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; establishing a college readiness assessment; 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; requiring certain curriculum for hair braiding at accredited schools; amending certain licensing provisions; appropriating money for Iron Range Resources and Rehabilitation Board fund; making certain policy changes related to Iron Range Resources and Rehabilitation Board; establishing certain boards; amending certain board provisions; 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; 120B.023, subdivision 2; 120B.024; 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.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; 154; 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.

		2008		2009		Total
General	$	1,561,498,000	$	1,644,178,000	$	3,205,676,000
Health Care Access		2,157,000		2,157,000		4,314,000
Total	**$**	**1,563,655,000**	**$**	**1,646,335,000**	**$**	**3,209,990,000**

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.

	APPROPRIATIONS Available for the Year Ending June 30	
	2008	**2009**

Sec. 3. **MINNESOTA OFFICE OF HIGHER EDUCATION**

Subdivision 1. **Total Appropriation**	**$ 197,983,000**	**$ 198,654,000**

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

Subd. 2. **Minnesota GI Bill**	10,000,000	10,000,000

For grants to eligible veterans or the eligible spouses and children of veterans as provided under Minnesota Statutes, section 197.791.

Of this appropriation, $152,000 the first year and $104,000 the second year are for the administrative costs of operating this program. For the 2010-2011 biennium, the base for this program's administrative costs must be included within the agency administration program activity.

Subd. 3. **State Grants**	150,154,000	151,124,000

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

For the biennium, the tuition maximum for students in four-year programs is $9,957 in each year for students in four-year programs, and for students in two-year programs, is $4,717 in the first year and $4,859 in the second year.

This appropriation sets the living and miscellaneous expense allowance at $6,241 each year.

Subd. 4. **Safety Officers Survivors**	100,000	100,000

This appropriation is to provide educational benefits under Minnesota Statutes, section

299A.45, to dependent children under age 23 and to the spouses of public safety officers killed in the line of duty.

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

Subd. 5. **Interstate Tuition Reciprocity**	2,000,000	2,000,000

If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available to meet reciprocity contract obligations.

Subd. 6. **State Work Study**	12,444,000	12,444,000
Subd. 7. **Child Care Grants**	4,934,000	4,934,000
Subd. 8. **Minitex**	5,881,000	5,881,000
Subd. 9. **MnLINK Gateway**	400,000	400,000
Subd. 10. **Learning Network of Minnesota**	4,800,000	4,800,000
Subd. 11. **Minnesota College Savings Plan**	1,020,000	1,020,000
Subd. 12. **Midwest Higher Education Compact**	90,000	90,000
Subd. 13. **Other Small Programs**	2,010,000	1,670,000

This appropriation includes funding for postsecondary service learning, student and parent information, get ready, outreach, and intervention for college attendance programs.

$265,000 each year is for grants to increase campus-community collaboration and service learning statewide, including operations of the Minnesota campus compact, grants to member institutions and grants for member institution initiatives. For every $1 in state funding, grant recipients must contribute $2 in campus or community-based support.

$100,000 each year is for a grant to the Loan Repayment Assistance Program of Minnesota, Inc. for loan repayment assistance awards.

$500,000 each year is for the teacher education and compensation helps (TEACH) and the Minnesota early childhood teacher retention programs in Minnesota Statutes, section 136A.126. This is a onetime appropriation.

$250,000 in the first year is for a grant to Augsburg College for the purpose of its Step UP program to provide educational opportunities to chemically dependent students and to work with other public and private colleges in Minnesota to help replicate this program. This is a onetime appropriation.

$50,000 in the first year is for the speech pathologist loan forgiveness program for deposit in the account under Minnesota Statutes, section 136A.1704.

$40,000 in the first year is for a grant to the Washington Center for Internships and Academic Seminars for a pilot program for scholarships for students enrolling in a Minnesota four-year college or university beginning in the fall semester of 2007. The grant is available only with a dollar-for-dollar match from nonstate sources.

Subd. 14. **Access to College and Helping Individuals Everywhere Value Education and Rural Pilot Programs**	1,000,000	1,000,000

For Access to College and Helping Individuals Everywhere Value Education pilot projects that provide distance-learning opportunities through the Minnesota State Colleges and Universities for high school students living in remote and underserved areas where the school district lacks the resources to provide academically challenging educational opportunities, including Advanced Placement and International Baccalaureate programs. Students who successfully complete a course must receive college credit at no cost to the student or the participating school district. The office must report to the committees of the legislature with responsibility for higher education finance by January 15, 2009, on the program outcomes with recommendations on continuing and expanding the program.

Subd. 15. **United Family Medicine Residency Program**	360,000	360,000

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

Subd. 16. **Agency Administration**	2,690,000	2,731,000

Of this appropriation, $39,000 the first year and $80,000 the second year are for compensation-related costs associated with the delivery of the office's services and programs.

Subd. 17. **Balances Forward**

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

Subd. 18. **Transfers**

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

Subd. 19. **Reporting**

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

(b) The Minnesota Office of Higher Education shall report to the higher education divisions of the house and senate finance committees on participation in postsecondary education by income, and persistence and graduation rates of state grant recipients compared to students who did not receive state grants. The office is authorized to match individual student data from the student record enrollment database with individual student data from the state grant database on data elements necessary to perform the study.

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

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

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

Subd. 2. **Central Office and Shared Services Unit**	$	40,170,550	$	40,170,550

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

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

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

(b) Appropriations for technology and infrastructure under this subdivision must not be used to increase permanent positions in the office of the chancellor or the shared services office. Any new positions funded from the technology and infrastructure appropriation must be at a campus.

(c) $400,000 each year is for community-based energy development pilot projects at Mesabi Range Technical and Community College, the Minnesota West Community and Technical College, and Riverland Community College. Each campus must establish partnerships for community-based energy development pilot projects that involve students and faculty. An allocation for the pilot project is available to the participating institutions and the partnerships for the biennium ending June 30, 2009.

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

(e) $300,000 the first year is for a grant to the Range Association of Municipalities and Schools for a study of student demand and employer needs for higher education in the Mesabi Range region of northeastern Minnesota including the cities of Grand Rapids through Eveleth to Ely. The association must coordinate and contract for a study in cooperation with the Board of Regents of the University of Minnesota and the Board of Trustees of the Minnesota State Colleges and Universities. The governing boards must advise on which of the identified needs can be met by University of Minnesota courses and which can be met by the Minnesota State Colleges and Universities, and which degree programs may be offered jointly. The final report must be submitted to the committees of the legislature responsible for higher education finance by January 15, 2008, with recommendations and plans for the region.

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

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

(h) $50,000 in the first year is for St. Paul College to collaborate with the United Auto Workers Local 879 to purchase a Ford Ranger pickup truck to retrofit to run on a battery-powered motor. This vehicle must be retrofitted to serve as a prototype that could be mass-produced at the St. Paul Ford assembly plant.

(i) $100,000 each year is for a grant to a Minnesota public postsecondary institution with a total student enrollment under 7,000 students, that has an existing women's hockey team competing in Division I in the Western Collegiate Hockey Association. The institution may use the grant for equipment, facility improvements, travel and compensation for coaches, trainers, and other necessary personnel.

(j) $450,000 each year is to establish a center for workforce and economic development at the Mesabi Range Community and Technical College and to enhance eFolio Minnesota. The board, in cooperation with the Iron Range Resources and Rehabilitation Board (IRRRB) and the Department of Employment and Economic Development, must establish the center to provide on-site and Internet-based support and technical assistance to users of the state's eFolio Minnesota system to promote workforce and economic development. The center must assist local economic development agencies and officials to enable them to access workforce information generated through the eFolio Minnesota system. The board must enhance the eFolio Minnesota system as necessary to serve these purposes. The center must report annually to the IRRRB and the Department of Employment and Economic

Development on the outcomes of the center's activities.

(k) $1,000,000 the first year is to identify and improve on practices for selecting and purchasing textbooks and course materials that are used by students. The board, in collaboration with the Minnesota State University Student Association (MSUSA) and the Minnesota State College Student Association (MSCSA) must develop and implement pilot projects with this appropriation to address the financial burden that textbook prices and requirements place on students. These projects may include textbook rental programs, cooperative purchasing efforts, training, and education and awareness programs for students and faculty on cost considerations and textbook options. The student associations must be fully involved in the development and implementation of any project using this appropriation. Each student association must vote to approve a project before it is implemented. MSUSA and MSCSA must report to the committees of the legislature responsible for higher education finance by February 15, 2009, on the success of the pilot projects. This money is available until June 30, 2009.

Subd. 4. **Board Policies**

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

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

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

Subdivision 1. **Total Appropriation**	**$**	**696,082,000**	**$**	**742,143,000**

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

Subd. 2. **Operations and Maintenance**	611,112,000	667,550,000

(a) This appropriation includes amounts for the board:

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

(2) to award faculty and staff compensation increases differentially;

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

(4) initiatives in science and engineering;

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

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

(b) $2,250,000 each year is to establish banded tuition at the Morris, Crookston, and

Duluth campuses to reduce tuition costs for students.

(c) $7,000,000 for the biennium is for scholarships to mitigate the effects of rising tuition on Minnesota students and families. This appropriation must be matched with $2 of nonstate money for each $1 of state money.

(d) $12,404,000 in the second year is to reduce the proposed tuition rate increase. Any of this amount that is not used by the board to reduce tuition cancels to the general fund.

(e) $300,000 the first year is for the Center for Transportation Studies to complete a study to assess public policy options for reducing the volume of greenhouse gases emitted from the transportation sector in Minnesota. The Center for Transportation Studies must report its preliminary findings to the legislature by February 1, 2008, and must issue its full report by June 1, 2008. This is a onetime appropriation.

(f) $250,000 each year is to establish an India Center to improve and promote relations with India and Southeast Asia. The center must partner with public and private organizations in Minnesota to:

(1) foster an understanding of the history, culture, and values of India;

(2) serve as a resource and catalyst to promote economic, governmental, and academic pursuits involving India; and

(3) facilitate educational and business exchanges and partnerships, collaborative research, and teaching and training activities for Minnesota students and teachers.

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

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

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

(i) $400,000 each year is for the Minnesota Institute for Sustainable Agriculture to provide funds for on-station and on-farm field scale research and outreach to develop and test the agronomic and economic requirements of diverse strands of prairie plants and other perennials for bioenergy systems including but not limited to multiple species selection and establishment, ecological management between planting and harvest, harvest technologies, financial and agronomic risk management, farmer goal setting and adoption of technologies, integration of wildlife habitat into management approaches, evaluation of carbon and other benefits, and robust polices needed to induce farmer conversion on marginal lands.

Subd. 3. **Health Care Access Fund**	2,157,000	2,157,000

This appropriation is from the health care access fund and is for primary care education initiatives.

Subd. 4. **Special Appropriation**	65,813,000	65,436,000
(a) **Agriculture and Extension Service**	52,625,000	52,275,000

(1) For the Agricultural Experiment Station, Minnesota Extension Service. This appropriation includes funding to promote alternative livestock research and outreach at the Minnesota Institute for Sustainable Agriculture, and to promote sustainable and organic agricultural research and education.

(2) This appropriation includes funding for research efforts that demonstrate a renewed emphasis on the needs of the state's production agriculture community and a continued focus on renewable energy derived from Minnesota biomass resources including agronomic crops, plant and animal wastes, and native plants or trees, with priority for extending the Minnesota vegetable growing season; fertilizer and soil fertility research and development; treating and curing human diseases utilizing plant and livestock cells; using biofuel production coproducts as

feed for livestock; and a rapid agricultural response fund for current or emerging animal, plant, and insect problems affecting production or food safety. In addition, the appropriation may be used to secure a facility and retain current faculty levels for poultry research currently conducted at UMore Park.

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

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

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

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

(b) **Health Sciences**	5,275,000	5,275,000

$346,000 each year is to support up to 12 resident physicians each year in the St.

Cloud Hospital family practice residency program. The program must prepare doctors to practice primary care medicine in the rural areas of the state. The legislature intends this program to improve health care in rural communities, provide affordable access to appropriate medical care, and manage the treatment of patients in a more cost-effective manner.

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

(c) **Institute of Technology**	1,387,000	1,387,000

For the Geological Survey and the talented youth mathematics program.

(d) **System Specials**	6,526,000	6,526,000

For general research, student loans matching money, industrial relations education, Natural Resources Research Institute, Center for Urban and Regional Affairs, and the Bell Museum of Natural History. $100,000 is added to the base appropriation for industrial relations education.

Subd. 5. **University of Minnesota and Mayo Foundation Partnership**	17,000,000	7,000,000

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

Subd. 6. **Academic Health Center**

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

Sec. 6. **MAYO CLINIC**

Subdivision 1. **Total Appropriation**	**$**	**1,202,000**	**$**	**1,250,000**

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

Subd. 2. **Medical School**	591,000	615,000

The state of Minnesota must pay a capitation each year for each student who is a resident of Minnesota. The appropriation may be transferred between years of the biennium to accommodate enrollment fluctuations. The funding base for this program is $640,000 in fiscal year 2010 and $665,000 in fiscal year 2011.

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

Subd. 3. **Family Practice and Graduate Residency Program**	611,000	635,000

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

Sec. 7. **LEGISLATIVE COMMISSION ON POSTSECONDARY FUNDING.**

Subdivision 1. **Membership.** A 12-member legislative commission on 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 policy analysis and planning must include these areas but they must not be included in the projects funded through the alliance.

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

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

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

ARTICLE 2
MINNESOTA GI BILL FOR VETERANS

Section 1. 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 and Minnesota GI Bill 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 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;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) the person is:

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

(ii) a nonveteran who has served honorably for a total of 16 years or more cumulatively as a member of the Minnesota national guard or any other active or reserve component of the United States armed forces, and any part of that service occurred on or after August 2, 1990;

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

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

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

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

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

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

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

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

(1) the chair of the University of Minnesota agricultural education program;

(2) a representative of the commissioner of education;

(3) a representative of the Minnesota State Colleges and Universities recommended by the chancellor;

(4) the president and the president-elect of the Minnesota Association of Agriculture Educators;

(5) a representative of the Future Farmers of America Foundation;

(6) a representative of the commissioner of agriculture;

(7) the dean of the College of Agriculture, Food, and Environmental Sciences at the University of Minnesota;

(8) a representative of the Minnesota Private Colleges Council;

(9) two members representing agriculture education and agriculture business appointed by the governor;

~~(9)~~ (10) the chair of the senate Committee on Agriculture, General Legislation and Veterans Affairs;

~~(10)~~ (11) the chair of the house Committee on Agriculture;

~~(11)~~ (12) the ranking minority member of the senate Committee on Agriculture, General Legislation and Veterans Affairs, and a member of the senate Education Committee designated by the Subcommittee on Committees of the Committee on Rules and Administration; and

~~(12)~~ (13) the ranking minority member of the house Agriculture Committee, and a member of the house Education Committee designated by the speaker.

