnesota Statutes 2006, section 181.932, subdivision 1, is amended to read:

124.14 Subdivision 1. **Prohibited action.** An employer shall not discharge, discipline,
124.15 threaten, otherwise discriminate against, or penalize an employee regarding the employee's
124.16 compensation, terms, conditions, location, or privileges of employment because:

124.17 (a) the employee, or a person acting on behalf of an employee, in good faith, reports
124.18 a violation or suspected violation of any federal or state law or rule adopted pursuant
124.19 to law to an employer or to any governmental body or law enforcement official and
124.20 the alleged violation involves a matter of public concern, including, but not limited to,
124.21 violations that create a specific danger to the public health, safety, or environment;

124.22 (b) the employee is requested by a public body or office to participate in an
124.23 investigation, hearing, inquiry;

124.24 (c) the employee refuses an employer's order to perform an action that the employee
124.25 has an objective basis in fact to believe violates any state or federal law or rule or
124.26 regulation adopted pursuant to law which violation the employee reasonably believes
124.27 is a matter of public concern, including, but not limited to, violations that create a
124.28 specific danger to the public health, safety, or environment, and the employee informs the
124.29 employer that the order is being refused for that reason; ~~or~~

124.30 (d) the employee, in good faith, reports a situation in which the quality of health care
124.31 services provided by a health care facility, organization, or health care provider violates a
124.32 standard established by federal or state law or a professionally recognized national clinical
124.33 or ethical standard and potentially places the public at risk of harm;

124.34 (e) a public employee refuses to alter, dilute, or suppress the objective representation
124.35 or communication of scientific or technical data or findings, including but not limited to,

125.1 findings of economic or environmental impact, or findings indicating consequences for
125.2 the public's health or safety; or

125.3 (f) a public employee communicates the findings of a scientific or technical study
125.4 that the employee, in good faith, believes to be truthful and accurate, including reports to a
125.5 governmental body or law enforcement official.

125.6 The disclosures protected pursuant to this section do not authorize the disclosure of trade
125.7 secret information otherwise protected by law.

125.8 Sec. 17. **[181.9325] USE OF AUTHORITY TO INFLUENCE OR INTERFERE**
125.9 **WITH DISCLOSURE OF INFORMATION.**

125.10 (a) A public employer may not directly or indirectly use or attempt to use the
125.11 employer's official authority or influence for the purpose of intimidating, threatening,
125.12 coercing, or attempting to intimidate, threaten, or coerce any person for the purpose of
125.13 interfering with the rights described in section 181.932, or for the purpose of persuading
125.14 the person to waive or disclaim any other legal rights related to the person's employment.

125.15 (b) For purposes of this section, "use of official authority or influence" includes:
125.16 promising to confer, or conferring, any benefit; effecting, or threatening to effect, any
125.17 reprisal; or taking, or directing others to take, or recommending, processing, or approving,
125.18 any personnel action, including but not limited to appointment, promotion, transfer,
125.19 assignment, performance evaluation, suspension, or other disciplinary action.

125.20 Sec. 18. Minnesota Statutes 2006, section 181.935, is amended to read:

125.21 **181.935 INDIVIDUAL REMEDIES; PENALTY.**

125.22 (a) In addition to any remedies otherwise provided by law, an employee injured
125.23 by a violation of section 181.932 or 181.9325 may bring a civil action to recover any
125.24 and all damages recoverable at law, together with costs and disbursements, including
125.25 reasonable attorney's fees, and may receive such injunctive and other equitable relief as
125.26 determined by the court.

125.27 (b) An employer who failed to notify, as required under section 181.933 or 181.934,
125.28 an employee injured by a violation of section 181.932 is subject to a civil penalty of \$25
125.29 per day per injured employee not to exceed \$750 per injured employee.

125.30 Sec. 19. **[181.936] REPRISALS FOR DISCLOSURE OF IMPROPER**
125.31 **GOVERNMENTAL ACTIVITIES; COMPLAINT PROCEDURE; PENALTIES.**

125.32 (a) A public employee or applicant for public employment who files a written
125.33 complaint with the employee's or applicant's supervisor, manager, or the appointing

126.1 power alleging actual or attempted acts of reprisal, retaliation, threats, coercion, or
126.2 similar improper acts prohibited by section 181.9325, may also file a copy of the written
126.3 complaint with the commissioner of labor and industry, together with a sworn statement
126.4 that the contents of the written complaint are true, or are believed by the affiant to be true,
126.5 under penalty of perjury. The complaint filed with the commissioner shall be filed within
126.6 12 months of the most recent act of reprisal complained about.

126.7 (b) Any person who intentionally engages in acts of reprisal, retaliation, threats,
126.8 coercion, or similar acts against a public employee or applicant for public employment
126.9 for having made a protected disclosure under section 181.932, is subject to a fine not to
126.10 exceed \$10,000 and imprisonment in the county jail for a period not to exceed one year.

126.11 (c) In addition to all other penalties provided by law, any person who intentionally
126.12 engages in acts of reprisal, retaliation, threats, coercion, or similar acts against a public
126.13 employee or applicant for public employment for having made a protected disclosure shall
126.14 be liable in an action for damages brought against the person by the injured party. Punitive
126.15 damages may be awarded by the court where the acts of the offending party are proven to
126.16 be malicious. Where liability has been established, the injured party shall also be entitled
126.17 to reasonable attorney fees as provided by law. However, any action for damages shall not
126.18 be available to the injured party unless the injured party has first filed a complaint with the
126.19 commissioner of labor and industry under paragraph (a), and the department has issued, or
126.20 failed to issue, findings under section 177.275.

126.21 (d) This section is not intended to prevent an appointing power, manager, or
126.22 supervisor from taking, directing others to take, recommending, or approving any
126.23 personnel action or from taking or failing to take a personnel action with respect to any
126.24 public employee or applicant for public employment if the appointing power, manager, or
126.25 supervisor reasonably believes any action or inaction is justified on the basis of evidence
126.26 separate and apart from the fact that the person has made a protected disclosure under
126.27 section 181.932.

126.28 (e) In any civil action or administrative proceeding, once it has been demonstrated
126.29 by a preponderance of evidence that an activity protected by this section and sections
126.30 1 to 7 was a contributing factor in the alleged retaliation against a former, current, or
126.31 prospective employee, the burden of proof shall be on the supervisor, manager, or
126.32 appointing power to demonstrate by clear and convincing evidence that the alleged action
126.33 would have occurred for legitimate, independent reasons even if the employee had not
126.34 engaged in protected disclosures or refused an illegal order. If the supervisor, manager,
126.35 or appointing power fails to meet this burden of proof in an adverse action against the
126.36 employee in any administrative review, challenge, or adjudication in which retaliation

127.1 has been demonstrated to be a contributing factor, the employee shall have a complete
127.2 affirmative defense in the adverse action.

127.3 (f) Nothing in this section and sections 1 to 7 shall be deemed to diminish the rights,
127.4 privileges, or remedies of any employee under any other federal or state law or under any
127.5 employment contract or collective bargaining agreement.

127.6 Sec. 20. Minnesota Statutes 2006, section 325E.37, subdivision 6, is amended to read:

127.7 Subd. 6. **Scope; limitations.** (a) This section applies to a sales representative who,
127.8 during some part of the period of the sales representative agreement:

127.9 (1) is a resident of Minnesota or maintains that person's principal place of business
127.10 in Minnesota; or

127.11 (2) whose geographical territory specified in the sales representative agreement
127.12 includes part or all of Minnesota.

127.13 (b) To be effective, any demand for arbitration under subdivision 5 must be made
127.14 in writing and delivered to the principal on or before one year after the effective date of
127.15 the termination of the agreement.

127.16 (c) A provision in any contract between a sales representative dealing in plumbing
127.17 equipment or supplies and a principal purporting to waive any provision of this act,
127.18 whether by express waiver or by a provision stipulating that the contract is subject to the
127.19 laws of another state, shall be void.