(b) An ex officio member of the council under paragraph (a), clause (1), (4), (7), ~~(9),~~ (10), (11), ~~or~~ (12), or (13), may designate a permanent or temporary replacement member representing the same constituency.

Sec. 4. Minnesota Statutes 2006, section 120B.023, subdivision 2, is amended to read:

Subd. 2. **Revisions and reviews required.** (a) The commissioner of education must revise and appropriately embed technology and information literacy standards consistent with recommendations from school media specialists into the state's academic standards and graduation requirements and implement a review cycle for state academic standards and related benchmarks, consistent with this subdivision. During each review cycle, the commissioner also must examine the alignment of each required academic standard and related benchmark with the knowledge and skills students need for college readiness and advanced work in the particular subject area.

(b) The commissioner in the 2006-2007 school year must revise and align the state's academic standards and high school graduation requirements in mathematics to require that students satisfactorily complete the revised mathematics standards, beginning in the 2010-2011 school year. Under the revised standards:

(1) students must satisfactorily complete an algebra I credit by the end of eighth grade; and

(2) students scheduled to graduate in the 2014-2015 school year or later must satisfactorily complete an algebra II credit or its equivalent.

The commissioner also must ensure that the statewide mathematics assessments administered to students in grades 3 through 8 and 11 beginning in the 2010-2011 school year are aligned with the state academic standards in mathematics. The statewide 11th grade mathematics test administered to students under clause (2) beginning in the 2013-2014 school year must include algebra II test items that are aligned with corresponding state academic standards in mathematics. The commissioner, in collaboration with the Minnesota State Colleges and Universities, must ensure that passing score for the statewide 11th grade mathematics test represents readiness for college so that a student who achieves a passing score on this test, upon graduation, is immediately ready to take college courses for college credit in a two-year or a four-year institution, consistent with section 135A.104. The commissioner must implement a review of the academic standards and related benchmarks in mathematics beginning in the 2015-2016 school year.

(c) The commissioner in the 2007-2008 school year must revise and align the state's academic standards and high school graduation requirements in the arts to require that students satisfactorily complete the revised arts standards beginning in the 2010-2011 school year. The commissioner must implement a review of the academic standards and related benchmarks in arts beginning in the 2016-2017 school year.

(d) The commissioner in the 2008-2009 school year must revise and align the state's academic standards and high school graduation requirements in science to require that students satisfactorily complete the revised science standards, beginning in the 2011-2012 school year. Under the revised standards, students scheduled to graduate in the 2014-2015 school year or later must satisfactorily complete a chemistry or physics credit. The commissioner must implement a review of the academic standards and related benchmarks in science beginning in the 2017-2018 school year.

(e) The commissioner in the 2009-2010 school year must revise and align the state's academic standards and high school graduation requirements in language arts to require that students satisfactorily complete the revised language arts standards beginning in the 2012-2013 school year. The commissioner, in collaboration with the Minnesota State Colleges and Universities, must ensure that the passing score for the statewide tenth grade reading and language arts test represents readiness for college so that a student who achieves a passing score on this test, upon graduation, is immediately ready to take college courses for college credit in a two-year or a four-year institution, consistent with section 135A.104. The commissioner must implement a review of the academic standards and related benchmarks in language arts beginning in the 2018-2019 school year.

(f) The commissioner in the 2010-2011 school year must revise and align the state's academic standards and high school graduation requirements in social studies to require that students satisfactorily complete the revised social studies standards beginning in the 2013-2014 school year. The commissioner must implement a review of the academic standards and related benchmarks in social studies beginning in the 2019-2020 school year.

(g) School districts and charter schools must revise and align local academic standards and high school graduation requirements in health, physical education, world languages, and career and technical education to require students to complete the revised standards beginning in a school year determined by the school district or charter school. School districts and charter schools must formally establish a periodic review cycle for the academic standards and related benchmarks in health, physical education, world languages, and career and technical education.

Sec. 5. Minnesota Statutes 2006, section 120B.024, is amended to read:

120B.024 GRADUATION REQUIREMENTS; COURSE CREDITS.

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

(1) four credits of language arts;

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

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

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

(5) one credit in the arts; and

(6) a minimum of seven elective course credits.

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

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

(c) The commissioner, in collaboration with the Minnesota State Colleges and Universities, must develop and implement a statewide plan to communicate with all Minnesota high school students no later than the beginning of ninth grade the state's expectations for college readiness, consistent with sections 120B.023, subdivision 2, paragraphs (b) and (e), and 135A.104.

Sec. 6. Minnesota Statutes 2006, section 135A.031, subdivision 7, is amended to read:

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

Sec. 7. **[135A.043] RESIDENT TUITION.**

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

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

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

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

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

(c) To qualify for resident tuition under this section an individual who is not a citizen or permanent resident of the United States must provide the college or university with an affidavit that the individual will file an application to become a permanent resident at the earliest opportunity the individual is eligible to do so.

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

Sec. 8. Minnesota Statutes 2006, section 135A.053, subdivision 2, is amended to read:

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

Sec. 9. **[135A.104] COLLEGE READINESS.**

(a) Minnesota State Colleges and Universities must collaborate with the commissioner of education in establishing passing scores on the Minnesota comprehensive assessments in reading for grade 10 and in mathematics for grade 11 under section 120B.30 so that "passing score" performances on those two assessments represent a student's college readiness. For purposes of this section and chapter 120B, "college readiness" means that a student who graduates from a public high school is immediately ready to take college courses for college credit in a two-year or a four-year institution. Minnesota State Colleges and Universities also must collaborate with the commissioner of education to develop and implement a statewide plan to communicate with all Minnesota high school students no later than the beginning of ninth grade the state's expectations for college readiness.

(b) The entrance and admission materials that the Minnesota State Colleges and Universities provide to prospective students must clearly indicate the level of academic preparation that the students must have in order to be ready to immediately take college courses for college credit in two-year and four-year institutions.

Sec. 10. Minnesota Statutes 2006, section 135A.14, subdivision 1, is amended to read:

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

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

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

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

Sec. 11. Minnesota Statutes 2006, section 135A.51, subdivision 2, is amended to read:

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

Sec. 12. Minnesota Statutes 2006, section 135A.52, subdivision 1, is amended to read:

Subdivision 1. **Fees and tuition.** Except for an administration fee established by the governing board at a level to recover costs, to be collected only when a course is taken for credit, a senior citizen who is a legal resident of Minnesota is entitled without payment of tuition or activity fees to attend courses offered for credit, audit any courses offered for credit, or enroll in any noncredit courses in any state supported institution of higher education in Minnesota when space is available after all tuition-paying students have been accommodated. A senior citizen enrolled under this section must pay any materials, personal property, or service charges for the course. In addition, a senior citizen who is 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. 13. 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. 14. **[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. 15. 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;

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

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

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

Sec. 16. Minnesota Statutes 2006, section 136A.031, subdivision 5, is amended to read:

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

Sec. 17. Minnesota Statutes 2006, section 136A.0411, is amended to read:

136A.0411 COLLECTING FEES.

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

Sec. 18. Minnesota Statutes 2006, section 136A.08, subdivision 7, is amended to read:

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

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

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

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

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

Sec. 19. Minnesota Statutes 2006, section 136A.101, subdivision 4, is amended to read:

Subd. 4. **Eligible institution.** "Eligible institution" means a postsecondary educational institution located in this state or in a state with which the office has entered into a higher education reciprocity agreement on state student aid programs that ~~either~~ (1) is operated by this state or the Board of Regents of the University of Minnesota, or (2) is operated ~~publicly or~~ privately and, as determined by the office, meets all of the following: (i) maintains academic standards substantially equivalent to those of comparable institutions operated in this state; (ii) is licensed or registered as a postsecondary institution by the office or another state agency; and (iii) by July 1, 2011, is participating in the federal Pell Grant program under Title IV of the Higher Education Act of 1965, as amended.

Sec. 20. Minnesota Statutes 2006, section 136A.121, subdivision 5, is amended to read:

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

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

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

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

The minimum financial stipend is $100 per academic year.

Sec. 21. Minnesota Statutes 2006, section 136A.125, subdivision 2, is amended to read:

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

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

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

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

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

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

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

(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. 22. **[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:

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

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

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

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

Sec. 23. **[136A.127] CONSTRUCTION MANAGEMENT EDUCATION PROGRAM.**

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

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

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

(2) affirm applications for American Council for Construction Education accreditation and, when funds are available, award grants to complete the accreditation 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. 24. Minnesota Statutes 2006, section 136A.15, subdivision 1, is amended to read:

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

Sec. 25. 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. 26. **[136A.1704] LOAN FORGIVENESS PROGRAM FOR SPEECH-LANGUAGE PATHOLOGISTS.**

Subdivision 1. **Creation of account.** A loan forgiveness program account is established in the special revenue fund in the state treasury to promote the recruitment and retention of licensed speech-language pathologists to work with students with speech or hearing disorders. Money appropriated to this account does not cancel but is available until expended. Money in the account is appropriated to the director of the Minnesota Office of Higher Education for the purpose of this section.

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

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

(1) a school or program operated by a school district or a group of school districts;

(2) a tribal contract school eligible to receive aid according to section 124D.83;

(3) a charter school;

(4) a private school;

(5) a Head Start program;

(6) an early childhood family education program; or

(7) a program providing early intervention services to children with disabilities who have not entered kindergarten.

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

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

Sec. 27. Minnesota Statutes 2006, section 136A.233, subdivision 3, is amended to read:

Subd. 3. **Payments.** Work-study payments shall be made to eligible students by 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. 28. 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. 29. 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 underrepresented college students. Grants must be awarded to programs that provide precollege services, including, but not limited to:

(1) academic counseling;

(2) mentoring;

(3) fostering and improving parental involvement in planning for and facilitating a college education;

(4) services for students with English as a second language;

(5) academic enrichment activities;

(6) tutoring;

(7) career awareness and exploration;

(8) orientation to college life;

(9) assistance with high school course selection and information about college admission requirements; and

(10) financial aid counseling.

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

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

Sec. 30. Minnesota Statutes 2006, section 136A.861, subdivision 2, is amended to read:

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

(1) are counted under section 1124(c) of the Elementary and Secondary Education Act of 1965 (Title I);

(2) are eligible for free or reduced-price lunch under the National School Lunch Act;

(3) receive assistance under the Temporary Assistance for Needy Families Law (Title I of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996); or

(4) are a member of a group traditionally underrepresented in higher education.

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

Sec. 31. Minnesota Statutes 2006, section 136A.861, subdivision 3, is amended to read:

Subd. 3. **Application process.** The director of the Minnesota Office of Higher Education shall develop a grant application process. The director shall attempt to support projects in a manner that ensures that eligible students throughout the state have access to ~~precollege~~ program services.

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

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

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

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

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

(5) other information as identified by the director.

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

Sec. 32. Minnesota Statutes 2006, section 136A.861, subdivision 6, is amended to read:

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

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

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

Sec. 33. Minnesota Statutes 2006, section 136F.02, subdivision 1, is amended to read:

Subdivision 1. **Membership.** The board consists of ~~15~~ 17 members appointed by the governor with the advice and consent of the senate. At least one member of the board must be a resident of each congressional district. Three members must be students who are enrolled at least half time in a degree, diploma, or certificate program or have graduated from an institution governed by the board within one year of the date of appointment. The student members shall include: one member from a community college, one member from a state university, and one member from a technical college. Two members must be members of the AFL-CIO. The remaining members must be appointed to represent the state at large.

Sec. 34. **[136F.045] UNION MEMBER SELECTION.**

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

Sec. 35. Minnesota Statutes 2006, section 136F.42, subdivision 1, is amended to read:

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

Sec. 36. Minnesota Statutes 2006, section 136F.71, subdivision 2, is amended to read:

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

Sec. 37. Minnesota Statutes 2006, section 136F.71, is amended by adding a subdivision to read:

Subd. 4. **Banking services.** Notwithstanding section 16A.27, the board shall have authority to control the amount and manner of deposit of all receipts described in this section in depositories selected by the board. The board's authority shall include specifying the considerations, financial activities, and conditions required from the depository, including the requirement of collateral security or a corporate surety bond as described in section 118A.03. The board may compensate the depository, including paying a reasonable charge to the depository, maintaining appropriate compensating balances with the depository, or purchasing non-interest-bearing certificates of deposit from the depository for performing depository-related services.

Sec. 38. Minnesota Statutes 2006, section 136G.11, subdivision 5, is amended to read:

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

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

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

Sec. 39. **MINNESOTA WEST COMMUNITY AND TECHNICAL COLLEGE AT WORTHINGTON; YMCA LEASE AGREEMENT.**

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

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

Sec. 40. **INTEREST RATE SWAP AND OTHER AGREEMENTS; IMPLEMENTATION PLAN.**

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

Sec. 41. **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 the assets of a school; the transfer of a controlling interest of at least 51 percent of the school's stock; or a change in the not-for-profit or for profit status of a school.

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

136A.64 INFORMATION REQUIRED FOR REGISTRATION.

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

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

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

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

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

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

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

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

(ii) the current institutional officers;

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

(iv) a description of all school facilities;

(v) a description of all current course offerings;

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

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

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

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

(x) the school's policy about granting credit for prior education, training, and 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.

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

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

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

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

136A.65 APPROVAL OF DEGREES AND NAME.

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

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

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

Subd. 3. **Application.** A school subject to registration shall be granted approval to use the term "college," "academy," "institute" or "university" in its name whether or not it offers a program leading to a degree, if it was organized, operating and using such term in its name on or before August 1, 1975, and if it meets the other policies and standards for approval established by the office.

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

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

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

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

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

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

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

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

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

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

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

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

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

(iv) policies regarding refunds and adjustments for withdrawal or modification 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" in its name on or before August 1, 2007, may continue using such term whether or not it offers a program leading to a degree.

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

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

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

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

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

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

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

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

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

136A.653 EXEMPTIONS.

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

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

Subd. 3. **Educational program; business firms.** Educational programs which are sponsored by a business firm for the training of its employees or the employees of other business firms with which it has contracted to provide educational services at no cost to the employees are exempted from the provisions of sections ~~136A.61~~ 136A.615 to 136A.71.

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

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

136A.657 EXEMPTION; RELIGIOUS SCHOOLS.

Subdivision 1. **Exemption.** Any school or any department or branch of a school (a) which is substantially owned, operated or supported by a bona fide church or religious organization; (b) 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 (c) 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 ~~136A.61~~ 136A.615 to 136A.71.

Subd. 2. **Limitation.** This exemption shall not extend to any school or to any department or branch of a school which through advertisements or solicitations represents to any students or prospective students that the school, its aims, goals, missions or purposes or its programs are different from those described in subdivision 1. This exemption shall not extend to any school which represents to any student or prospective student that the major purpose of its programs is to prepare the student for a vocation not closely related to that particular religious faith, or to 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 exempt from sections ~~136A.61~~ 136A.615 to 136A.71, and rules adopted pursuant thereto.

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

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

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

136A.66 LIST.

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

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

136A.67 UNAUTHORIZED REPRESENTATIONS.

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

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

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

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

136A.68 RECORDS.

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

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

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

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

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

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

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

136A.69 FEES.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

136A.71 INJUNCTION.

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

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

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

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

Subd. 5. **School.** "School" means any person, within or outside the state, who maintains, advertises, administers, solicits for, or conducts any program ~~for profit~~ at ~~any~~ less than an associate degree level ~~other than baccalaureate or graduate programs, and is not specifically exempted by sections 141.21 to~~ and is not registered as a private institution under sections 136A.615 to 136A.71 and is not specifically exempted by section 141.35 or 141.37.

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

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

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

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

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

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

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

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

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

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

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

(i) meet the school's financial obligations;

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

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

(iv) maintain and support the school;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(13) <u>a notice to students relating to the transferability of any credits earned at the school to other institutions;</u>

(14) a procedure for investigating and resolving student complaints; and

~~(14)~~ (15) the name and address of the Minnesota Office of Higher Education.

A school that is exclusively a distance education school is exempt from clauses (3) and (5).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

<u>The contract or enrollment agreement must not include a wage assignment provision or a confession of judgment clause.</u>

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

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

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

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

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

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

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

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

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

141.32 PENALTY.

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

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

141.35 EXEMPTIONS.

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

(1) public postsecondary institutions;

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

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

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

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

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

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

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

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

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

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

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

~~(13)~~ (12) classes, courses, or programs intended to fulfill the continuing education requirements for licensure or certification in a profession, that have been approved by 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.

		2008		2009		Total
General	$	94,435,000	$	60,084,000	$	154,519,000
Workforce Development		14,935,000		14,951,000		29,886,000
Remediation		700,000		700,000		1,400,000
State Government Special Revenue		1,877,000		1,925,000		3,802,000
Workers' Compensation		23,379,000		23,763,000		47,142,000
Total	**$**	**135,326,000**	**$**	**101,423,000**	**$**	**236,749,000**

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.

	APPROPRIATIONS Available for the Year Ending June 30	
	2008	**2009**
Sec. 3. **DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT**		
Subdivision 1. **Total Appropriation**	**$ 100,762,000**	**$ 66,014,000**

Appropriations by Fund	2008	2009
General	85,892,000	51,144,000
Remediation	700,000	700,000
Workforce Development	14,170,000	14,170,000

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

	2008	2009
Subd. 2. **Business and Community Development**	48,868,000	14,372,000

Appropriations by Fund	2008	2009
General	48,168,000	13,672,000
Remediation	700,000	700,000

(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 issues in rural Minnesota, to serve as a policy resource center for rural Minnesota communities, to encourage collaboration across higher education institutions, to provide interdisciplinary team approaches to research and problem-solving in rural communities, and to administer overall operations of the center.

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

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

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

(d) $1,990,000 the first year is for grants under Minnesota Statutes, section 116J.571, for the redevelopment grant program. This is a onetime appropriation.

(e) $100,000 each year is to the Public Facilities Authority for the small community wastewater treatment program under Minnesota Statutes, chapter 446A.

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

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

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

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

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

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

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

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

(n) $2,200,000 in the first year is for a grant to BioBusiness Alliance of Minnesota for bioscience business development programs to promote and position the state as a global leader in bioscience business activities. These funds may be used for:

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

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

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

scenarios, evaluate options, and forecast outcomes; and

(4) creation of a bioscience business resources network that includes development of a statewide bioscience business economic development framework to encourage bioscience business development and encourage spin-off activities, attract bioscience business location or expansion in Minnesota, and establish a local capability to support strategic system level planning for industry, government, and academia.

This appropriation is available until June 30, 2009.

(o) $325,000 is for a grant to the Walker Area Community Center, Inc., to construct, furnish, and equip the Walker Area Community Center. This appropriation is not available until the commissioner has determined that an amount sufficient to complete the project has been committed from nonstate sources.

(p) $120,000 the first year is for a grant to the Pine Island Economic Development Authority for predesign to upgrade and extend utilities to serve Elk Run Bioscience Research Park and The Falls - Healthy Living By Nature, an integrated medicine facility. This is a onetime appropriation and is available until expended.

(q) $300,000 the first year is for a grant to Thomson Township for infrastructure improvements for the industrial park. This is a onetime appropriation.

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

(s) $3,000,000 the second year is for bioscience business development and commercialization grants. The commissioner shall designate an evaluation team to accept grant applications, review and evaluate grant proposals, and select up to five grant proposals to receive funding each year. The evaluation team shall be comprised of not more than 12 members including: the commissioner or the commissioner's designee; representatives of bioscience businesses; public and private institutions of higher education; private investment companies; a nonprofit entity that qualifies as a 501(c)6 under the Internal Revenue Code and is a trade association representing the life sciences industry; and a bio business alliance that qualifies as a 501(c)3 under the Internal Revenue Code. The criteria used by the evaluation team in evaluating grant proposals must include, but is not limited to: the potential to create and sustain jobs within the state of Minnesota; the potential for long-term business activity, growth, and expansion in Minnesota; the level of technological maturity; the potential to attract private investment; and the availability and readiness of markets. The commissioner must report to the standing committees of the house of representatives and the senate having jurisdiction over bioscience and technology issues by February 1 each year on the number, type, and amounts of grants awarded and the activities of the grant recipients. This is a onetime appropriation and is available until expended.

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

(u) $375,000 each year is to develop and operate a bioscience business marketing program to market Minneota bioscience businesses and business opportunities to other states and other countries. The bioscience business marketing program must emphasize bioscience business location and expansion opportunities in communities outside of the seven-county metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2, that have established collaborative plans among two or more municipal units for bioscience business activities, and that are within 15 miles of a four-year, baccalaureate degree granting institution or a two-year technical or community college that offers bioscience curricula. The commissioner must report to the committees of the senate and house of representatives having jurisdiction over bioscience and technology issues by February 1 of each year on the expenditures of these funds and the promotional activities undertaken to market the Minnesota bioscience industry to persons outside of the state. This is a onetime appropriation and is available until expended.

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

(w) $50,000 the first year is for a contract with a public higher education institution in Minnesota jointly entered into with the Center for Rural Development to study the needs of the renewable energy economy for trained employees and the training required for those employees. The study must include extensive consultation and involvement of representatives of the renewable energy industry, environmental interests, labor, the University of Minnesota, and the Minnesota State Colleges and Universities. The commissioner shall report the results of the study to the chairs of the finance divisions of the legislature with jurisdiction over economic development, energy, and higher education by November 1, 2007. This is a onetime appropriation.

(x) $25,000,000 is for the Minnesota minerals 21st century fund created in Minnesota Statutes, section 116J.423, to restore the money unallotted by the commissioner of finance in 2003 pursuant to Minnesota Statutes, section 16A.152. This appropriation may be used as provided in Minnesota Statutes, section 116J.423, subdivision 2. This appropriation is available until expended.

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

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

The commissioner of employment and economic development must make grants to organizations to assist in the development of entrepreneurs and small businesses. Three grants must be awarded to continue or to develop a program. One grant must be awarded to the Riverbend Center for Entrepreneurial Facilitation in Blue Earth County, and two to other organizations serving Faribault and Martin Counties. Grant recipients must report to the commissioner by February 1 of each year that the organization receives a grant with the number of customers served; the number of businesses started, stabilized, or expanded; the number of jobs created and retained; and business success rates. The commissioner must report to the house of representatives and senate committees with jurisdiction over economic development finance on the effectiveness of these programs for assisting in the development of entrepreneurs and small businesses.

(aa) $10,000 for the biennium is to the commissioner of employment and economic development for the Minnesota investment fund. This grant is not subject to grant limitations under section 116J.8731, subdivision 5.

Subd. 3. **Workforce Development**	48,896,000	48,622,000

Appropriations by Fund		
General	34,726,000	34,452,000
Workforce Development	14,170,000	14,170,000

(a) $6,785,000 each year is for the Minnesota job skills partnership program under Minnesota Statutes, sections 116L.01 to 116L.17. If the appropriation for either year is insufficient, the appropriation for the other year is available. This appropriation is available until spent.

(b) $305,000 each year is for a grant under Minnesota Statutes, section 116J.8747, to Twin Cities RISE! to provide training to hard-to-train individuals.

(c) $1,375,000 each year is from the workforce development fund for Opportunities Industrialization Center programs.

(d) $5,864,000 each year is from the general fund and $6,920,000 each year is from the workforce development fund for extended employment services for persons with severe disabilities or related conditions under Minnesota Statutes, section 268A.15. Of this, $125,000 each year and in the base for fiscal years 2010 and 2011 is to supplement funds paid for wage incentive for the community support fund established in Minnesota Rules, part 3300.2045.

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

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

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

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

(i) $9,021,000 each year from the general fund is for the vocational rehabilitation program and $325,000 each year from the workforce development fund is for interpreters for a regional transition program specializing in culturally appropriate transition services leading to employment for deaf, hard-of-hearing, and deaf-blind students.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Subd. 4. **State-Funded Administration**	2,998,000	3,020,000

The first $1,450,000 deposited in each year of the biennium and in each year of subsequent bienniums into the contingent account created under Minnesota Statutes, section 268.196, subdivision 3, shall be transferred by June 30 of each fiscal year to the workforce development fund created under Minnesota Statutes, section 116L.20. Deposits in excess of $1,450,000 shall be transferred by June 30 of each fiscal year to the general fund.

Sec. 4. **DEPARTMENT OF LABOR AND INDUSTRY**

Subdivision 1. **Total Appropriation**	**$**	**29,002,000**	**$**	**29,794,000**

Appropriations by Fund

	2008	2009
General	4,644,000	5,035,000
Workers' Compensation	21,716,000	22,053,000
Workforce Development	765,000	781,000
State Government Special Revenue	1,877,000	1,925,000

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

Subd. 2. **Workers' Compensation**	10,381,000	10,659,000

This appropriation is from the workers' compensation fund.

$200,000 each year is for grants to the Vinland Center for rehabilitation services.

Subd. 3. **Safety Codes and Services**	9,949,000	10,134,000

$5,292,000 the first year and $5,388,000 the second year are from the workers' compensation fund. $1,877,000 the first year and $1,925,000 the second year are from the state government special revenue fund.

$1,000,000 each year is from the workers' compensation fund for patient safe handling grants under Minnesota Statutes, section 182.6553.

$100,000 each year is from the workers' compensation fund for the operation of the meatpacking industry workers' rights ombudsman under Minnesota Statutes, section 179.87.

Subd. 4. **Labor Standards/Apprenticeship**			2,629,000	2,995,000

Appropriations by Fund

General	1,864,000	2,214,000
Workforce Development	765,000	781,000

The appropriation from the workforce development fund is for the apprenticeship program under Minnesota Statutes, chapter 178, and includes $100,000 each year for labor education and advancement program grants.

$360,000 the first year and $300,000 the second year from the general fund are for prevailing wage enforcement of which $60,000 in the first year is for outreach and survey participation improvements.

$800,000 the first year and $1,200,000 the second year from the general fund are for the independent contractor licensing under Minnesota Statutes, section 181.723.

Subd. 5. **General Support**	6,043,000	6,006,000

This appropriation is from the workers' compensation fund.

Sec. 5. **BUREAU OF MEDIATION SERVICES**

Subdivision 1. **Total Appropriation**	**$**	**1,850,000**	**$**	**1,877,000**

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

Subd. 2. **Mediation Services**		1,700,000		1,727,000
Subd. 3. **Labor Management Cooperation Grants**		150,000		150,000

$150,000 each year is for grants to area labor management committees. Grants may be awarded for a 12-month period beginning July 1 each year. Any unencumbered balance remaining at the end of the first year does not cancel but is available for the second year.

Sec. 6. **WORKERS' COMPENSATION COURT OF APPEALS**	**$**	**1,663,000**	**$**	**1,710,000**

This appropriation is from the workers' compensation fund.

Sec. 7. **BOARD OF ACCOUNTANCY**	**$**	**493,000**	**$**	**499,000**
Sec. 8. **BOARD OF ARCHITECTURE, ENGINEERING, LAND SURVEYING, LANDSCAPE ARCHITECTURE, GEOSCIENCE, AND INTERIOR DESIGN**	**$**	**795,000**	**$**	**805,000**
Sec. 9. **BOARD OF BARBER EXAMINERS**	**$**	**711,000**	**$**	**724,000**
Sec. 10. **MINNESOTA BOXING COMMISSION**	**$**	**50,000**	**$**	**-0-**

To transition the commission to being a self-funded entity.

Sec. 11. **BIOSCIENCE ZONES DESIGNATION.**

The commissioner of employment and economic development must establish a criteria for expanding the zones. The criteria must limit designating a new zone to a community that has adequate resources and infrastructure to support bioindustry, including postsecondary institutions, strong health care systems, and existing bioscience companies. It must also require that a new zone be located on a transportation corridor.

Sec. 12. **NANOTECHNOLOGY DEVELOPMENT FUND.**

Subdivision 1. **Nanotechnology development fund created.** The nanotechnology development fund (NDF) is created in the state treasury. Money in the fund is appropriated to the commissioner of employment and economic development for the purposes of this section.

Subd. 2. **Program established; purpose.** The nanotechnology development fund program is established to develop a collaborative economic development initiative between the state of Minnesota, the private sector, and multiple academic institutions to promote by small businesses an increased use of advanced nanoinstrumentation for characterization, fabrication, and other related processes; provide research consulting by knowledgeable specialists; and provide student internship opportunities to increase nanotechnology experience by working with small, medium, or large Minnesota 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.

Sec. 13. **WORK GROUP.**

The commissioner of employment and economic development shall convene a work group to evaluate the impact of the money appropriated for wage incentives and how the wage incentive program works. The work group is to make recommendations to the legislature by January 15, 2008.

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

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

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

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

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

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

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

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

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

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

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

(6) the full amount of state investment will be advanced to the approved eligible organization upon execution of a formal investment agreement, specifying the terms of the 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.