127.20 Sec. 21. Minnesota Statutes 2006, section 326.37, subdivision 1, is amended to read:

127.21 Subdivision 1. **Rules.** The state ~~commissioner of health~~ Plumbing Board may, by
127.22 rule, prescribe minimum standards which shall be uniform, and which standards shall
127.23 thereafter be effective for all new plumbing installations, including additions, extensions,
127.24 alterations, and replacements connected with any water or sewage disposal system owned
127.25 or operated by or for any municipality, institution, factory, office building, hotel, apartment
127.26 building, or any other place of business regardless of location or the population of the
127.27 city or town in which located. Notwithstanding the provisions of Minnesota Rules, part
127.28 4715.3130, as they apply to review of plans and specifications, the commissioner may
127.29 allow plumbing construction, alteration, or extension to proceed without approval of the
127.30 plans or specifications by the commissioner.

127.31 Except for powers granted to the Plumbing Board, the commissioner of labor and
127.32 industry shall administer the provisions of sections 326.37 to 326.45 and for such purposes
127.33 may employ plumbing inspectors and other assistants.

Sec. 22. [326.372] PLUMBING BOARD.

Subdivision 1. Composition. (a) The Plumbing Board shall consist of 12 voting members who must be residents of the state, appointed by the governor, and confirmed by the senate. The commissioner of labor and industry or the commissioner's designee shall be a voting member. The first appointed board members shall serve an initial term of four years, except where designated otherwise. The governor shall then reappoint the current members or appoint replacement members, all or in part, to subsequent three-year terms. Midterm vacancies shall be filled for the remaining portion of the term. Vacancies occurring with less than six months time remaining in the term shall be filled for the existing term and the following three-year term. Of the 11 appointed members, the composition shall be as follows:

(1) two members shall be municipal plumbing inspectors, one from the seven-county metro area and one from greater Minnesota;

(2) one member shall be a licensed mechanical engineer;

(3) two members serving an initial term of three years shall be plumbing contractors or the representative of the contractor, engaged in a commercial scope of plumbing contracting, one from the metropolitan area and one from greater Minnesota;

(4) two members serving an initial term of three years shall be plumbing contractors or their representatives, engaged in the residential scope of plumbing contracting, one from the metro area and one from greater Minnesota;

(5) two members serving an initial term of two years shall be plumbing journeypersons engaged in a commercial scope of plumbing systems installation, one from the metro area and one from greater Minnesota; and

(6) two members serving an initial term of two years shall be plumbing journeypersons engaged in a residential scope of plumbing systems installation, one from the metro area and one from greater Minnesota.

(b) Except for the licensed mechanical engineer, all persons appointed to the council must possess a current Minnesota plumbing license and maintain the license for the duration of their term.

Subd. 2. Powers. (a) The board shall have the power to:

(1) elect its chair;

(2) specify the plumbing code that must be followed in this state;

(3) maintain a review process to make determinations regarding any complaints, code amendments, code compliance, and code clarifications filed with the board;

(4) adopt rules necessary for the regulation and licensing of contractors, journeypersons, apprentices, and other persons engaged in the design, installation, and

129.1 alteration of plumbing systems that would include the issuing, renewing, revoking,
129.2 refusing to renew, and suspending a plumbing license, except for persons licensed under
129.3 sections 326.02 to 326.15;

129.4 (5) adopt rules necessary for continuing education for individuals regulated and
129.5 licensed under this section;

129.6 (6) make recommendations to the commissioner regarding educational requirements
129.7 for plumbing inspectors; and

129.8 (7) pay expenses deemed necessary in the performance of board duties, including:

129.9 (i) rent, utilities, and supplies in the manner and amount specified in section 43A.18,
129.10 subdivision 2; and

129.11 (ii) per diem and expenses for its members as provided in section 15.0575,
129.12 subdivision 3.

129.13 (b) Requests under the review process in paragraph (a), clause (3), may originate
129.14 with the municipal inspectors, the plumbing contractors or their employees, and other
129.15 persons engaged in the design, installation, and alteration of plumbing systems. The board
129.16 shall make its findings known to all parties and the commissioner of labor and industry
129.17 within the time period specified by the board.

129.18 Subd. 3. **Fees and finances.** The board shall submit an annual budget to the
129.19 commissioner of labor and industry. The commissioner shall collect fees under section
129.20 326.42 necessary for the operation and continuance of the board. The commissioner is
129.21 responsible for the enforcement of the codes and licensing requirements determined by
129.22 the board. The board shall set the fees for licenses and certification under this section.
129.23 The commissioner of finance shall make a quarterly certification of the amount necessary
129.24 to pay expenses required for operation of the board under subdivision 2, paragraph (a),
129.25 clause (6). The certified amount is appropriated to the board for those purposes from
129.26 the fees collected under section 326.42.

129.27 Sec. 23. Minnesota Statutes 2006, section 326.38, is amended to read:

129.28 **326.38 LOCAL REGULATIONS.**

129.29 Any city having a system of waterworks or sewerage, or any town in which reside
129.30 over 5,000 people exclusive of any statutory cities located therein, or the metropolitan
129.31 airports commission, may, by ordinance, adopt local regulations providing for plumbing
129.32 permits, bonds, approval of plans, and inspections of plumbing, which regulations are
129.33 not in conflict with the plumbing standards on the same subject prescribed by the state
129.34 ~~commissioner of health~~ Plumbing Board. No city or such town shall prohibit plumbers
129.35 licensed by the state commissioner of ~~health~~ labor and industry from engaging in or

130.1 working at the business, except cities and statutory cities which, prior to April 21, 1933,
130.2 by ordinance required the licensing of plumbers. No city or town may require a license
130.3 for persons performing building sewer or water service installation who have completed
130.4 pipe laying training as prescribed by the commissioner of labor and industry. Any city
130.5 by ordinance may prescribe regulations, reasonable standards, and inspections and grant
130.6 permits to any person, firm, or corporation engaged in the business of installing water
130.7 softeners, who is not licensed as a master plumber or journeyman plumber by the state
130.8 commissioner of ~~health~~ labor and industry, to connect water softening and water filtering
130.9 equipment to private residence water distribution systems, where provision has been
130.10 previously made therefor and openings left for that purpose or by use of cold water
130.11 connections to a domestic water heater; where it is not necessary to rearrange, make any
130.12 extension or alteration of, or addition to any pipe, fixture or plumbing connected with
130.13 the water system except to connect the water softener, and provided the connections so
130.14 made comply with minimum standards prescribed by the state ~~commissioner of health~~
130.15 Plumbing Board.

130.16 Sec. 24. Minnesota Statutes 2006, section 326.40, subdivision 1, is amended to read:

130.17 Subdivision 1. **License required; master and journeyman plumbers.** ~~In any city~~
130.18 ~~now or hereafter having 5,000 or more population, according to the last federal census,~~
130.19 ~~and having a system of waterworks or sewerage,~~ (a) No person, firm, or corporation shall
130.20 engage in or work at the business of a master plumber ~~or~~, restricted master plumber,
130.21 journeyman plumber, and restricted journeyman plumber unless licensed to do so by the
130.22 state commissioner of ~~health~~ labor and industry. A license is not required for persons
130.23 performing building sewer or water service installation who have completed pipe laying
130.24 training as prescribed by the commissioner of labor and industry. A master plumber may
130.25 also work as a journeyman plumber, a restricted journeyman plumber, and a restricted
130.26 master plumber. A journeyman plumber may also work as a restricted journeyman
130.27 plumber. Anyone not so licensed may do plumbing work which complies with the
130.28 provisions of the minimum standard prescribed by the state ~~commissioner of health~~
130.29 Plumbing Board on premises or that part of premises owned and actually occupied by the
130.30 worker as a residence, unless otherwise forbidden to do so by a local ordinance.
130.31 ~~In any such city~~ (b) No person, firm, or corporation shall engage in the business of
130.32 installing plumbing nor install plumbing in connection with the dealing in and selling
130.33 of plumbing material and supplies unless at all times a licensed master plumber, or in
130.34 cities and towns with a population of fewer than 5,000 according to the federal census a

131.1 restricted master plumber, who shall be responsible for proper installation, is in charge
131.2 of the plumbing work of the person, firm, or corporation.