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

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

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

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

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

(1) the need for redevelopment in conjunction with contamination remediation needs;

(2) the redevelopment project meets current tax increment financing requirements for a redevelopment district and tax increments will contribute to the project;

(3) the redevelopment potential within the municipality;

(4) proximity to public transit if located in the metropolitan area; ~~and~~

(5) redevelopment costs related to expansion of a bioscience business in Minnesota; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Subd. 4. **Workforce development intermediaries.** "Workforce development intermediaries" means public, private, or nonprofit entities that provide employment services to low-income individuals and have a demonstrated track record bringing together employers and workers, private and public funding streams, and other stakeholders to implement pathways to career advancement for low-income individuals. Entities may include, but are not limited to, nonprofit organizations, educational institutions, or the administrative entity of a local workforce service area.

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

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

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

Preference shall be given to projects that:

(1) provide employment with benefits paid to employees;

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

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

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

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

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

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

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

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

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

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

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

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

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

~~(4)~~ <u>(5)</u> is a displaced homemaker. A "displaced homemaker" is an individual who has spent a substantial number of years in the home providing homemaking service and (i) has been dependent upon the financial support of another; and now due to divorce, separation, death, or disability of that person, must find employment to self support; or (ii) derived the substantial share of support from public assistance on account of dependents in the home and no longer receives such support.

To be eligible under this clause, the support must have ceased while the worker resided in Minnesota.

(d) "Eligible organization" means a state or local government unit, nonprofit organization, community action agency, business organization or association, or labor organization.

(e) "Plant closing" means the announced or actual permanent shutdown of a single site of employment, or one or more facilities or operating units within a single site of employment.

(f) "Substantial layoff" means a permanent reduction in the workforce, which is not a result of a plant closing, and which results in an employment loss at a single site of employment during any 30-day period for at least 50 employees excluding those employees that work less than 20 hours per week.

Sec. 12. Minnesota Statutes 2006, section 116L.20, subdivision 1, is amended to read:

Subdivision 1. **Determination and collection of special assessment.** (a) In addition to amounts due from an employer under the Minnesota unemployment insurance program, each employer, except an employer making reimbursements is liable for a special assessment levied at the rate of .10 percent per year ~~for calendar years 2006 and 2007~~ on all taxable wages, as defined in section 268.035, subdivision 24. ~~Beginning January 1, 2008, the special assessment shall be levied at a rate of .085 percent per year on all taxable wages.~~ The assessment shall become due and be paid by each employer on the same schedule and in the same manner as other amounts due from an employer under section 268.051, subdivision 1.

(b) The special assessment levied under this section shall be subject to the same requirements and collection procedures as any amounts due from an employer under the Minnesota unemployment insurance program.

Sec. 13. Minnesota Statutes 2006, section 116M.18, subdivision 6a, is amended to read:

Subd. 6a. **Nonprofit corporation loans.** The board may make loans to a nonprofit corporation with which it has entered into an agreement under subdivision 1. These loans must be used to support a new or expanding business. This support may include such forms of financing as the sale of goods to the business on installment or deferred payments, lease purchase agreements, or royalty investments in the business. <u>The interest rate charged by a nonprofit corporation for a loan under this subdivision must not exceed the Wall Street Journal prime rate plus four percent. For a loan under this subdivision, the nonprofit corporation may charge a loan origination fee equal to or less than one percent</u>

of the loan value. The nonprofit corporation may retain the amount of the origination fee. The nonprofit corporation must provide at least an equal match to the loan received by the board. The maximum loan available to the nonprofit corporation under this subdivision is $50,000. Loans made to the nonprofit corporation under this subdivision may be made without interest. Repayments made by the nonprofit corporation must be deposited in the revolving fund created for urban initiative grants.

Sec. 14. **[116O.115] SMALL BUSINESS GROWTH ACCELERATION PROGRAM.**

Subdivision 1. **Establishment; purpose.** The small business growth acceleration program is established. The purpose of the program is to (1) help qualified companies implement technology and business improvements; and (2) bridge the gap between standard market pricing for technology and business improvements and what qualified companies can afford to pay.

Subd. 2. **Qualified company.** A company is qualified to receive assistance under the small business growth acceleration program if it is a manufacturing company or a manufacturing-related service company that employs 100 or fewer full-time equivalent employees.

Subd. 3. **Applications for assistance.** A company seeking assistance under the small business growth acceleration program must file an application according to the requirements of the corporation. A company's application for small business growth acceleration program assistance must include documentation of the company's overall plan for technology and business improvement and prioritize the components of the overall plan. The application must also document the company's need for small business growth acceleration program funds in order to carry forward the highest priority components of the plan.

Subd. 4. **Fund awards; use of funds.** (a) The corporation shall establish procedures for determining which applicants for assistance under the small business growth acceleration program will receive program funding. Funding shall be awarded only to accelerate a qualified company's adoption of needed technology or business improvements when the corporation concludes that it is unlikely the improvements could be accomplished in any other way.

(b) The maximum amount of funds awarded to a qualified company under the small business growth acceleration program for a particular project must not exceed 50 percent of the total cost of a project and must not under any circumstances exceed $25,000 during a calendar year. The corporation shall not award to a qualified company small business growth acceleration program funds in excess of $50,000 per year.

(c) Any funds awarded to a qualified company under the small business growth acceleration program must be used for business services and products that will enhance the operation of the company. These business services and products must come either directly from the corporation or from a network of expert providers identified and approved by the corporation. No company receiving small business growth acceleration program funds may use the funds for refinancing, overhead costs, new construction, renovation, equipment, or computer hardware.

(d) Any funds awarded must be disbursed to the qualified company as reimbursement documented according to requirements of the corporation.

Subd. 5. **Service agreements.** The corporation shall enter a written service agreement with each company awarded funds under the small business growth acceleration program. Each service agreement shall clearly articulate the company's need for service, state the cost of the service, identify who will provide the service, and define the scope of the service that will be provided. The service agreement must also include an estimate of the financial impact of the service on the company and require the company to report the actual financial impact of the service to the corporation 24 months after the service is provided.

Subd. 6. **Reporting.** The corporation shall report annually to the legislative committees with fiscal jurisdiction over the Department of Employment and Economic Development:

(1) the funds awarded under the small business growth acceleration program during the past 12 months;

(2) the estimated financial impact of the funds awarded to each company receiving service under the program; and

(3) the actual financial impact of funds awarded during the past 24 months.

Sec. 15. **[179.86] PACKINGHOUSE WORKERS BILL OF RIGHTS.**

Subdivision 1. **Definitions.** For the purposes of this section and section 179.87:

(1) "employer" means any person or business entity having 25 or more employees in the meatpacking industry; and

(2) "meatpacking industry" means business operations in which slaughtering, butchering, meat canning, meat packing, meat manufacturing, poultry canning, poultry packing, poultry manufacturing, pet food manufacturing, processing of meatpacking

products, or rendering is carried on. Meatpacking products include livestock and poultry products.

Subd. 2. **Right to adequate facilities.** An employer must provide its employees:

(1) adequate and working restroom facilities;

(2) adequate room for meal and rest breaks;

(3) adequate locker facilities; and

(4) adequate time for necessary restroom and meal breaks as required under chapter 177; United States Code, title 29, chapter 15; and United States Code, title 42, chapter 126, or a valid collective bargaining agreement.

Subd. 3. **Right to adequate equipment and training.** An employer must furnish its employees with equipment and training that is adequate to perform the job task assigned. An employer must make ongoing skill development and training opportunities, including supervisory training, available to employees.

Subd. 4. **Information provided to employee by employer.** (a) An employer must provide an explanation in an employee's native language of the employee's rights and duties as an employee either person-to-person or through written materials as required by state or federal law, or a valid collective bargaining agreement that, at a minimum, includes:

(1) a complete description of the salary and benefits plans as they relate to the employee as required under chapter 181;

(2) a job description for the employee's position as required under chapter 181;

(3) a description of leave policies as required under chapter 181 and United States Code, title 29, chapter 28;

(4) a description of the work hours and work hours policy as required under chapter 181; United States Code, title 29, chapter 201; or a valid collective bargaining agreement; and

(5) a description of the occupational hazards known to exist for the position as required under chapters 181 and 182 and United States Code, title 29, chapter 15.

(b) The explanation must also include information on the following employee rights as protected by state or federal law and a description of where additional information about those rights may be obtained:

(1) the right to organize and bargain collectively as required under this chapter and chapter 177, and United States Code, title 29, chapter 7;

(2) the right to a safe workplace as required under chapters 181 and 182 and United States Code, title 29, chapter 15; and

(3) the right to be free from discrimination as required under this chapter and chapters 181, 182, and 363A, and United States Code, title 42, chapter 21.

Subd. 5. **Civil action.** A person aggrieved as a result of a violation of this section may file suit in any district court of this state. If the court finds that the respondent has intentionally violated this section, the court may award damages up to and including an amount equal to the original damages and may provide injunctive relief.

Subd. 6. **Criminal penalty.** An employer who violates this section is guilty of a misdemeanor.

Sec. 16. **[179.87] MEATPACKING INDUSTRY WORKERS RIGHTS OMBUDSMAN.**

Subdivision 1. **Position established.** The position of meatpacking industry workers rights ombudsman is established within the Department of Labor and Industry. The ombudsman shall be an employee of the department. The ombudsman shall be appointed by the commissioner in consultation with the chairs of the standing committees of the senate and house of representatives with jurisdiction over labor and employment issues in accordance with the preference established in subdivision 5.

Subd. 2. **Duties.** The ombudsman shall inspect and review the practices and procedures of meatpacking operations in the state. The ombudsman shall work to ensure workers rights under section 179.86 are protected.

Subd. 3. **Access.** The ombudsman or designated representatives of the ombudsman shall have access to all meatpacking operations in the state at any time meatpacking products are being processed and industry workers are on the job.

Subd. 4. **Office.** Necessary office space, furniture, equipment, and supplies as well as necessary assistance for the ombudsman shall be provided by the Department of Labor and Industry.

Subd. 5. **Language preference.** Preference shall be given to applicants for the ombudsman position who are fluent in languages in addition to English.

Subd. 6. **Report.** The ombudsman shall, on or before December 1 of each year, submit a report to the members of the legislature and the governor regarding any recommended actions the ombudsman deems necessary or appropriate to provide for the fair treatment of workers in the meatpacking industry.

Sec. 17. Minnesota Statutes 2006, section 181.78, is amended by adding a subdivision to read:

Subd. 4. **Forfeiture of employer rights.** (a) This subdivision applies to an invention or proposal by an employee in which the employer has an enforceable interest by contract or otherwise.

(b) An employer who has a right to develop or utilize an invention or proposal must make a substantial investment in the invention or proposal within five years of the submission of the invention or proposal or forfeit all rights and interests in the invention or proposal to the employee.

(c) An employee who has acquired the rights and interests of an employer under paragraph (b) may transfer that interest in the invention or proposal to anyone.

(d) An employer must notify in writing an employee who submits an invention or proposal to the employer of the employee's right under this subdivision within ten days of the submission. The employer must date and describe the proposal or invention received by the employer and provide a copy to the employee.

Sec. 18. **[181A.115] PROHIBITED EMPLOYMENT RELATING TO THE PRESENCE OF LIQUOR.**

No minor under the age of 18 shall be employed in any rooms constituting the place in which intoxicating liquors or 3.2 percent malt liquors are served or consumed or in any tasks involving the serving, dispensing, or handling of such liquors that are consumed on the premises except that:

(1) minors who have reached the age of 16 may be employed to perform busing or dishwashing services in those rooms or areas of a restaurant, hotel, motel, or resort where the presence of intoxicating liquor is incidental to food service or preparation;

(2) minors who have reached the age of 16 may be employed to perform busing or dishwashing services or to provide waiter or waitress service in rooms or areas where the presence of 3.2 percent malt liquor is incidental to food service or preparation;

(3) minors who have reached the age of 16 may be employed to provide musical entertainment in those rooms or areas where the presence of intoxicating liquor and 3.2 percent malt liquor is incidental to food service or preparation; and

(4) minors are not prevented from working at tasks which are not prohibited by law in establishments where liquor is sold, served, dispensed, or handled in those rooms or areas where no liquor is consumed or served.

Sec. 19. Minnesota Statutes 2006, section 182.65, subdivision 2, is amended to read:

Subd. 2. **Legislative findings and purpose.** The legislature finds that the burden on employers and employees of this state resulting from personal injuries and illnesses arising out of work situations is substantial; that the prevention of these injuries and illnesses is an important objective of the government of this state; that the greatest hope of attaining this objective lies in programs of research and education, and in the earnest cooperation of government, employers and employees; and that a program of regulation and enforcement is a necessary supplement to these more basic programs.

The legislature declares it to be its purpose and policy through the exercise of its powers to assure so far as possible every worker in the state of Minnesota safe and healthful working conditions and to preserve our human resources by:

(a) authorizing the Occupational Safety and Health Advisory Council to advise, consult with or recommend on any matters relating to the Minnesota occupational safety and health plan to the commissioner of labor and industry and by authorizing the commissioner of labor and industry to promulgate and enforce mandatory occupational safety and health standards applicable to employers and employees in the state of Minnesota;

(b) encouraging employers and employees to increase their efforts to reduce the number of occupational safety and health hazards at their places of employment, and to stimulate employers and employees to institute new and to perfect existing programs for providing safe and healthful working conditions;

(c) providing that employers and employees have separate but dependent responsibilities and rights with respect to achieving safe and healthful working conditions;

(d) providing for research in the field of occupational safety and health; including the psychological factors involved, and by developing innovative methods, techniques, and approaches for dealing with occupational safety and health problems;

(e) exploring ways to discover latent diseases, establishing causal connections between diseases and work in environmental conditions, and conducting other research relating to health problems, in recognition of the fact that occupational health standards present problems often different from those involved in occupational safety;

(f) utilizing advances already made by federal laws and regulations providing safe and healthful working conditions;

(g) providing criteria which will assure insofar as practicable that no employee will suffer diminished health, functional capacity, or life expectancy as a result of work experience;

(h) providing an effective enforcement program which shall include locating enforcement personnel in areas of the state with a higher incidence of workplace fatalities, injuries, and complaints and a prohibition against giving advance notice of an inspection and sanctions for any individual violating this prohibition;

(i) providing for appropriate reporting procedures with respect to occupational safety and health, which procedures will help achieve the objectives of this chapter and accurately describe the nature of the occupational safety and health problem;

(j) encouraging joint labor-management efforts to reduce injuries and diseases arising out of employment;

(k) providing consultation to employees and employers which will aid them in complying with their responsibilities under this chapter where such consultation does not interfere with the effective enforcement of this chapter; and

(l) providing for training programs to increase the number and competence of personnel engaged in the field of occupational safety and health.