131.3 The ~~Department of Health~~ Plumbing Board shall prescribe rules, not inconsistent
131.4 herewith, for the examination and licensing of plumbers.

131.5 Sec. 25. Minnesota Statutes 2006, section 326.401, subdivision 2, is amended to read:

131.6 Subd. 2. **Journeyman exam.** A plumber's apprentice who has completed four years
131.7 of practical plumbing experience is eligible to take the journeyman plumbing examination.
131.8 Up to 24 months of practical plumbing experience prior to registration as an apprentice
131.9 may be applied to the four-year experience requirement. However, none of this practical
131.10 plumbing experience may be applied if the person did not have any practical plumbing
131.11 experience in the 12-month period immediately prior to registration. The ~~commissioner~~
131.12 Plumbing Board may adopt rules to evaluate whether the person's past practical plumbing
131.13 experience is applicable in preparing for the journeyman's examination. If two years
131.14 after completing the training the person has not taken the examination, the four years
131.15 of experience shall be forfeited.

131.16 The commissioner may allow an extension of the two-year period for taking the
131.17 exam for cases of hardship or other appropriate circumstances.

131.18 Sec. 26. **[326.402] RESTRICTED PLUMBER LICENSE.**

131.19 Subdivision 1. **Licensure.** The commissioner of labor and industry shall grant a
131.20 restricted journeyman or master plumber license to an individual if:

131.21 (1) the individual completes an application with information required by the
131.22 commissioner of labor and industry;

131.23 (2) the completed application is accompanied by a fee of \$90;

131.24 (3) the commissioner of labor and industry receives the completed application and
131.25 fee before January 1, 2008;

131.26 (4) the completed application demonstrates that the applicant has had at least two
131.27 years for a restricted journeyman plumber license or four years for a restricted master
131.28 plumber license of practical plumbing experience in the plumbing trade prior to the
131.29 application; and

131.30 (5) during the entire time for which the applicant is claiming experience in
131.31 contracting for plumbing work under clause (4), the applicant was in compliance with all
131.32 applicable requirements of section 326.40.

132.1 Subd. 2. **Use of license.** A restricted master plumber and restricted journeyman
132.2 plumber may engage in the plumbing trade in all areas of the state except in cities and
132.3 towns with a population of more than 5,000 according to the federal census.

132.4 Subd. 3. **Application period.** Applications for restricted master plumber and
132.5 restricted journeyman plumber licenses must be submitted to the commissioner prior
132.6 to January 1, 2008.

132.7 Subd. 4. **Renewal; use period for license.** A restricted master plumber and
132.8 restricted journeyman plumber license must be renewed annually for as long as that
132.9 licensee engages in the plumbing trade. Failure to renew a restricted master plumber and
132.10 restricted journeyman plumber license within 12 months after the expiration date will
132.11 result in permanent forfeiture of the restricted master plumber and restricted journeyman
132.12 plumber license.

132.13 Subd. 5. **Prohibition of transference.** A restricted master plumber and restricted
132.14 journeyman plumber license may not be transferred or sold to any other person.

132.15 Subd. 6. **Bond; insurance.** A restricted master plumber licensee is subject to the
132.16 bond and insurance requirements of section 326.40, subdivision 2, unless the exemption
132.17 provided by section 326.40, subdivision 3, applies.

132.18 Subd. 7. **Fee.** The annual fee for the restricted master plumber and restricted
132.19 journeyman plumber licenses is the same fee as for a master or journeyman plumber
132.20 license, respectively.

132.21 Sec. 27. Minnesota Statutes 2006, section 326.405, is amended to read:

132.22 **326.405 RECIPROCITY WITH OTHER STATES.**

132.23 ~~The commissioner of health may license without examination, upon payment of the~~
132.24 ~~required fee, nonresident applicants who are licensed under the laws of a state having~~
132.25 ~~standards for licensing plumbers which the commissioner determines are substantially~~
132.26 ~~equivalent to the standards of this state if the other state grants similar privileges to~~
132.27 ~~Minnesota residents duly licensed in this state. The commissioner may issue a temporary~~
132.28 license without examination, upon payment of the required fee, nonresident applicants
132.29 who are licensed under the laws of a state having standards for licensing which the
132.30 commissioner determines are substantially equivalent to the standards of this state if
132.31 the other state grants similar privileges to Minnesota residents duly licensed in this
132.32 state. Applicants who receive a temporary license under this section may acquire an
132.33 aggregate of 24 months of experience before they have to apply and pass the licensing
132.34 examination. Applicants must register with the commissioner of labor and industry and

133.1 the commissioner shall set a fee for a temporary license. Applicants have five years in
133.2 which to comply with this section.

133.3 Sec. 28. Minnesota Statutes 2006, section 326.42, subdivision 1, is amended to read:

133.4 Subdivision 1. **Application.** Applications for plumber's license shall be made to the
133.5 state commissioner of ~~health~~ labor and industry, with fee. Unless the applicant is entitled
133.6 to a renewal, the applicant shall be licensed by the state commissioner of ~~health~~ labor and
133.7 industry only after passing a satisfactory examination administered by the ~~examiners~~
133.8 commissioner of labor and industry, based upon rules adopted by the Plumbing Board
133.9 showing fitness. Examination fees for both journeyman and master plumbers shall be in
133.10 an amount prescribed by the state commissioner of ~~health~~ labor and industry pursuant to
133.11 section 144.122. Upon being notified that of having successfully passed the examination
133.12 for original license the applicant shall submit an application, with the license fee herein
133.13 provided. License fees shall be in an amount prescribed by the state commissioner of
133.14 ~~health~~ labor and industry pursuant to section 144.122. Licenses shall expire and be
133.15 renewed as prescribed by the commissioner pursuant to section 144.122.

133.16 Sec. 29. Minnesota Statutes 2006, section 341.28, subdivision 2, is amended to read:

133.17 Subd. 2. **Regulatory authority; tough person contests.** All tough person contests,
133.18 including amateur tough person contests, are subject to this chapter. All tough person
133.19 contests are subject to American Boxing Commission (ABC) rules. Every contestant
133.20 in a tough person contest shall have a physical examination prior to their bouts. Every
133.21 contestant in a tough person contest shall wear padded gloves that weigh at least 12
133.22 ounces. All tough person bouts are limited to two-minute rounds and a maximum of four
133.23 total rounds. Officials at tough person bouts shall be licensed under this chapter.

133.24 Sec. 30. Minnesota Statutes 2006, section 341.28, is amended by adding a subdivision
133.25 to read:

133.26 Subd. 3. **Regulatory authority; similar sporting events.** All mixed martial arts,
133.27 ultimate fight contests, and similar sporting events are subject to this chapter.

133.28 Sec. 31. Minnesota Statutes 2006, section 341.32, subdivision 2, is amended to read:

133.29 Subd. 2. **Expiration and renewal.** A license ~~expires December 31 at midnight in~~
133.30 ~~the year of its issuance~~ issued after the effective date of this act is valid for one year from
133.31 the date it is issued and may be renewed by filing an application for renewal with the
133.32 commission and payment of the license fee. An application for a license and renewal of a

134.1 license must be on a form provided by the commission. There is a 30-day grace period
134.2 during which a license may be renewed if a late filing penalty fee equal to the license fee
134.3 is submitted with the regular license fee. A licensee that files late shall not conduct any
134.4 activity regulated by this chapter until the commission has renewed the license. If the
134.5 licensee fails to apply to the commission within the 30-day grace period, the licensee must
134.6 apply for a new license under subdivision 1.