Sec. 20. **[182.6551] CITATION.**

Sections 182.6551 to 182.6553 may be cited as the "Safe Patient Handling Act."

Sec. 21. **[182.6552] DEFINITIONS.**

Subdivision 1. **Direct patient care worker.** "Direct patient care worker" means an individual doing the job of directly providing physical care to patients including nurses, as defined by section 148.171, who provide physical care to patients.

Subd. 2. **Health care facility.** "Health care facility" means a hospital as defined in section 144.50, subdivision 2; an outpatient surgical center as defined in section 144.55, subdivision 2; and a nursing home as defined in section 144A.01, subdivision 5.

Subd. 3. **Safe patient handling.** "Safe patient handling" means a process, based on scientific evidence on causes of injuries, that uses safe patient handling equipment rather than people to transfer, move, and reposition patients in all health care facilities to reduce workplace injuries. This process also reduces the risk of injury to patients.

Subd. 4. **Safe patient handling equipment.** "Safe patient handling equipment" means engineering controls, lifting and transfer aids, or mechanical assistive devices used by nurses and other direct patient care workers instead of manual lifting to perform the acts of lifting, transferring, and repositioning health care facility patients and residents.

Sec. 22. **[182.6553] SAFE PATIENT HANDLING PROGRAM.**

Subdivision 1. **Safe patient handling program required.** (a) By July 1, 2008, every licensed health care facility in the state shall adopt a written safe patient handling policy establishing the facility's plan to achieve by January 1, 2011, the goal of minimizing manual lifting of patients by nurses and other direct patient care workers by utilizing safe patient handling equipment.

(b) The program shall address:

(1) assessment of hazards with regard to patient handling;

(2) the acquisition of an adequate supply of appropriate safe patient handling equipment;

(3) initial and ongoing training of nurses and other direct patient care workers on the use of this equipment;

(4) procedures to ensure that physical plant modifications and major construction projects are consistent with program goals; and

(5) periodic evaluations of the safe patient handling program.

Subd. 2. **Safe patient handling committee.** (a) By July 1, 2008, every licensed health care facility in the state shall establish a safe patient handling committee either by creating a new committee or assigning the functions of a safe patient handling committee to an existing committee.

(b) Membership of a safe patient handling committee or an existing committee must meet the following requirements:

(1) at least half the members shall be nonmanagerial nurses and other direct patient care workers; and

(2) in a health care facility where nurses and other direct patient care workers are covered by a collective bargaining agreement, the union shall select the committee members proportionate to its representation of nonmanagerial workers, nurses, and other direct patient care workers.

(c) A health care organization with more than one covered health care facility may establish a committee at each facility or one committee to serve this function for all the facilities. If the organization chooses to have one overall committee for multiple facilities, at least half of the members of the overall committee must be nonmanagerial nurses and other direct patient care workers and each facility must be represented on the committee.

(d) Employees who serve on a safe patient handling committee must be compensated by their employer for all hours spent on committee business.

Subd. 3. **Facilities with existing programs.** A facility that has already adopted a safe patient handling policy that satisfies the requirements of subdivision 1, and established a safe patient handling committee by July 1, 2008, is considered to be in compliance with those requirements. The committee must continue to satisfy the requirements of subdivision 2, paragraph (b), on an ongoing basis.

Subd. 4. **Committee duties.** A safe patient handling committee shall:

(1) complete a patient handling hazard assessment that:

(i) considers patient handling tasks, types of nursing units, patient populations, and the physical environment of patient care areas;

(ii) identifies problems and solutions;

(iii) identifies areas of highest risk for lifting injuries; and

(iv) recommends a mechanism to report, track, and analyze injury trends;

(2) make recommendations on the purchase, use, and maintenance of an adequate supply of appropriate safe patient handling equipment;

(3) make recommendations on training of nurses and other direct patient care workers on use of safe patient handling equipment, initially when the equipment arrives at the facility and periodically afterwards;

(4) conduct annual evaluations of the safe patient handling implementation plan and progress toward goals established in the safe patient handling policy; and

(5) recommend procedures to ensure that, when remodeling of patient care areas occurs, the plans incorporate safe patient handling equipment or the physical space and construction design needed to accommodate safe patient handling equipment at a later date.

Subd. 5. **Training materials.** The commissioner shall make training materials on implementation of this section available to all health care facilities at no cost as part of the training and education duties of the commissioner under section 182.673.

Subd. 6. **Enforcement.** This section shall be enforced by the commissioner under section 182.661. A violation of this section is subject to the penalties provided under section 182.666.

Subd. 7. **Grant program.** The commissioner may make grants to health care facilities to acquire safe patient handling equipment and for training on safe patient handling and safe patient handling equipment. Grants to any one facility may not exceed $40,000. A grant must be matched on a dollar-for-dollar basis by the grantee. The commissioner shall establish a grant application process. The commissioner may give priority for grants to facilities that demonstrate that acquiring safe patient handling equipment will impose a financial hardship on the facility. For health care facilities that provide evidence of hardship, the commissioner may waive the 50 percent match requirement and may grant such a facility more than $40,000. Health care facilities that the commissioner determines are experiencing hardship shall not be required to meet the safe patient handling requirements until July 1, 2012.

Sec. 23. Minnesota Statutes 2006, section 268.085, subdivision 3, is amended to read:

Subd. 3. **Payments that delay unemployment benefits.** (a) An applicant shall not be eligible to receive unemployment benefits for any week with respect to which the applicant is receiving, has received, or has filed for payment, equal to or in excess of the applicant's weekly unemployment benefit amount, in the form of:

(1) vacation pay paid upon temporary, indefinite, or seasonal separation. This clause shall not apply to vacation pay paid upon a permanent separation from employment;

(2) severance pay, bonus pay, sick pay, and any other money payments, except earnings under subdivision 5, and back pay under subdivision 6, paid by an employer because of, upon, or after separation from employment, but only if the money payment is considered wages at the time of payment under section 268.035, subdivision 29, or United States Code, title 26, section 3121, clause (2), of the Federal Insurance Contribution Act~~;~~. This clause does not apply to the first $10,000 of any amount of severance pay, bonus pay, sick pay, or any other payments paid to an employee with annual salary or wages under $75,000; or

(3) pension, retirement, or annuity payments from any plan contributed to by a base period employer including the United States government, except Social Security benefits which are provided for in subdivision 4. The base period employer contributed to the plan if the contribution is excluded from the definition of wages under section 268.035, subdivision 29, clause (1), or United States Code, title 26, section 3121, clause (2), of the Federal Insurance Contribution Act.

An applicant shall not be considered to have received the lump sum payment if the applicant immediately deposits that payment in a qualified pension plan or account; or

(4) holiday pay.

(b) This subdivision shall apply to all the weeks of payment and shall be applied to the period immediately following the last day of employment. The number of weeks of payment shall be determined as follows:

(1) if the payments are made periodically, the total of the payments to be received shall be divided by the applicant's last level of regular weekly pay from the employer; or

(2) if the payment is made in a lump sum, that sum shall be divided by the applicant's last level of regular weekly pay from the employer.

(c) If the payment is less than the applicant's weekly unemployment benefit amount, unemployment benefits shall be reduced by the amount of the payment. If the computation of reduced unemployment benefits is not a whole dollar, it shall be rounded down to the next lower whole dollar.

EFFECTIVE DATE. This section is effective for unemployment benefits paid on or after January 1, 2006, regardless of when the continued request was filed or the week for which the unemployment benefits are paid.

Sec. 24. Minnesota Statutes 2006, section 268.196, is amended by adding a subdivision to read:

<u>Subd. 5.</u> <u>**Unemployment insurance benefits telephone system.**</u> <u>The commissioner must ensure that the telephone system used for unemployment insurance benefits provides an option for any caller to speak to an unemployment insurance specialist. An individual who calls any of the publicized telephone numbers seeking information about applying for benefits or on the status of a claim must have the option to speak on the telephone to a specialist who can provide direct assistance or can direct the caller to the person or office that is able to respond to the caller's needs.</u>

Sec. 25. Minnesota Statutes 2006, section 268A.01, subdivision 13, is amended to read:

Subd. 13. **Supported employment.** <u>(a)</u> "Supported employment" means employment of a person with a disability so severe that the person needs ongoing training and support to get and keep a job in which:

(1) the person engages in paid work in a position removed from the service vendor's site where individuals without disabilities who do not require public subsidies also may be employed;

(2) public funds are necessary to provide ongoing training and support services throughout the period of the person's employment; and

(3) the person has the opportunity for social interaction with individuals who do not have disabilities and who are not paid caregivers.

<u>(b) If the commissioner has certified a rehabilitation facility setting as integrated, then employment at that site may be considered supported employment.</u>

Sec. 26. Minnesota Statutes 2006, section 268A.01, is amended by adding a subdivision to read:

<u>Subd. 14.</u> <u>**Affirmative business enterprise employment.**</u> <u>"Affirmative business enterprise employment" means employment which provides paid work on the premises of an affirmative business enterprise as certified by the commissioner.</u>

<u>Affirmative business enterprise employment is considered community employment for purposes of funding under Minnesota Rules, parts 3300.1000 to 3300.2055, provided that the wages for individuals reported must be at or above customary wages for the same employer. The employer must also provide one benefit package that is available to all employees.</u>

Sec. 27. Minnesota Statutes 2006, section 268A.085, subdivision 1, is amended to read:

Subdivision 1. **Appointment; membership.** Every city, town, county, nonprofit corporation, or combination thereof establishing a rehabilitation facility shall appoint a rehabilitation facility board of no fewer than ~~nine~~ seven voting members before becoming eligible for the assistance provided by sections 268A.06 to 268A.15. When any city, town, or county singly establishes such a rehabilitation facility, the board shall be appointed by the chief executive officer of the city or the chair of the governing board of the county or town. When any combination of cities, towns, counties, or nonprofit corporations establishes a rehabilitation facility, the chief executive officers of the cities, nonprofit corporations, and the chairs of the governing bodies of the counties or towns shall appoint the board. If a nonprofit corporation singly establishes a rehabilitation facility, the corporation shall appoint the board of directors. Membership on a board shall be representative of the community served and shall include a person with a disability. ~~One-third to one-half of the board shall be representative of industry or business. The remaining members should be representative of lay associations for persons with a disability, labor, the general public, and education, welfare, medical, and health professions. Nothing in sections 268A.06 to 268A.15 shall be construed to preclude the appointment of elected or appointed public officials or members of the board of directors of the sponsoring nonprofit corporation to the board, so long as the representation described above is preserved.~~ If a county establishes an extended employment program and manages the program with county employees, the governing board shall be the county board of commissioners, and other provisions of this chapter pertaining to membership on the governing board do not apply.

Sec. 28. Minnesota Statutes 2006, section 268A.15, is amended by adding a subdivision to read:

Subd. 9. **Integrated setting.** At the commissioner's discretion, paid work on the premises of a rehabilitation facility may be certified as an integrated setting after a site review by the department.

Sec. 29. Minnesota Statutes 2006, section 462.39, is amended by adding a subdivision to read:

Subd. 5. **Local planning assistance.** A regional development commission or, in regions not served by regional development commissions, a regional organization selected by the commissioner of employment and economic development, may develop a program to support planning on behalf of local units of government. The local planning must be related to issues of regional or statewide significance and may include, but is not limited to, the following:

(1) local planning and development assistance, which may include local zoning ordinances and land use plans;

(2) community or economic development plans, which may include workforce development plans, housing development plans and market analysis, JOBZ administration, grant writing assistance, and grant administration;

(3) environment and natural resources plans, which may include solid waste management plans, wastewater management plans, and renewable energy development plans;

(4) rural community health services; and

(5) development of geographical information systems to serve regional needs, including hardware and software purchases and related labor costs.

Each regional development commission or organization shall submit to the commissioner of employment and economic development an annual work program that outlines the work items for the upcoming year and establishes the relationship of the work items to development issues of regional or statewide significance. The entity completing the annual work program and identifying the statewide development issues shall consider input from the Departments of Employment and Economic Development, Natural Resources, Transportation, Agriculture, Commerce, and other state agencies as appropriate to the issues.

Sec. 30. **WORKFORCE ENHANCEMENT FEE.**

If the commissioner of employment and economic development determines that the need for services under the dislocated worker program substantially exceeds the resources that will be available for the program, the commissioner may increase the special assessment levied under Minnesota Statutes, section 116L.20, subdivision 1, to no more than .12 percent of taxable wages.

Sec. 31. **FEDERAL PROCUREMENT LIAISON.**

The commissioner of employment and economic development must establish and operate a technology and commercialization unit in the Department of Employment and Economic Development. Appropriation for this purpose must be used to: coordinate public and private efforts to procure federal funding for collaborative research and development projects of primary benefit to small- and medium-sized businesses; promote contractual relationships between Minnesota businesses who, as recipients of federal grants, are prime contractors, and appropriate Minnesota-based subcontractors; assess the research and development capabilities of small- and medium-sized businesses; undertake referral activities to link Minnesota companies with federal requests for proposal opportunities; and develop a framework for Minnesota companies to establish sole-sourcing relationships with federal agencies.

The commissioner must report to the committees in the house of representatives and the senate having jurisdiction over bioscience and technology issues on the activities of the technology and commercialization unit by June 30 of each year.

Sec. 32. **LOCATION OF NORTHERN MINNESOTA INSPECTORS.**

By December 31, 2007, the commissioner of labor and industry must assign three occupational safety and health inspectors to one or more offices on the Iron Range and one inspector to an office in Bemidji.

Sec. 33. **ROLE OF STATE LEGISLATURE IN TRADE POLICY.**

(a) It shall be the policy of the state that approval for the state to be bound by any trade agreement requires the consent of the state legislature.

(b) Four state legislative contacts must be informed by the governor when any trade agreement arrives in the governor's office. The four contacts are the majority and minority leader of the senate or their designated legislators, and the speaker and minority leader in the house of representatives or their designated legislators. The legislature declares that the purposes of the state contacts are to:

(1) serve as the state's official legislative liaisons with the governor and the state legislature on trade-related matters;

(2) serve as the legislature's designated recipients from the governor of federal requests for consent to consultation regarding investment, procurement, services, or other provisions of international trade agreements, which impinge on state law or regulatory authority reserved to the states;

(3) transmit information regarding federal requests from the governor to all appropriate legislative committees;

(4) issue a formal request to the Department of Employment and Economic Development and all appropriate state agencies to provide analysis of all proposed trade agreements' impact on state legislative authority and the economy of the state;

(5) inform all members of the legislature on a regular basis about ongoing trade negotiations and dispute settlement proceedings with implications for the state more generally;

(6) communicate the concerns of the legislature to the governor and the United States trade representative regarding ongoing and proposed trade negotiations; and

(7) notify the governor and the United States trade representative of the outcome of any legislative action.

(c) The following actions are required before the state shall consent to the terms of a trade agreement:

(1) when a federal trade request has been received, the governor must submit the request to the legislative contacts on a day both houses are in session. The request must contain a copy of the final legal text of the agreement together with:

(i) a report by the Department of Employment and Economic Development in consultation with, at a minimum, the following agencies: Department of Administration, Department of Labor and Industry, Department of Agriculture, Department of Natural Resources, and the Minnesota Pollution Control Agency. The report shall include an analysis of how the agreement of the state to the specific provisions of the agreement will change or affect existing state law;

(ii) a statement of any administrative action proposed to implement these trade agreement provisions in the state; and

(iii) a draft of legislation authorizing the state to sign on to the specific listed provisions of the agreement in question;

(2) at least one public hearing, with adequate public notice, shall occur before the legislature votes on the bill; and

(3) the bill authorizing the state to sign on to specific listed provisions of an agreement is enacted into law.

(d) It is the sense of this legislature that Congress should pass legislation instructing the United States trade representative to fully and formally consult individual state legislatures regarding procurement, services, investment, or any other trade agreement rules that impact state laws or authority before negotiations begin and as they develop, and to seek consent from state legislatures in addition to governors prior to binding states to conform their laws to the terms of international commercial agreements. Such legislation is necessary to ensure the prior informed consent of the state with regard to future international trade and investment agreements.

(e) The state attorney general shall notify the United States trade representative of the policies in paragraph (d) in writing no later than 30 days after its effective date, and shall provide copies of the notice to the president of the senate, speaker of the house of representatives, the governor, and the state's congressional delegation.

Sec. 34. **STUDY; SAFE PATIENT HANDLING.**

(a) The commissioner of labor and industry shall study ways to require workers' compensation insurers to recognize compliance with Minnesota Statutes, section 182.6553, in the workers' compensation premiums of health care and long-term care facilities. The commissioner shall report by January 15, 2008, the results of the study to the chairs of the policy committees of the legislature with primary jurisdiction over workers' compensation issues.

(b) By January 15, 2008, the commissioner must make recommendations to the legislature regarding funding sources available to health care facilities for safe patient handling programs and equipment, including, but not limited to, low interest loans, interest free loans, and federal, state, or county grants.

Sec. 35. **WORK GROUP; SAFE PATIENT HANDLING.**

The Minnesota State Council on Disability shall convene a work group comprised of representatives from the Minnesota Medical Association and other organizations representing clinics, disability advocates, and direct care workers, to do the following:

(1) assess the current options for and use of safe patient handling equipment in unlicensed outpatient clinics, physician offices, and dental settings;

(2) identify barriers to the use of safe patient handling equipment in these settings; and

(3) define clinical settings that move patients to determine applicability of the Safe Patient Handling Act.

The work group must report to the legislature by January 15, 2008, including reports to the chairs of the senate and house of representatives committees on workforce development.

Sec. 36. **EFFECT ON RULES.**

The commissioner of labor and industry shall amend Minnesota Rules, part 5200.0910, to conform to Minnesota Statutes, section 181A.115. The commissioner may use the good cause exemption in Minnesota Statutes, section 14.388, in adopting the amendment required by this section.

Sec. 37. **PUBLIC FACILITIES AUTHORITY FUNDING.**

To the greatest practical extent, projects on the Public Facilities Authority's 2007 intended use plan, the listings for which were based on the Pollution Control Agency's 2006 project priority list, shall be carried over to the 2008 intended use plan. Projects that qualified for funding from the Public Facilities Authority under Laws 2006, chapter 258, section 21, that could not be certified by the Pollution Control Agency by the applicable deadline shall have until May 1, 2008, or six months after the Minnesota Supreme Court issues an opinion in the cities of Maple Lake and Annandale matter, whichever is later, to obtain the required certification from the Pollution Control Agency.

Sec. 38. **REPEALER.**

Minnesota Statutes 2006, section 16C.18, subdivision 2, is repealed.

ARTICLE 8
LICENSING AND WAGES

Section 1. **[154.465] HAIR BRAIDING.**

Subdivision 1. **Registration.** Any person engaged in hair braiding solely for compensation as a profession, except persons licensed as cosmetologists, shall register with the Minnesota Board of Barber and Cosmetology Examiners in a form determined by the board.

Subd. 2. **Definition.** "Hair braiding" means a natural form of hair manipulation that results in tension on hair strands by beading, braiding, cornrowing, extending, lacing, locking, sewing, twisting, weaving, or wrapping human hair, natural fibers, synthetic fibers, and hair extensions into a variety of shapes, patterns, and textures predominantly by hand and by only using simple braiding devices, and maintenance thereof. Hair braiding includes what is commonly known as "African-style hair braiding" or "natural hair care" but is not limited to any particular cultural, ethnic, racial, or religious forms of hair styles. Hair braiding includes the making of customized wigs from natural hair, natural fibers, synthetic fibers, and hair extensions. Hair braiding includes the use of topical agents such as conditioners, gels, moisturizers, oils, pomades, and shampoos. Hair braiding does not involve the use of penetrating chemical hair treatments, chemical hair coloring agents, chemical hair straightening agents, chemical hair joining agents, permanent wave styles, or chemical hair bleaching agents applied to growing human hair. For purposes of this section, "simple hair braiding devices" means clips, combs, curlers, curling irons, hairpins, rollers, scissors, needles, thread, and hair binders including adhesives, if necessary, that are required solely for hair braiding.

Subd. 3. **Requirements.** In order to qualify for initial registration, any person engaged in hair braiding solely for compensation as a profession shall satisfactorily complete instruction at either an accredited school or by an individual, except persons licensed as cosmetologists approved by the board. Instruction includes coursework

<u>covering the topics of health, safety, sanitation, and state laws related to cosmetology not to exceed 30 hours. The coursework is encouraged to be provided in a foreign language format and such availability shall be reported to and posted by the Minnesota Board of Barber and Cosmetology Examiners.</u>

<u>Subd. 4.</u> <u>**Curriculum.**</u> <u>An accredited school or an individual approved by the board desiring to provide the coursework required under subdivision 3 shall have curriculum in place by January 1, 2008.</u>

<u>**EFFECTIVE DATE.**</u> <u>This section is effective July 1, 2008, except subdivision 4 is effective the day following final enactment.</u>

Sec. 2. Minnesota Statutes 2006, section 177.27, subdivision 1, is amended to read:

Subdivision 1. **Examination of records.** The commissioner may enter during reasonable office hours or upon request and inspect the place of business or employment of any employer of employees working in the state, to examine and inspect books, registers, payrolls, and other records of any employer that in any way relate to wages, hours, and other conditions of employment of any employees. The commissioner may transcribe any or all of the books, registers, payrolls, and other records as the commissioner deems necessary or appropriate and may question the employees to ascertain compliance with sections 177.21 to ~~177.35~~ <u>177.435</u>. The commissioner may investigate wage claims or complaints by an employee against an employer if the failure to pay a wage may violate Minnesota law or an order or rule of the department.

Sec. 3. Minnesota Statutes 2006, section 177.27, subdivision 4, is amended to read:

Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an employer to comply with sections 177.21 to ~~177.35~~ <u>177.435</u>, 181.02, 181.03, 181.031, 181.032, 181.101, 181.11, 181.12, 181.13, 181.14, 181.145, 181.15, ~~and~~ 181.79<u>, 181.932, and 181.9325</u>, or with any rule promulgated under section 177.28. The department shall serve the order upon the employer or the employer's authorized representative in person or by certified mail at the employer's place of business. An employer who wishes to contest the order must file written notice of objection to the order with the commissioner within 15 calendar days after being served with the order. A contested case proceeding must then be held in accordance with sections 14.57 to 14.69. If, within 15 calendar days after being served with the order, the employer fails to file a written notice of objection with the commissioner, the order becomes a final order of the commissioner.

Sec. 4. Minnesota Statutes 2006, section 177.27, subdivision 5, is amended to read:

Subd. 5. **Civil actions.** (a) The commissioner may bring an action in the district court where an employer resides or where the commissioner maintains an office to enforce or require compliance with orders issued under subdivision 4.

(b) If the district court determines that a violation of section 181.932 or 181.9325 occurred, the court may order any appropriate relief, including but not limited to reinstatement, back pay, restoration of lost service credit, if appropriate, compensatory damages, and the expungement of any adverse records of a state employee or applicant for state employment who was the subject of the alleged acts of misconduct, and any appropriate relief as described in section 181.936.

Sec. 5. Minnesota Statutes 2006, section 177.27, subdivision 8, is amended to read:

Subd. 8. **Court actions; suits brought by private parties.** An employee may bring a civil action seeking redress for a violation or violations of sections 177.21 to ~~177.35~~ 177.44 directly to district court. An employer who pays an employee less than the wages and overtime compensation to which the employee is entitled under sections 177.21 to ~~177.35~~ 177.44 is liable to the employee for the full amount of the wages, gratuities, and overtime compensation, less any amount the employer is able to establish was actually paid to the employee and for an additional equal amount as liquidated damages. In addition, in an action under this subdivision the employee may seek damages and other appropriate relief provided by subdivision 7 and otherwise provided by law. An agreement between the employee and the employer to work for less than the applicable wage is not a defense to the action.

Sec. 6. Minnesota Statutes 2006, section 177.27, subdivision 9, is amended to read:

Subd. 9. **District court jurisdiction.** Any action brought under subdivision 8 may be filed in the district court of the county wherein a violation or violations of sections 177.21 to ~~177.35~~ 177.44 are alleged to have been committed, where the respondent resides or has a principal place of business, or any other court of competent jurisdiction. The action may be brought by one or more employees.

Sec. 7. Minnesota Statutes 2006, section 177.27, subdivision 10, is amended to read:

Subd. 10. **Attorney fees and costs.** In any action brought pursuant to subdivision 8, the court shall order an employer who is found to have committed a violation or violations of sections 177.21 to ~~177.35~~ 177.44 to pay to the employee or employees reasonable costs, disbursements, witness fees, and attorney fees.

Sec. 8. Minnesota Statutes 2006, section 177.27, is amended by adding a subdivision to read:

Subd. 11. **Investigation of certain complaints.** (a) The commissioner shall conduct an investigation of any matter that alleges a violation of sections 181.932 and 181.9325. The identity of the person providing the information that initiated the investigation shall be classified as private data, pursuant to section 13.02, subdivision 12, except that the identity may be disclosed to a law enforcement agency that is conducting a criminal investigation of the matter.

(b) For each investigation completed, if the commissioner determines that there is reasonable cause to believe that an employer has violated section 181.932 or 181.9325, the commissioner shall report the nature and details of the alleged violation to the head of the employing agency or the appropriate appointing authority. If appropriate, the commissioner shall report this information to the attorney general, the policy committees of the house of representatives and senate having jurisdiction over the subject involved, and to any other authority that the commissioner deems appropriate. In any case in which the commissioner submits a report of alleged violations to the head of the employing agency or appropriate appointing authority, that individual shall report to the commissioner with respect to any action taken by the individual regarding the activity, the first report being transmitted no later than 30 days after the date of the auditor's report, and monthly thereafter until final action has been taken.

(c) This subdivision shall not limit any authority conferred upon the attorney general or other department or agency of government to investigate and prosecute any matter.

(d) The commissioner shall have all the powers and authority described in this section to conduct investigations pursuant to this subdivision.

Sec. 9. **[177.275] INVESTIGATION PROCEDURE.**

(a) The commissioner shall initiate an investigation of a written complaint of reprisal or retaliation in public employment as prohibited by section 181.932 or 181.9325 within ten working days of its submission. The commissioner shall complete findings of the investigation within 60 working days thereafter, and shall provide a copy of the findings to the complaining employee or applicant for employment and to the appropriate supervisor, manager, employee, or appointing authority. When the allegations contained in a complaint of reprisal or retaliation are the same as, or similar to, those contained in another appeal, the commissioner may consolidate the appeals into the most appropriate format. In these cases, the time limits described in this subdivision shall not apply.

(b) If the commissioner finds that the supervisor, manager, employee, or appointing power retaliated against the complainant for engaging in protected whistle-blower activities, the commissioner may issue a compliance order under section 177.27, subdivision 4.

(c) In order for the governor and the legislature to determine the need to continue or modify state personnel procedures as they relate to the investigations of reprisals or retaliation for the disclosure of information by public employees, the commissioner, by June 30 of each year, shall submit a report to the governor and the legislature regarding complaints filed, hearings held, and legal actions taken under this section.

Sec. 10. Minnesota Statutes 2006, section 177.28, subdivision 1, is amended to read:

Subdivision 1. **General authority.** The commissioner may adopt rules, including definitions of terms, to carry out the purposes of sections 177.21 to ~~177.35~~ 177.44, to prevent the circumvention or evasion of those sections, and to safeguard the minimum wage and overtime rates established by sections 177.24 and 177.25.

Sec. 11. Minnesota Statutes 2006, section 177.30, is amended to read:

177.30 KEEPING RECORDS; PENALTY.

Every employer subject to sections 177.21 to ~~177.35~~ 177.44 must make and keep a record of:

(1) the name, address, and occupation of each employee;

(2) the rate of pay, and the amount paid each pay period to each employee;

(3) the hours worked each day and each workweek by the employee; ~~and~~

(4) for each employer subject to sections 177.41 to 177.44, and while performing work on public works projects funded in whole or in part with state funds, the prevailing wage master job classification of each employee working on the project for each hour worked; and

~~(4)~~ (5) other information the commissioner finds necessary and appropriate to enforce sections 177.21 to 177.35. The records must be kept for three years in or near the premises where an employee works except each employer subject to sections 177.41 to 177.44, and while performing work on public works projects funded in whole or in part with state funds, the records must be kept for three years after the contracting authority has made final payment on the public works project.

The commissioner may fine an employer up to $1,000 for each failure to maintain records as required by this section. This penalty is in addition to any penalties provided under section 177.32, subdivision 1. In determining the amount of a civil penalty under this subdivision, the appropriateness of such penalty to the size of the employer's business and the gravity of the violation shall be considered.