134.7 Sec. 32. Minnesota Statutes 2006, section 341.321, is amended to read:

134.8 **341.321 FEE SCHEDULE.**

134.9 (a) The fee schedule for licenses issued by the Minnesota Boxing Commission
134.10 is as follows:

- 134.11 (1) referees, ~~\$35~~ \$45 for each initial license and each renewal;
134.12 (2) promoters, \$400 for each initial license and each renewal;
134.13 (3) judges and knockdown judges, ~~\$25~~ \$45 for each initial license and each renewal;
134.14 (4) trainers, ~~\$35~~ \$45 for each initial license and each renewal;
134.15 (5) ring announcers, ~~\$25~~ \$45 for each initial license and each renewal;
134.16 (6) boxers' seconds, ~~\$25~~ \$45 for each initial license and each renewal;
134.17 (7) timekeepers, ~~\$25~~ \$45 for each initial license and each renewal; ~~and~~
134.18 (8) boxers, ~~\$35~~ \$45 for each initial license and each renewal;
134.19 (9) managers, \$45 for each initial license and each renewal; and
134.20 (10) ringside physicians, \$45 for each initial license and each renewal.

134.21 (b) The commission shall establish and assess an event fee for each sporting event.
134.22 The event fee is set at a minimum of \$1,500 per event or a percentage of the ticket sales as
134.23 determined by the commission when the sporting event is scheduled.

134.24 (c) All fees collected by the Minnesota Boxing Commission must be deposited in
134.25 the Boxing Commission account in the special revenue fund.

134.26 Sec. 33. **REPEALER.**

134.27 Minnesota Statutes 2006, section 326.45, is repealed.

134.28 **ARTICLE 9**
134.29 **HIGH PRESSURE PIPING**

134.30 Section 1. Minnesota Statutes 2006, section 326.46, is amended to read:

134.31 **326.46 SUPERVISION OF HIGH PRESSURE PIPING.**

135.1 The Department of Labor and Industry shall supervise all high pressure piping
135.2 used on all projects in this state, ~~and may prescribe minimum standards which shall be~~
135.3 ~~uniform~~ under rules adopted by the board.

135.4 The department shall employ inspectors and other assistants to carry out the
135.5 provisions of sections 326.46 to 326.52.

135.6 Sec. 2. Minnesota Statutes 2006, section 326.461, is amended by adding a subdivision
135.7 to read:

135.8 Subd. 1a. **Board.** "Board" means the Board of High Pressure Piping Systems.

135.9 Sec. 3. Minnesota Statutes 2006, section 326.47, subdivision 2, is amended to read:

135.10 Subd. 2. **Permissive municipal regulation.** A municipality may, by ordinance,
135.11 provide for the inspection of high pressure piping system materials and construction, and
135.12 provide that it shall not be constructed or installed except in accordance with minimum
135.13 state standards. The authority designated by the ordinance for issuing high pressure piping
135.14 permits and assuring compliance with state standards must report to the Department of
135.15 Labor and Industry all violations of state high pressure piping standards.

135.16 A municipality may not adopt an ordinance with high pressure piping standards that
135.17 does not conform to the uniform standards prescribed by the ~~Department of Labor and~~
135.18 ~~Industry board~~. The ~~Department of Labor and Industry board~~ shall specify by rule the
135.19 minimum qualifications for municipal inspectors.

135.20 Sec. 4. Minnesota Statutes 2006, section 326.47, subdivision 6, is amended to read:

135.21 Subd. 6. **Filing and inspection fees.** The Department of Labor and Industry
135.22 must charge a filing fee set by the ~~commissioner~~ board under section 16A.1285 for all
135.23 applications for permits to construct or install high pressure piping systems. The fee for
135.24 inspection of high pressure piping system construction or installation shall be set by the
135.25 ~~commissioner~~ board under section 16A.1285. This subdivision does not apply where a
135.26 permit is issued by a municipality complying with subdivision 2.

135.27 Sec. 5. **[326.471] BOARD OF HIGH PRESSURE PIPING SYSTEMS.**

135.28 Subdivision 1. **Composition.** (a) The Board of High Pressure Piping Systems shall
135.29 consist of 12 members who must be residents of the state, appointed by the governor, and
135.30 confirmed by the senate. The commissioner of the Department of Labor and Industry or
135.31 the commissioner's designee shall be a voting member. The first appointed board members
135.32 shall serve an initial term of four years, except where designated otherwise. The governor

136.1 shall then reappoint the current members or appoint replacement members, all or in part, to
136.2 subsequent three-year terms. Midterm vacancies shall be filled for the remaining portion
136.3 of the term. Vacancies occurring with less than six months time remaining in the term
136.4 shall be filled for the existing term and the following three-year term. Of the 11 appointed
136.5 members, the composition shall be as follows:

136.6 (1) one member shall be a high pressure piping inspector;

136.7 (2) one member shall be a licensed mechanical engineer;

136.8 (3) one member shall be a representative of the piping industry;

136.9 (4) four members shall be high pressure piping contractors or their representatives,

136.10 engaged in the scope of high pressure piping, two from the metro area and two from
136.11 greater Minnesota;

136.12 (5) two members shall be high pressure piping journeypersons engaged in the scope
136.13 of high pressure piping systems installation, one from the metro area and one from greater
136.14 Minnesota; and

136.15 (6) two members shall be representatives from utility companies in Minnesota
136.16 who shall serve an initial term of two years.

136.17 (b) Except for the licensed mechanical engineer and the members from utilities
136.18 companies, all persons appointed to the board must possess a current license or
136.19 competency credential required for contractors and persons engaged in the design,
136.20 installation, alteration, and inspection of high pressure piping systems.

136.21 Subd. 2. Powers. (a) The board shall have the power to:

136.22 (1) elect its chair;

136.23 (2) specify the high pressure piping code that must be followed in Minnesota;

136.24 (3) maintain an appeals committee to make determinations regarding any complaints,
136.25 code amendments, code compliance, and code clarifications filed with the board;

136.26 (4) adopt rules necessary for the regulation and licensing of contractors,
136.27 journeypersons, trainees, and persons engaged in the design, installation, alteration, and
136.28 inspection of high pressure piping systems, except for persons licensed under sections
136.29 326.02 to 326.15;

136.30 (5) adopt rules necessary for continuing education for individuals regulated and
136.31 licensed under this section; and

136.32 (6) pay expenses deemed necessary in the performance of board duties, including:

136.33 (i) rent, utilities, and supplies in the manner and amount specified in section 43A.18,
136.34 subdivision 2; and

136.35 (ii) per diem and expenses for its members as provided in section 15.0575,
136.36 subdivision 3.

137.1 (b) Complaints filed under this section may originate with high pressure piping
137.2 inspectors, contractors, or their employees, or other persons engaged in the design,
137.3 installation, and alteration of a high pressure piping system. The board shall make their
137.4 findings known to all parties and the commissioner of the Department of Labor and
137.5 Industry within the time period specified by the board.

137.6 Subd. 3. **Fee and finances.** The board shall submit an annual budget to the
137.7 commissioner of the Department of Labor and Industry. The commissioner shall collect
137.8 fees under section 326.47, subdivision 6, necessary for the operation and continuance
137.9 of the board. The commissioner is responsible for the enforcement of the codes and
137.10 licensing requirements determined by the board. The board shall set the fees for licenses
137.11 and certification under this section and for all high pressure piping system permits and
137.12 submit the fee structure to the commissioner of labor and industry. The commissioner
137.13 of finance shall make a quarterly certification of the amount necessary to pay expenses
137.14 required for operation of the board under subdivision 2, paragraph (a), clause (6). The
137.15 certified amount is appropriated to the board for those purposes from the fees collected
137.16 under section 326.50.