Sec. 12. Minnesota Statutes 2006, section 177.43, subdivision 3, is amended to read:

Subd. 3. **Contract requirements.** The contract must specifically state the prevailing wage rates, prevailing hours of labor, and hourly basic rates of pay. The contract must also provide that the contracting authority may demand and the contractor or subcontractor shall furnish to the contracting authority, copies of any and all payrolls, and that the contracting authority may examine all records relating to wages paid laborers or mechanics on work to which sections 177.41 to 177.44 apply. The requirements of this subdivision are in addition to any other requirements or authority set forth in other laws or rules for work to which sections 177.41 to 177.44 apply.

Sec. 13. Minnesota Statutes 2006, section 177.43, subdivision 4, is amended to read:

Subd. 4. **Determination by commissioner; posting; petition for reconsideration.** The prevailing wage rates, prevailing hours of labor, and hourly basic rates of pay for all trades and occupations required in any project must be ascertained before the state asks for bids. The commissioner of labor and industry shall investigate as necessary to ascertain the information. ~~The commissioner~~ Each contractor and subcontractor performing work on a public project shall keep the information posted on the project in at least one conspicuous place for the information of the employees working on the project. A person aggrieved by a final determination of the commissioner may petition the commissioner for reconsideration of findings. A person aggrieved by a decision of the commissioner after reconsideration may, within 20 days after the decision, petition the commissioner for a public hearing in the manner of a contested case under sections 14.57 to 14.61.

Sec. 14. Minnesota Statutes 2006, section 177.43, subdivision 6, is amended to read:

Subd. 6. **Examination of records; investigation by the department.** The Department of Labor and Industry shall enforce this section. The department may demand, and the contractor and subcontractor shall furnish to the department, copies of any or all payrolls. The department may examine all records relating to wages paid laborers or mechanics on work to which sections 177.41 to 177.44 apply. The department shall employ at least three investigators to perform on-site project reviews, receive and investigate complaints of violations of this section, and conduct training and outreach to contractors and contracting authorities for public works projects financed in whole or in part with state funds.

Sec. 15. Minnesota Statutes 2006, section 177.43, is amended by adding a subdivision to read:

Subd. 6a. **Prevailing wage violations.** Upon issuing a compliance order to an employer pursuant to section 177.27, subdivision 4, for violation of sections 177.41 to 177.44, the commissioner shall issue a withholding order to the contracting authority ordering the contracting authority to withhold payment of sufficient sum to the prime or general contractor on the project to satisfy the back wages assessed or otherwise cure the violation, and the contracting authority must withhold the sum ordered until the compliance order has become a final order of the commissioner and has been fully paid or otherwise resolved by the employer.

During an investigation of a violation of sections 177.41 to 177.44 which the commissioner reasonably determines is likely to result in the finding of a violation of sections 177.41 to 177.44 and the issuance of a compliance order pursuant to section 177.27, subdivision 4, the commissioner may notify the contracting authority of the determination and the amount expected to be assessed and the contracting authority shall give the commissioner 90 days' prior notice of the date the contracting authority intends to make final payment.

Sec. 16. **[181.723] DEFINITIONS.**

Subdivision 1. **Scope.** The definitions in this subdivision apply to this section.

(a) "Person" means any individual, limited liability corporation, corporation, partnership, incorporated or unincorporated association, sole proprietorship, joint stock company, or any other legal or commercial entity.

(b) "Department" means the Department of Labor and Industry.

(c) "Commissioner" means the commissioner of labor and industry or a duly designated representative of the commissioner who is either an employee of the Department of Labor and Industry or person working under contract with the Department of Labor and Industry.

(d) "Individual" means a human being.

(e) "Day" means calendar day unless otherwise provided.

(f) "Knowingly" means knew or could have known with the exercise of reasonable diligence.

(g) "Document" or "documents" includes papers; books; records; memoranda; data; contracts; drawings; graphs; charts; photographs; digital, video, and audio recordings; records; accounts; files; statements; letters; e-mails; invoices; bills; notes; and calendars maintained in any form or manner.

Subd. 2. **Limited application.** This section only applies to individuals performing public or private sector commercial or residential building construction or improvement services.

Subd. 3. **Employee-employer relationship.** Except as provided in subdivision 4, for purposes of chapters 176, 177, 181A, 182, and 268, as of January 1, 2009, an individual who performs services for a person that are in the course of the person's trade, business, profession, or occupation is an employee of that person and that person is an employer of the individual.

Subd. 4. **Independent contractor.** An individual is an independent contractor and not an employee of the person for whom the individual is performing services in the course of the person's trade, business, profession, or occupation only if (a) the individual holds a current independent contractor exemption certificate issued by the commissioner; and (b) the individual is performing services for the person under the independent contractor exemption certificate as provided in subdivision 6. The requirements in clauses (a) and (b) must be met in order to qualify as an independent contractor and not as an employee of the person for whom the individual is performing services in the course of the person's trade, business, profession, or occupation.

Subd. 5. **Application.** To obtain an independent contractor exemption certificate, the individual must submit, in the manner prescribed by the commissioner, a complete application and the certificate fee required under subdivision 14.

(a) A complete application must include all of the following information:

(1) the individual's full name;

(2) the individual's residence address and telephone number;

(3) the individual's business name, address, and telephone number;

(4) the services for which the individual is seeking an independent contractor exemption certificate;

(5) the individual's Social Security number;

(6) the individual's or the individual's business federal employer identification number, if a number has been issued to the individual or the individual's business;

(7) any information or documentation that the commissioner requires by rule that will assist the department in determining whether to grant or deny the individual's application; and

(8) The individual's sworn statement that the individual meets all of the following conditions:

(i) the individual maintains a separate business with the individual's own office, equipment, materials, and other facilities;

(ii) the individual holds or has applied for a federal employer identification number or has filed business or self-employment income tax returns with the federal Internal Revenue Service if the person has performed services in the previous year for which the individual is seeking the independent contractor exemption certificate;

(iii) the individual operates under contracts to perform specific services for specific amounts of money and under which the individual controls the means of performing the services;

(iv) the individual incurs the main expenses related to the service that the individual performs under contract;

(v) the individual is responsible for the satisfactory completion of services that the individual contracts to perform and is liable for a failure to complete the service;

(vi) the individual receives compensation for service performed under a contract on a commission or per-job or competitive bid basis and not on any other basis;

(vii) the individual may realize a profit or suffer a loss under contracts to perform service;

(viii) the individual has continuing or recurring business liabilities or obligations; and

(ix) the success or failure of the individual's business depends on the relationship of business receipts to expenditures.

(b) Within 30 days of receiving a complete application and the certificate fee, the commissioner must either grant or deny the application. The commissioner may deny an application for an independent contractor exemption certificate if the individual has not submitted a complete application and certificate fee or if the individual does not meet all of the conditions for holding the independent contractor exemption certificate. The commissioner may revoke an independent contractor exemption certificate if the commissioner determines that the individual no longer meets all of the conditions for holding the independent contractor exemption certificate, commits any of the actions set out in subdivision 7, or fails to cooperate with a department investigation into the continued validity of the individual's certificate. Once issued, an independent contractor exemption certificate remains in effect for two years unless:

(1) revoked by the commissioner; or

(2) canceled by the individual.

(c) If the department denies an individual's original or renewal application for an independent contractor exemption certificate or revokes an independent contractor exemption certificate, the commissioner shall issue to the individual an order denying or revoking the certificate. The commissioner may issue an administrative penalty order to an individual or person who commits any of the actions set out in subdivision 7.

(d) An individual or person to whom the commissioner issues an order under paragraph (c) shall have 30 days after service of the order to request a hearing. The request for hearing must be in writing and must be served on or faxed to the commissioner at the address or fax number specified in the order by the 30th day after service of the order. If the individual does not request a hearing or if the individual's request for a hearing is not served on or faxed to the commissioner by the 30th day after service of the order, the order shall become a final order of the commissioner and will not be subject to review by any court or agency. The date on which a request for hearing is served by mail shall be the postmark date on the envelope in which the request for hearing is mailed. If the individual serves or faxes a timely request for hearing, the hearing shall be a contested case hearing and shall be held in accordance with chapter 14.

Subd. 6. **Qualifications for exemption certificate.** An individual is performing services for a person under an independent contractor exemption certificate if:

(a) the individual is performing services listed on the individual's independent contractor exemption certificate;

(b) at the time the individual is performing services listed on the individual's independent contractor exemption certificate, the individual meets all of the following conditions:

(1) the individual maintains a separate business with the individual's own office, equipment, materials, and other facilities;

(2) the individual holds or has applied for a federal employer identification number or has filed business or self-employment income tax returns with the federal Internal Revenue Service if the individual performed services in the previous year for which the individual has the independent contractor exemption certificate;

(3) the individual is operating under contract to perform the specific services for the person for specific amounts of money and under which the individual controls the means of performing the services;

(4) the individual is incurring the main expenses related to the services that the individual is performing for the person under the contract;

(5) the individual is responsible for the satisfactory completion of the services that the individual has contracted to perform for the person and is liable for a failure to complete the services;

(6) the individual receives compensation from the person for the services performed under the contract on a commission or per-job or competitive bid basis and not on any other basis;

(7) the individual may realize a profit or suffers a loss under the contract to perform services for the person;

(8) the individual has continuing or recurring business liabilities or obligations; and

(9) the success or failure of the individual's business depends on the relationship of business receipts to expenditures.

Subd. 7. **Prohibited activities.** (a) An individual shall not:

(1) perform work as an independent contractor without first obtaining from the department an independent contractor exemption certificate;

(2) perform work as an independent contractor when the department has denied or revoked the individual's independent contractor exemption certificate;

(3) transfer to another individual or allow another individual to use the individual's independent contractor exemption certificate;

(4) alter or falsify an independent contractor exemption certificate;

(5) misrepresent the individual's status as an independent contractor; or

(6) make a false material statement, representation, or certification; omit material information; or alter, conceal, or fail to file a document required by this section or any rule promulgated by the commissioner under rulemaking authority set out in this section.

(b) A person for whom an individual is performing services shall not:

(1) require an individual through coercion, misrepresentation, or fraudulent means to adopt independent contractor status;

(2) knowingly misrepresent that an individual who has not been issued an independent contractor exemption certificate or is not performing services for the person under an independent contractor exemption certificate is an independent contractor; or

(3) make a false material statement, representation, or certification; omit material information; or alter, conceal, or fail to file a document required by this section or any rule promulgated by the commissioner under rulemaking authority set out in this section.

(c) A person for whom an individual is performing services must obtain a copy of the individual's independent contractor exemption certificate before services may commence. A copy of the independent contractor exemption certificate must be retained for five years from the date of receipt by the person for whom an individual is performing services.

Subd. 8. **Remedies.** (a) An individual or person who violates any provision of subdivision 7 is subject to a penalty to be assessed by the department of up to $1,000 for each violation. The department shall deposit penalties in the assigned risk safety account.

(b) An individual who has been injured by a violation of subdivision 7, paragraph (b), may bring a civil action for damages against the violator. If the individual is determined to be an employee or an independent contractor considered an employee of the violator of subdivision 7, paragraph (b), the employee's representative as defined in section 179.01, subdivision 5, may bring a civil action for damages against the violator on behalf of the employee. In addition to damages the court may award attorney fees, costs, and disbursements to a recovery under this provision.

(c) Any court finding that a violation of subdivision 7 has occurred shall transmit a copy of its findings of fact and conclusion of law to the commissioner. The commissioner shall report the findings to the relevant state and federal agencies, including the commissioner of commerce, the commissioner of employment and economic development, the commissioner of revenue, the federal Internal Revenue Service, and the United States Department of Labor.

Subd. 9. **Commissioner's powers.** (a) In order to carry out the purposes of this section, the commissioner may:

(1) administer oaths and affirmations, certify official acts, interview, question, take oral or written statements, and take depositions;

(2) request, examine, take possession of, photograph, record, and copy any documents, equipment, or materials;

(3) at a time and place indicated by the commissioner, request persons to appear before the commissioner to give testimony and produce documents, equipment, or materials;

(4) issue subpoenas to compel persons to appear before the commissioner to give testimony and produce documents, equipment, or materials; and

(5) with or without notice, enter without delay upon any property, public or private, for the purpose of taking any action authorized under this subdivision or the applicable law, including obtaining information or conducting inspections or investigations.

(b) Persons requested by the commissioner to give testimony or produce documents, equipment, or materials shall respond within the time and in the manner specified by the commissioner. If no time to respond is specified in the request, then a response shall be submitted within 30 days of the commissioner's service of the request.

(c) Upon the refusal or anticipated refusal of a property owner, lessee, property owner's representative, or lessee's representative to permit the commissioner's entry onto property as provided in paragraph (a), the commissioner may apply for an administrative inspection order in the Ramsey County District Court or, at the commissioner's discretion, in the district court in the county in which the property is located. The commissioner may anticipate that a property owner or lessee will refuse entry if the property owner, lessee, property owner's representative, or lessee's representative has refused to permit entry on a prior occasion or has informed the commissioner that entry will be refused. Upon showing of administrative probable cause by the commissioner, the district court shall issue an administrative inspection order that compels the property owner or lessee to permit the commissioner to enter the property for the purposes specified in paragraph (a).

(d) Upon the application of the commissioner, a district court shall treat the failure of any person to obey a subpoena lawfully issued by the commissioner under this subdivision as a contempt of court.

Subd. 10. **Notice requirements.** Unless otherwise specified, service of a document on a person under this section or section 326B.083 may be by mail, by personal service, or in accordance with any consent to service filed with the commissioner. Service by mail shall be accomplished in the manner provided in Minnesota Rules, part 1400.5550, subpart 2. Personal service shall be accomplished in the manner provided in Minnesota Rules, part 1400.5550, subpart 3.

Subd. 11. **Facsimile; timely service.** When this section or section 326B.083 permits a request for reconsideration or request for hearing to be served by facsimile on the commissioner, the facsimile shall not exceed 15 pages in length. The request shall be considered timely served if the facsimile is received by the commissioner, at the facsimile number identified by the commissioner in the order or notice of violation, no later than 4:30 p.m. central time on the last day permitted for faxing the request. Where the quality or authenticity of the faxed request is at issue, the commissioner may require the original request to be filed. Where the commissioner has not identified quality or authenticity of the faxed request as an issue and the request has been faxed in accordance with this subdivision, the person faxing the request does not need to file the original request with the commissioner.

Subd. 12. **Time period computation.** In computing any period of time prescribed or allowed by this section, the day of the act, event, or default from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included, unless it is a Saturday, Sunday, or legal holiday, in which event the period runs until the next day which is not a Saturday, Sunday, or legal holiday.