137.17 Sec. 6. Minnesota Statutes 2006, section 326.48, subdivision 1, is amended to read:

137.18 Subdivision 1. **License required; rules; time credit.** No person shall engage in
137.19 or work at the business of a contracting pipefitter unless issued an individual contracting
137.20 pipefitter license to do so by the Department of Labor and Industry under rules prescribed
137.21 by the board. No license shall be required for repairs on existing installations. No
137.22 person shall engage in or work at the business of journeyman pipefitter unless issued an
137.23 individual journeyman pipefitter competency license to do so by the Department of Labor
137.24 and Industry under rules prescribed by the board. A person possessing an individual
137.25 contracting pipefitter competency license may also work as a journeyman pipefitter.

137.26 No person, partnership, firm, or corporation shall install high pressure piping, nor
137.27 install high pressure piping in connection with the dealing in and selling of high pressure
137.28 pipe material and supplies, unless, at all times, a person possessing a contracting pipefitter
137.29 individual competency license or a journeyman pipefitter individual competency license is
137.30 responsible for the high pressure pipefitting work conducted by the person, partnership,
137.31 firm, or corporation being in conformity with Minnesota Statutes and Minnesota Rules.

137.32 ~~The Department of Labor and Industry board~~ shall prescribe rules, not inconsistent
137.33 herewith, for the examination and individual competency licensing of contracting
137.34 pipefitters and journeyman pipefitters and for issuance of permits by the department and
137.35 municipalities for the installation of high pressure piping.

138.1 An employee performing the duties of inspector for the Department of Labor and
138.2 Industry in regulating pipefitting shall not receive time credit for the inspection duties
138.3 when making an application for a license required by this section.

138.4 Sec. 7. Minnesota Statutes 2006, section 326.48, subdivision 2, is amended to read:

138.5 Subd. 2. **High pressure pipefitting business license.** Before obtaining a permit
138.6 for high pressure piping work, a person, partnership, firm, or corporation must obtain or
138.7 utilize a business with a high pressure piping business license.

138.8 A person, partnership, firm, or corporation must have at all times as a full-time
138.9 employee at least one individual holding an individual contracting pipefitter competency
138.10 license. Only full-time employees who hold individual contracting pipefitter licenses
138.11 are authorized to obtain high pressure piping permits in the name of the business. The
138.12 individual contracting pipefitter competency license holder can be the employee of only
138.13 one high pressure piping business at a time.

138.14 To retain its business license without reapplication, a person, partnership, firm, or
138.15 corporation holding a high pressure piping business license that ceases to employ a person
138.16 holding an individual contracting pipefitter competency license shall have 60 days from
138.17 the last day of employment of its previous individual contracting pipefitter competency
138.18 license holder to employ another license holder. The Department of Labor and Industry
138.19 must be notified no later than five days after the last day of employment of the previous
138.20 license holder.

138.21 No high pressure pipefitting work may be performed during any period when the
138.22 high pressure pipefitting business does not have an individual contracting pipefitter
138.23 competency license holder on staff. If a license holder is not employed within 60 days,
138.24 the pipefitting business license shall lapse.

138.25 The ~~Department of Labor and Industry~~ board shall prescribe by rule procedures for
138.26 application for and issuance of business licenses and fees.

138.27 Sec. 8. Minnesota Statutes 2006, section 326.48, is amended by adding a subdivision
138.28 to read:

138.29 Subd. 6. **Reciprocity with other states.** The commissioner may issue a temporary
138.30 license without examination, upon payment of the required fee, nonresident applicants
138.31 who are licensed under the laws of a state having standards for licensing which the
138.32 commissioner determines are substantially equivalent to the standards of this state if
138.33 the other state grants similar privileges to Minnesota residents duly licensed in this
138.34 state. Applicants who receive a temporary license under this section may acquire an

139.1 aggregate of 24 months of experience before they have to apply and pass the licensing
139.2 examination. Applicants must register with the commissioner of labor and industry and
139.3 the commissioner shall set a fee for a temporary license. Applicants have five years in
139.4 which to comply with this section.

139.5 Sec. 9. Minnesota Statutes 2006, section 326.50, is amended to read:

139.6 **326.50 APPLICATION; FEES.**

139.7 Application for an individual contracting pipefitter competency or an individual
139.8 journeyman pipefitter competency license shall be made to the Department of Labor and
139.9 Industry, with fees. The applicant shall be licensed only after passing an examination
139.10 administered by the Department of Labor and Industry in accordance with rules adopted
139.11 by the board.

139.12 Sec. 10. Minnesota Statutes 2006, section 326.51, is amended to read:

139.13 **326.51 DEPARTMENT MAY REVOKE LICENSES.**

139.14 The ~~department~~ board may revoke or suspend, for cause, any license obtained
139.15 through error or fraud, or if the licensee is shown to be incompetent, or for a violation
139.16 of any of its rules and regulations applicable to high pressure pipefitting work. The
139.17 licensee shall have notice, in writing, enumerating the charges, and be entitled to a hearing
139.18 on at least ten days' notice, with the right to produce testimony. The hearing shall be
139.19 held pursuant to chapter 14. The ~~commissioner~~ board shall issue a final order based on
139.20 testimony and the record at hearing. One year from the date of revocation application
139.21 may be made for a new license.

139.22 Sec. 11. Minnesota Statutes 2006, section 326.52, is amended to read:

139.23 **326.52 DEPOSIT OF FEES.**

139.24 All fees received under sections 326.46 to 326.52 shall be deposited by the
139.25 Department of Labor and Industry to the credit of the general fund in the state treasury.
139.26 The salaries and per diem of the inspectors and examiners hereinbefore provided, their
139.27 expenses, and all incidental expenses of the department and board in carrying out the
139.28 provisions of sections 326.46 to 326.52 shall be paid from the appropriations made to the
139.29 Department of Labor and Industry. The ~~commissioner~~ board by rule shall set the amount
139.30 of the fees at a level that approximates, to the greatest extent possible, the salaries, per
139.31 diem, and incidental expenses of the department.

Sec. 12. **TRANSFER OF AUTHORITY; BOARD OF HIGH PRESSURE PIPING SYSTEMS.**

The authority of the commissioner of labor and industry to adopt rules relating to high pressure piping systems is transferred to the Board of High Pressure Piping Systems. Licenses and permits currently in effect remain in effect according to their terms unless affected by board action. Rules adopted by the commissioner of labor and industry remain in effect until amended or repealed by the board. The commissioner of administration may not use the authority under Minnesota Statutes, section 16B.37, to modify transfers of authority in this act.

Sec. 13. **FIRST MEETING; APPOINTMENTS FOR BOARD OF HIGH PRESSURE PIPING SYSTEMS.**

The governor must complete the appointments required by Minnesota Statutes, section 326.471, no later than July 1, 2007. The commissioner of labor and industry shall convene the first meeting of the Board of High Pressure Piping Systems no later than September 1, 2007.

Sec. 14. **TRANSFER OF AUTHORITY; PLUMBING BOARD.**

The authority of the commissioners of health and labor and industry to adopt rules relating to plumbers is transferred to the Plumbing Board. Licenses and permits currently in effect remain in effect according to their terms unless affected by board action. Rules adopted by the commissioner of health or labor and industry remain in effect until amended or repealed by the board. The commissioner of administration may not use the authority under Minnesota Statutes, section 16B.37, to modify the transfers of authority in this act.

Sec. 15. **FIRST MEETING; APPOINTMENTS FOR PLUMBING BOARD.**

The governor must complete the appointments required by Minnesota Statutes, section 326.372, no later than July 1, 2007. The commissioner of labor and industry shall convene the first meeting of the Plumbing Board no later than September 1, 2007.

ARTICLE 10
IRON RANGE RESOURCES AND REHABILITATION BOARD

Section 1. **[270.99] HOCKEY HERITAGE SURCHARGE.**

Subdivision 1. **Imposition.** A surcharge of 25 cents is imposed on the sale of every ticket to an NCAA Division I men's hockey event in the state.

141.1 Subd. 2. **Collection; remittance.** The surcharge imposed in this section shall be
141.2 collected by all sellers of these tickets with nexus in the state of Minnesota. The seller
141.3 shall report the surcharge on a return proscribed by the commissioner of revenue and
141.4 shall remit the surcharge with the return.

141.5 Subd. 3. **Administration.** Unless specifically provided otherwise in this section, the
141.6 audit, assessment, refund, penalty, interest, enforcement, collection remedies, appeal, and
141.7 administrative provisions in this chapter and chapter 289A that are applicable to taxes
141.8 imposed under chapter 297A apply to the surcharge imposed under this section.

141.9 Subd. 4. **Deposit of revenues.** The commissioner of revenue shall deposit all
141.10 revenues, including penalty and interest, derived from the surcharge imposed in this
141.11 section in the hockey surcharge account in the special revenue fund. The amount deposited
141.12 under this section is appropriated to the Iron Range Resources and Rehabilitation Board
141.13 for payment to the city of Eveleth to be used for the support of the Hockey Hall of Fame
141.14 Museum provided that it continues to operate in the city. Payments under this section for
141.15 the Hockey Hall of Fame Museum are in addition to and must not be used to supplant
141.16 funding under section 298.28, subdivision 9c.

141.17 Sec. 2. Minnesota Statutes 2006, section 298.22, subdivision 2, is amended to read:

141.18 **Subd. 2. Iron Range Resources and Rehabilitation Board.** There is hereby
141.19 created the Iron Range Resources and Rehabilitation Board, consisting of ~~13~~ ten members,
141.20 five of whom are state senators appointed by the Subcommittee on Committees of the
141.21 Rules Committee of the senate, and five of whom are representatives, appointed by the
141.22 speaker of the house of representatives. ~~The remaining members shall be appointed one~~
141.23 ~~each by the senate majority leader, the speaker of the house of representatives, and the~~
141.24 ~~governor and must be nonlegislators who reside in a taconite assistance area as defined in~~
141.25 ~~section 273.1341.~~ The members shall be appointed in January of every odd-numbered
141.26 year, ~~except that the initial nonlegislator members shall be appointed by July 1, 1999, and~~
141.27 shall serve until January of the next odd-numbered year. Vacancies on the board shall be
141.28 filled in the same manner as the original members were chosen. At least a majority of
141.29 the legislative members of the board shall be elected from state senatorial or legislative
141.30 districts in which over 50 percent of the residents reside within a taconite assistance area
141.31 as defined in section 273.1341. All expenditures and projects made by the commissioner
141.32 of Iron Range resources and rehabilitation shall be consistent with the priorities
141.33 established in subdivision 8 and shall first be submitted to the Iron Range Resources and
141.34 Rehabilitation Board for approval by a majority of the board of expenditures and projects
141.35 for rehabilitation purposes as provided by this section, and the method, manner, and time

142.1 of payment of all funds proposed to be disbursed shall be first approved or disapproved by
142.2 the board. The board shall biennially make its report to the governor and the legislature on
142.3 or before November 15 of each even-numbered year. The expenses of the board shall be
142.4 paid by the state from the funds raised pursuant to this section.

142.5 Sec. 3. Minnesota Statutes 2006, section 298.227, is amended to read:

142.6 **298.227 TACONITE ECONOMIC DEVELOPMENT FUND.**

142.7 An amount equal to that distributed pursuant to each taconite producer's taxable
142.8 production and qualifying sales under section 298.28, subdivision 9a, shall be held by
142.9 the Iron Range Resources and Rehabilitation Board in a separate taconite economic
142.10 development fund for each taconite and direct reduced ore producer. Money from the
142.11 fund for each producer shall be released by the commissioner after review by a joint
142.12 committee consisting of an equal number of representatives of the salaried employees and
142.13 the nonsalaried production and maintenance employees of that producer. The District 11
142.14 director of the United States Steelworkers of America, on advice of each local employee
142.15 president, shall select the employee members. In nonorganized operations, the employee
142.16 committee shall be elected by the nonsalaried production and maintenance employees.
142.17 The review must be completed no later than six months after the producer presents a
142.18 proposal for expenditure of the funds to the committee. The funds held pursuant to this
142.19 section may be released only for acquisition of plant and stationary mining equipment
142.20 and facilities for the producer or for research and development in Minnesota on new
142.21 mining, or taconite, iron, or steel production technology, but only if the producer provides
142.22 a matching expenditure to be used for the same purpose of at least 50 percent of the
142.23 distribution based on 14.7 cents per ton beginning with distributions in 2002. Effective for
142.24 proposals for expenditures of money from the fund approved beginning the day following
142.25 final enactment, the commissioner may release the funds only if the proposed expenditure
142.26 is approved by a majority of the members of the Iron Range Resources and Rehabilitation
142.27 Board. If a producer uses money which has been released from the fund prior to the day
142.28 following final enactment to procure haulage trucks, mobile equipment, or mining shovels,
142.29 and the producer removes the piece of equipment from the taconite tax relief area defined
142.30 in section 273.134 within ten years from the date of receipt of the money from the fund,
142.31 a portion of the money granted from the fund must be repaid to the taconite economic
142.32 development fund. The portion of the money to be repaid is 100 percent of the grant if the
142.33 equipment is removed from the taconite tax relief area within 12 months after receipt of
142.34 the money from the fund, declining by ten percent for each of the subsequent nine years
142.35 during which the equipment remains within the taconite tax relief area. If a taconite

143.1 production facility is sold after operations at the facility had ceased, any money remaining
143.2 in the fund for the former producer may be released to the purchaser of the facility on
143.3 the terms otherwise applicable to the former producer under this section. If a producer
143.4 fails to provide matching funds for a proposed expenditure within six months after the
143.5 commissioner approves release of the funds, the funds are available for release to another
143.6 producer in proportion to the distribution provided and under the conditions of this section.
143.7 Any portion of the fund which is not released by the commissioner within two years of its
143.8 deposit in the fund shall be divided between the taconite environmental protection fund
143.9 created in section 298.223 and the Douglas J. Johnson economic protection trust fund
143.10 created in section 298.292 for placement in their respective special accounts. Two-thirds
143.11 of the unreleased funds shall be distributed to the taconite environmental protection fund
143.12 and one-third to the Douglas J. Johnson economic protection trust fund.

143.13 **EFFECTIVE DATE.** This section is effective for proposals for expenditures of
143.14 money from the fund the day following final enactment.

143.15 Sec. 4. **APPROPRIATION; IRON RANGE RESOURCES AND**
143.16 **REHABILITATION BOARD.**

143.17 \$500,000 is appropriated from the Iron Range Resources and Rehabilitation Board
143.18 fund for fiscal year 2008 for allocation in this section:

143.19 (1) \$225,000 is for Aitkin County Growth, Inc. to extend electric service and other
143.20 infrastructure to a peat project in Spencer Township in Aitkin County;

143.21 (2) \$75,000 is for a nonprofit organization for the preservation of the B'nai Abraham
143.22 Synagogue in Virginia, of which \$50,000 is for renovation and \$25,000 is for a permanent
143.23 endowment for the preservation;

143.24 (3) \$150,000 is for a grant to the Iron Range youth in action program to assist the
143.25 organization to employ youth for the construction of community centers; and

143.26 (4) \$50,000 is for a grant to the Iron Range retriever club for pond and field
143.27 construction.

143.28 These are onetime appropriations.

143.29 Sec. 5. **IRRRB BUILDING.**

143.30 The Iron Range Resources and Rehabilitation Board office building in Eveleth,
143.31 Minnesota is designated and named the Joe Begich Building and shall be signed as such
143.32 at every entrance.

ARTICLE 11

ELECTRICAL

Section 1. Minnesota Statutes 2006, section 326.01, subdivision 6g, is amended to read:

Subd. 6g. **Personal direct supervision.** ~~The term "personal~~ "Direct supervision" means ~~that a person licensed to perform electrical work oversees and directs the electrical work performed by an unlicensed person such that:~~

(1) ~~the licensed person actually reviews the electrical work performed by the unlicensed person~~ an unlicensed individual is being supervised by an individual licensed to perform the electrical work being supervised;

(2) during the entire working day of the unlicensed individual, the licensed individual is physically present at the location where the unlicensed individual is performing electrical work and immediately available to the unlicensed individual;

(3) the licensed person individual is physically present and immediately available to the unlicensed person individual at all times for assistance and direction; and

(4) electronic supervision does not meet the requirement of physically present and immediately available;

(5) the licensed individual shall review the electrical work performed by the unlicensed individual before the electrical work is operated; and

~~(3)~~ (6) the licensed person individual is able to and does determine that all electrical work performed by the unlicensed person individual is performed in compliance with section 326.243.

The licensed ~~person~~ individual is responsible for the compliance with section 326.243 of all electrical work performed by the unlicensed ~~person~~ individual.

Sec. 2. Minnesota Statutes 2006, section 326.241, subdivision 1, is amended to read:

Subdivision 1. **Composition.** (a) The Board of Electricity shall consist of ~~11~~ 12 members, residents of the state, appointed by the governor ~~of whom~~ and confirmed by the senate. The commissioner of labor and industry or the commissioner's designee shall be a nonvoting member. The first appointed board members shall serve an initial term of four years, except where designated otherwise. The governor shall then reappoint the current members or appoint replacement members, all or in part, to subsequent three-year terms. Midterm vacancies shall be filled for the remaining portion of the term. Vacancies occurring with less than six months time remaining in the term shall be filled for the existing term and the following three-year term. Of the 11 appointed members, the composition shall be as follows:

145.1 (1) two shall be representatives of the electrical suppliers in the rural areas of the
145.2 state,

145.3 (2) two shall be master electricians, who shall be contractors,

145.4 (3) two journeyman electricians,

145.5 (4) one registered consulting electrical engineer,

145.6 (5) two power limited technicians, who shall be technology system contractors
145.7 primarily engaged in the business of installing technology circuits or systems, and

145.8 (6) two public members as defined by section 214.02.

145.9 (b) Except as provided herein, membership terms, compensation of members,
145.10 removal of members, the filling of membership vacancies, and fiscal year and reporting
145.11 requirements shall be as provided in sections 214.07 to 214.09. The provision of staff,
145.12 administrative services and office space; the review and processing of complaints; the
145.13 setting of board fees; and other provisions relating to board operations shall be as provided
145.14 in chapter 214.

145.15 Sec. 3. Minnesota Statutes 2006, section 326.241, subdivision 2, is amended to read:

145.16 Subd. 2. **Powers.** (a) The board, or the complaint committee on behalf of the board
145.17 where authorized by law, shall have power to:

145.18 (1) Elect its own officers.

145.19 ~~(2) Engage and fix the compensation of inspectors, and hire employees. The salary~~
145.20 ~~of the executive secretary shall be established pursuant to chapter 43A. All agents and~~
145.21 ~~employees other than contract inspectors shall be in the classified service and shall be~~
145.22 ~~compensated pursuant to chapter 43A. All inspectors shall hold licenses as master or~~
145.23 ~~journeyman electricians under section 326.242, subdivision 1(1) or 2(1), and shall give~~
145.24 ~~bond in an amount fixed by the board, conditioned upon the faithful performance of~~
145.25 ~~their duties.~~

145.26 ~~(3)~~ (2) Pay such other expenses as it may deem necessary in the performance of its
145.27 duties, including rent, supplies, and such like.

145.28 (3) Select from its members individuals to serve on any other state advisory councils,
145.29 boards, or committees.

145.30 (4) Enforce the provisions of sections 326.241 to 326.248, and provide, upon
145.31 request, such additional voluntary inspections and reviews as it may deem appropriate.

145.32 ~~(5) Issue, renew, refuse to renew, suspend, temporarily suspend, and revoke licenses,~~
145.33 ~~censure licensees, assess civil penalties, issue cease and desist orders, and seek injunctive~~
145.34 ~~relief and civil penalties in court as authorized by section 326.242 and other provisions of~~

146.1 ~~Minnesota law.~~ Establish the committees required herein and any others deemed necessary
146.2 by the board or requested by the commissioner.

146.3 (6) Adopt reasonable rules to carry out its duties under sections 326.241 to 326.248
146.4 and to provide for the amount and collection of fees for inspection and other services. All
146.5 rules shall be adopted in accordance with chapter 14.

146.6 (7) Advise the commissioner on issues related to sections 326.241 to 326.248 or as
146.7 requested by the commissioner.

146.8 (b) Except for the powers granted to the Electricity Board the commissioner of labor
146.9 and industry shall administer the provisions of sections 326.241 to 326.248 and for such
146.10 purposes may employ electrical inspectors and other assistants.

146.11 Sec. 4. Minnesota Statutes 2006, section 326.242, subdivision 5, is amended to read:

146.12 Subd. 5. **Unlicensed ~~persons~~ individuals.** (a) An unlicensed ~~person~~ individual
146.13 means an individual who has not been licensed by the Board of Electricity as a Class A
146.14 master electrician or as a Class A journeyman electrician. An unlicensed individual shall
146.15 not perform electrical work required to be performed by a licensed individual unless the
146.16 individual has first registered with the Board of Electricity as an unlicensed individual.
146.17 Thereafter, an unlicensed individual shall not perform electrical work required to be
146.18 performed by a licensed individual unless the work is performed under the ~~personal~~ direct
146.19 supervision of a ~~person~~ an individual actually licensed to perform such work and. The
146.20 licensed ~~electrician~~ individual and unlicensed ~~persons~~ are individual must be employed
146.21 by the same employer. Licensed ~~persons~~ individuals shall not permit unlicensed ~~persons~~
146.22 individuals to perform electrical work except under the ~~personal~~ direct supervision of
146.23 a ~~person~~ an individual actually licensed to perform such work. Unlicensed ~~persons~~
146.24 individuals shall not supervise the performance of electrical work or make assignments
146.25 of electrical work to unlicensed ~~persons~~ individuals. Except for technology circuit or
146.26 system work, licensed ~~persons~~ individuals shall supervise no more than two unlicensed
146.27 ~~persons~~ individuals. For technology circuit or system work, licensed ~~persons~~ individuals
146.28 shall supervise no more than three unlicensed ~~persons~~ individuals.

146.29 (b) Notwithstanding any other provision of this section, no ~~person~~ individual other
146.30 than a master electrician or power limited technician shall plan or lay out electrical wiring,
146.31 apparatus, or equipment for light, heat, power, or other purposes, except circuits or
146.32 systems exempted from personal licensing by subdivision 12, paragraph (b).

146.33 (c) Contractors employing unlicensed ~~persons performing~~ individuals to perform
146.34 electrical work shall maintain records establishing compliance with this subdivision,
146.35 which that shall designate identify all unlicensed ~~persons~~ individuals performing electrical

147.1 work, except for persons working on circuits or systems exempted from personal licensing
147.2 by subdivision 12, paragraph (b), and shall permit the board to examine and copy all such
147.3 records as provided for in section 326.244, subdivision 6.

147.4 (d) When a licensed individual supervises the electrical work of an unlicensed
147.5 individual, the licensed individual is responsible for ensuring that the electrical work
147.6 complies with sections 326.241 to 326.248 and rules adopted.

147.7 Sec. 5. Minnesota Statutes 2006, section 326.242, is amended by adding a subdivision
147.8 to read:

147.9 Subd. 5a. **Registration of unlicensed individuals.** Unlicensed individuals
147.10 performing electrical work for a contractor or employer shall register with the department
147.11 in the manner prescribed by the commissioner. Experience credit for electrical work
147.12 performed after January 1, 2008, by an applicant for a license identified in this section
147.13 shall not be granted where the applicant has not registered with or is not licensed by
147.14 the department.

147.15 Sec. 6. Minnesota Statutes 2006, section 326.242, subdivision 11, is amended to read:

147.16 Subd. 11. **Reciprocity.** ~~To the extent that any other state which provides for the~~
147.17 ~~licensing of electricians provides for similar action the board may grant licenses, without~~
147.18 ~~examination, of the same grade and class to an electrician who has been licensed by such~~
147.19 ~~other state for at least one year, upon payment by the applicant of the required fee and~~
147.20 ~~upon the board being furnished with proof that the required fee and upon the board being~~
147.21 ~~furnished with proof that the qualifications of the applicant are equal to the qualifications~~
147.22 ~~of holders of similar licenses in Minnesota.~~ The commissioner may enter into reciprocity
147.23 agreements for personal licenses with another state if approved by the board. Once
147.24 approved by the board, the commissioner may issue a personal license without requiring
147.25 the applicant to pass an examination provided the applicant:

147.26 (a) submits an application under section 326.242;

147.27 (b) pays the fee required under section 326.242; and

147.28 (c) holds a valid comparable license in the state participating in the agreement.

147.29 Agreements are subject to the following:

147.30 (1) The parties to the agreement must administer a statewide licensing program that
147.31 includes examination and qualifying experience or training comparable to Minnesota's.

147.32 (2) The experience and training requirements under which an individual applicant
147.33 qualified for examination in the qualifying state must be deemed equal to or greater than

148.1 required for an applicant making application in Minnesota at the time the applicant
148.2 acquired the license in the qualifying state.

148.3 (3) The applicant must have acquired the license in the qualifying state through an
148.4 examination deemed equivalent to the same class of license examination in Minnesota.
148.5 A lesser class of license may be granted where the applicant has acquired a greater
148.6 class of license in the qualifying state and the applicant otherwise meets the conditions
148.7 of this subdivision.

148.8 (4) At the time of application, the applicant must hold a valid license in the
148.9 qualifying state and have held the license continuously for at least one year before making
148.10 application in Minnesota.

148.11 (5) An applicant is not eligible for a license under this subdivision if the applicant
148.12 has failed the same or greater class of license examination in Minnesota, or if the
148.13 applicant's license of the same or greater class has been revoked or suspended.

148.14 (6) An applicant who has failed to renew a personal license for two years or more
148.15 after its expiration is not eligible for a license under this subdivision.

148.16 Sec. 7. **REPEALER.**

148.17 Minnesota Statutes 2006, sections 326.01, subdivision 4; and 326.242, subdivision
148.18 4, are repealed.

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

148.20 **ARTICLE 12**
148.21 **APPRENTICESHIP BOARD**

148.22 Section 1. Minnesota Statutes 2006, section 178.01, is amended to read:

148.23 **178.01 PURPOSES.**

148.24 The purposes of this chapter are: to open to young people regardless of race, sex,
148.25 creed, color or national origin, the opportunity to obtain training that will equip them for
148.26 profitable employment and citizenship; to establish as a means to this end, a program
148.27 of voluntary apprenticeship under approved apprentice agreements providing facilities
148.28 for their training and guidance in the arts, skills, and crafts of industry and trade, with
148.29 concurrent, supplementary instruction in related subjects; to promote employment
148.30 opportunities under conditions providing adequate training and reasonable earnings;
148.31 to relate the supply of skilled workers to employment demands; to establish standards
148.32 for apprentice training; to establish an Apprenticeship ~~Advisory Council~~ Board and
148.33 apprenticeship committees to assist in effectuating the purposes of this chapter; to provide

149.1 for a Division of Labor Standards and Apprenticeship within the Department of Labor
149.2 and Industry; to provide for reports to the legislature regarding the status of apprentice
149.3 training in the state; to establish a procedure for the determination of apprentice agreement
149.4 controversies; and to accomplish related ends.

149.5 Sec. 2. Minnesota Statutes 2006, section 178.02, is amended to read:

149.6 **178.02 APPRENTICESHIP ~~ADVISORY COUNCIL~~ BOARD.**

149.7 Subdivision 1. **Members.** The commissioner of labor and industry, hereinafter
149.8 called the commissioner, shall appoint an Apprenticeship ~~Advisory Council~~ Board,
149.9 hereinafter referred to as the ~~council~~ board, composed of three representatives each from
149.10 employer and employee organizations, and two representatives of the general public. The
149.11 director of education responsible for career and technical education or designee shall be an
149.12 ex officio member of the ~~council~~ board and shall serve in an advisory capacity only.

149.13 Subd. 2. **Terms.** The ~~council~~ board shall expire and the terms, compensation, and
149.14 removal of appointed members shall be as provided in section 15.059, ~~except that the~~
149.15 ~~council shall not expire before June 30, 2003.~~

149.16 Subd. 4. **Duties.** The ~~council~~ board shall meet at the call of the commissioner. It
149.17 shall propose occupational classifications for apprenticeship programs; propose minimum
149.18 standards for apprenticeship programs and agreements; and advise on the establishment
149.19 of such policies, procedures, and rules as the ~~commissioner~~ board deems necessary in
149.20 implementing the intent of this chapter.

149.21 Sec. 3. Minnesota Statutes 2006, section 178.03, subdivision 3, is amended to read:

149.22 Subd. 3. **Duties and functions.** The director, under the supervision of the
149.23 commissioner, and with the advice and oversight of the Apprenticeship ~~Advisory~~
149.24 ~~Council~~ Board, is authorized: to administer the provisions of this chapter; to promote
149.25 apprenticeship and other forms of on the job training; to establish, in cooperation and
149.26 consultation with the Apprenticeship ~~Advisory Council~~ Board and with the apprenticeship
149.27 committees, conditions and training standards for the approval of apprenticeship programs
149.28 and agreements, which conditions and standards shall in no case be lower than those
149.29 prescribed by this chapter; to promote equal employment opportunity in apprenticeship
149.30 and other on the job training and to establish a Minnesota plan for equal employment
149.31 opportunity in apprenticeship which shall be consistent with standards established
149.32 under Code of Federal Regulations, title 29, part 30, as amended; to issue certificates of
149.33 registration to sponsors of approved apprenticeship programs; to act as secretary of the
149.34 Apprenticeship ~~Advisory Council~~ Board; to approve, if of the opinion that approval is

150.1 for the best interest of the apprentice, any apprenticeship agreement which meets the
150.2 standards established hereunder; to terminate any apprenticeship agreement in accordance
150.3 with the provisions of such agreement; to keep a record of apprenticeship agreements and
150.4 their disposition; to issue certificates of completion of apprenticeship; and to perform
150.5 such other duties as the commissioner deems necessary to carry out the intent of this
150.6 chapter; provided, that the administration and supervision of supplementary instruction in
150.7 related subjects for apprentices; coordination of instruction on a concurrent basis with
150.8 job experiences, and the selection and training of teachers and coordinators for such
150.9 instruction shall be the function of state and local boards responsible for vocational
150.10 education. The director shall have the authority to make wage determinations applicable
150.11 to the graduated schedule of wages and journeyman wage rate for apprenticeship
150.12 agreements, giving consideration to the existing wage rates prevailing throughout the
150.13 state, except that no wage determination by the director shall alter an existing wage
150.14 provision for apprentices or journeymen that is contained in a bargaining agreement in
150.15 effect between an employer and an organization of employees, nor shall the director
150.16 make any determination for the beginning rate for an apprentice that is below the wage
150.17 minimum established by federal or state law.

150.18 Sec. 4. Minnesota Statutes 2006, section 178.041, subdivision 1, is amended to read:

150.19 Subdivision 1. **Rules.** The commissioner may, upon receipt of the ~~council's~~ board's
150.20 proposals, accept, adopt, and issue them by rule with any modifications or amendments
150.21 the commissioner finds appropriate. The commissioner may refer them back to the
150.22 ~~council~~ board with recommendations for further study, consideration and revision. If
150.23 the commissioner refuses to accept, adopt, and issue by rule or other appropriate action
150.24 a board proposal, the commissioner must provide a written explanation of the reason
150.25 for the refusal to the board within 30 days after the board submitted the proposal to the
150.26 commissioner. Additional rules may be issued as the commissioner may deem necessary.