Subd. 13. **Rulemaking.** The commissioner may, in consultation with the commissioner of revenue and the commissioner of employment and economic development, adopt, amend, suspend, and repeal rules under the rulemaking provisions of chapter 14 that relate to the commissioner's responsibilities under this section. This subdivision is effective the day following final enactment.

Subd. 14. **Fee.** The certificate fee for the original application and for the renewal of an independent contractor exemption certificate shall be $150. If an individual simultaneously submits an application for both an independent contractor exemption certificate under this section and a license under section 326.98, the application fee for the independent contractor exemption certificate shall be reduced to $100. Fees collected under this subdivision are deposited in the general fund.

Subd. 15. **Notice to commissioner; review by commissioner of revenue.** When the commissioner has reason to believe that an individual who holds a certificate has failed to maintain all the conditions required by subdivision 3 or is not performing services for a person under the independent contractor exemption certificate, the commissioner must notify the commissioner of revenue and the commissioner of employment and economic development. Upon receipt of notification from the commissioner that an individual who holds a certificate has failed to maintain all the conditions required by subdivision 3 or is not performing services for a person under the independent contractor exemption certificate, the commissioner of revenue must review the information returns required under section 6041A of the Internal Revenue Code. The commissioner of revenue shall also review the submitted certification that is applicable to returns audited or investigated under section 289A.35.

Subd. 16. **Data classified.** Certifications issued by the commissioner are public data. Applications and required documentation submitted by an individual is private data on an individual. Upon request of the Department of Revenue or the Department of Employment and Economic Development, the commissioner may release to the Department of Revenue and the Department of Employment and Economic Development applications and required documentation submitted by individuals and investigative data that relates to the department's issuance or denial of applications and the department's revocations of certificates. Except as otherwise provided by this subdivision, the department's investigative data shall be classified as provided in chapter 13.

EFFECTIVE DATE. This section is effective July 1, 2008.

Sec. 17. Minnesota Statutes 2006, section 181.932, subdivision 1, is amended to read:

Subdivision 1. **Prohibited action.** An employer shall not discharge, discipline, threaten, otherwise discriminate against, or penalize an employee regarding the employee's compensation, terms, conditions, location, or privileges of employment because:

(a) the employee, or a person acting on behalf of an employee, in good faith, reports a violation or suspected violation of any federal or state law or rule adopted pursuant to law to an employer or to any governmental body or law enforcement official and the alleged violation involves a matter of public concern, including, but not limited to, violations that create a specific danger to the public health, safety, or environment;

(b) the employee is requested by a public body or office to participate in an investigation, hearing, inquiry;

(c) the employee refuses an employer's order to perform an action that the employee has an objective basis in fact to believe violates any state or federal law or rule or regulation adopted pursuant to law which violation the employee reasonably believes is a matter of public concern, including, but not limited to, violations that create a specific danger to the public health, safety, or environment, and the employee informs the employer that the order is being refused for that reason; ~~or~~

(d) the employee, in good faith, reports a situation in which the quality of health care services provided by a health care facility, organization, or health care provider violates a standard established by federal or state law or a professionally recognized national clinical or ethical standard and potentially places the public at risk of harm~~.~~;

(e) a public employee refuses to alter, dilute, or suppress the objective representation or communication of scientific or technical data or findings, including but not limited to, findings of economic or environmental impact, or findings indicating consequences for the public's health or safety; or

(f) a public employee communicates the findings of a scientific or technical study that the employee, in good faith, believes to be truthful and accurate, including reports to a governmental body or law enforcement official.

The disclosures protected pursuant to this section do not authorize the disclosure of trade secret information otherwise protected by law.

Sec. 18. **[181.9325] USE OF AUTHORITY TO INFLUENCE OR INTERFERE WITH DISCLOSURE OF INFORMATION.**

(a) A public employer may not directly or indirectly use or attempt to use the employer's official authority or influence for the purpose of intimidating, threatening, coercing, or attempting to intimidate, threaten, or coerce any person for the purpose of interfering with the rights described in section 181.932, or for the purpose of persuading the person to waive or disclaim any other legal rights related to the person's employment.

(b) For purposes of this section, "use of official authority or influence" includes: promising to confer, or conferring, any benefit; effecting, or threatening to effect, any reprisal; or taking, or directing others to take, or recommending, processing, or approving, any personnel action, including but not limited to appointment, promotion, transfer, assignment, performance evaluation, suspension, or other disciplinary action.

Sec. 19. Minnesota Statutes 2006, section 181.935, is amended to read:

181.935 INDIVIDUAL REMEDIES; PENALTY.

(a) In addition to any remedies otherwise provided by law, an employee injured by a violation of section 181.932 or 181.9325 may bring a civil action to recover any and all damages recoverable at law, together with costs and disbursements, including reasonable attorney's fees, and may receive such injunctive and other equitable relief as determined by the court.

(b) An employer who failed to notify, as required under section 181.933 or 181.934, an employee injured by a violation of section 181.932 is subject to a civil penalty of $25 per day per injured employee not to exceed $750 per injured employee.

Sec. 20. **[181.936] REPRISALS FOR DISCLOSURE OF IMPROPER GOVERNMENTAL ACTIVITIES; COMPLAINT PROCEDURE; PENALTIES.**

(a) A public employee or applicant for public employment who files a written complaint with the employee's or applicant's supervisor, manager, or the appointing power alleging actual or attempted acts of reprisal, retaliation, threats, coercion, or similar improper acts prohibited by section 181.9325, may also file a copy of the written complaint with the commissioner of labor and industry, together with a sworn statement that the contents of the written complaint are true, or are believed by the affiant to be true, under penalty of perjury. The complaint filed with the commissioner shall be filed within 12 months of the most recent act of reprisal complained about.

(b) Any person who intentionally engages in acts of reprisal, retaliation, threats, coercion, or similar acts against a public employee or applicant for public employment for having made a protected disclosure under section 181.932, is subject to a fine not to exceed $10,000 and imprisonment in the county jail for a period not to exceed one year.

(c) In addition to all other penalties provided by law, any person who intentionally engages in acts of reprisal, retaliation, threats, coercion, or similar acts against a public employee or applicant for public employment for having made a protected disclosure shall be liable in an action for damages brought against the person by the injured party. Punitive damages may be awarded by the court where the acts of the offending party are proven to be malicious. Where liability has been established, the injured party shall also be entitled to reasonable attorney fees as provided by law. However, any action for damages shall not be available to the injured party unless the injured party has first filed a complaint with the commissioner of labor and industry under paragraph (a), and the department has issued, or failed to issue, findings under section 177.275.

(d) This section is not intended to prevent an appointing power, manager, or supervisor from taking, directing others to take, recommending, or approving any personnel action or from taking or failing to take a personnel action with respect to any public employee or applicant for public employment if the appointing power, manager, or supervisor reasonably believes any action or inaction is justified on the basis of evidence separate and apart from the fact that the person has made a protected disclosure under section 181.932.

(e) In any civil action or administrative proceeding, once it has been demonstrated by a preponderance of evidence that an activity protected by sections 177.27, 177.275, 181.932, and 181.9325 was a contributing factor in the alleged retaliation against a former, current, or prospective employee, the burden of proof shall be on the supervisor, manager, or appointing power to demonstrate by clear and convincing evidence that the alleged action would have occurred for legitimate, independent reasons even if the employee had not engaged in protected disclosures or refused an illegal order. If the supervisor, manager, or appointing power fails to meet this burden of proof in an adverse action against the employee in any administrative review, challenge, or adjudication in which retaliation has been demonstrated to be a contributing factor, the employee shall have a complete affirmative defense in the adverse action.

(f) Nothing in sections 177.27, 177.275, 181.932, and 181.9325 shall be deemed to diminish the rights, privileges, or remedies of any employee under any other federal or state law or under any employment contract or collective bargaining agreement.

Sec. 21. Minnesota Statutes 2006, section 325E.37, subdivision 6, is amended to read:

Subd. 6. **Scope; limitations.** (a) This section applies to a sales representative who, during some part of the period of the sales representative agreement:

(1) is a resident of Minnesota or maintains that person's principal place of business in Minnesota; or

(2) whose geographical territory specified in the sales representative agreement includes part or all of Minnesota.

(b) To be effective, any demand for arbitration under subdivision 5 must be made in writing and delivered to the principal on or before one year after the effective date of the termination of the agreement.

(c) A provision in any contract between a sales representative dealing in plumbing equipment or supplies and a principal purporting to waive any provision of this act, whether by express waiver or by a provision stipulating that the contract is subject to the laws of another state, shall be void.

Sec. 22. Minnesota Statutes 2006, section 326.37, subdivision 1, is amended to read:

Subdivision 1. **Rules.** The state ~~commissioner of health~~ Plumbing Board may, by rule, prescribe minimum standards which shall be uniform, and which standards shall thereafter be effective for all new plumbing installations, including additions, extensions, alterations, and replacements connected with any water or sewage disposal system owned or operated by or for any municipality, institution, factory, office building, hotel, apartment building, or any other place of business regardless of location or the population of the city or town in which located. Notwithstanding the provisions of Minnesota Rules, part 4715.3130, as they apply to review of plans and specifications, the commissioner may allow plumbing construction, alteration, or extension to proceed without approval of the plans or specifications by the commissioner.

Except for powers granted to the Plumbing Board, the commissioner of labor and industry shall administer the provisions of sections 326.37 to 326.45 and for such purposes may employ plumbing inspectors and other assistants.

Sec. 23. **[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 alteration of plumbing systems that would include the issuing, renewing, revoking, refusing to renew, and suspending a plumbing license, except for persons licensed under sections 326.02 to 326.15;

(5) adopt rules necessary for continuing education for individuals regulated and licensed under this section;

(6) make recommendations to the commissioner regarding educational requirements for plumbing inspectors; and

(7) pay expenses deemed necessary in the performance of board duties, including:

(i) rent, utilities, and supplies in the manner and amount specified in section 43A.18, subdivision 2; and

(ii) per diem and expenses for its members as provided in section 15.0575, subdivision 3.

(b) Requests under the review process in paragraph (a), clause (3), may originate with the municipal inspectors, the plumbing contractors or their employees, and other persons engaged in the design, installation, and alteration of plumbing systems. The board shall make its findings known to all parties and the commissioner of labor and industry within the time period specified by the board.

Subd. 3. **Fees and finances.** The board shall submit an annual budget to the commissioner of labor and industry. The commissioner shall collect fees under section 326.42 necessary for the operation and continuance of the board. The commissioner is responsible for the enforcement of the codes and licensing requirements determined by the board. The board shall set the fees for licenses and certification under this section. The commissioner of finance shall make a quarterly certification of the amount necessary to pay expenses required for operation of the board under subdivision 2, paragraph (a), clause (6). The certified amount is appropriated to the board for those purposes from the fees collected under section 326.42.

Sec. 24. Minnesota Statutes 2006, section 326.38, is amended to read:

326.38 LOCAL REGULATIONS.

Any city having a system of waterworks or sewerage, or any town in which reside over 5,000 people exclusive of any statutory cities located therein, or the metropolitan airports commission, may, by ordinance, adopt local regulations providing for plumbing permits, bonds, approval of plans, and inspections of plumbing, which regulations are not in conflict with the plumbing standards on the same subject prescribed by the state ~~commissioner of health~~ Plumbing Board. No city or such town shall prohibit plumbers licensed by the state commissioner of ~~health~~ labor and industry from engaging in or working at the business, except cities and statutory cities which, prior to April 21, 1933, by ordinance required the licensing of plumbers. No city or town may require a license for persons performing building sewer or water service installation who have completed pipe laying training as prescribed by the commissioner of labor and industry. Any city by ordinance may prescribe regulations, reasonable standards, and inspections and grant permits to any person, firm, or corporation engaged in the business of installing water softeners, who is not licensed as a master plumber or journeyman plumber by the state commissioner of ~~health~~ labor and industry, to connect water softening and water filtering equipment to private residence water distribution systems, where provision has been previously made therefor and openings left for that purpose or by use of cold water connections to a domestic water heater; where it is not necessary to rearrange, make any extension or alteration of, or addition to any pipe, fixture or plumbing connected with the water system except to connect the water softener, and provided the connections so made comply with minimum standards prescribed by the state ~~commissioner of health~~ Plumbing Board.

Sec. 25. Minnesota Statutes 2006, section 326.40, subdivision 1, is amended to read:

Subdivision 1. **License required~~; master and journeyman plumbers~~.** ~~In any city now or hereafter having 5,000 or more population, according to the last federal census, and having a system of waterworks or sewerage,~~ (a) No person, firm, or corporation shall engage in or work at the business of a master plumber ~~or~~, restricted master plumber, journeyman plumber, and restricted journeyman plumber unless licensed to do so by the state commissioner of ~~health~~ labor and industry. A license is not required for persons performing building sewer or water service installation who have completed pipe laying training as prescribed by the commissioner of labor and industry. A master plumber may also work as a journeyman plumber, a restricted journeyman plumber, and a restricted master plumber. A journeyman plumber may also work as a restricted journeyman plumber. Anyone not so licensed may do plumbing work which complies with the provisions of the minimum standard prescribed by the state ~~commissioner of health~~ Plumbing Board on premises or that part of premises owned and actually occupied by the worker as a residence, unless otherwise forbidden to do so by a local ordinance.

~~In any such city~~ (b) No person, firm, or corporation shall engage in the business of installing plumbing nor install plumbing in connection with the dealing in and selling of plumbing material and supplies unless at all times a licensed master plumber, or in cities and towns with a population of fewer than 5,000 according to the federal census a restricted master plumber, who shall be responsible for proper installation, is in charge of the plumbing work of the person, firm, or corporation.

The ~~Department of Health~~ Plumbing Board shall prescribe rules, not inconsistent herewith, for the examination and licensing of plumbers.

Sec. 26. Minnesota Statutes 2006, section 326.401, subdivision 2, is amended to read:

Subd. 2. **Journeyman exam.** A plumber's apprentice who has completed four years of practical plumbing experience is eligible to take the journeyman plumbing examination. Up to 24 months of practical plumbing experience prior to registration as an apprentice may be applied to the four-year experience requirement. However, none of this practical plumbing experience may be applied if the person did not have any practical plumbing experience in the 12-month period immediately prior to registration. The ~~commissioner~~ Plumbing Board may adopt rules to evaluate whether the person's past practical plumbing experience is applicable in preparing for the journeyman's examination. If two years after completing the training the person has not taken the examination, the four years of experience shall be forfeited.

The commissioner may allow an extension of the two-year period for taking the exam for cases of hardship or other appropriate circumstances.

Sec. 27. **[326.402] RESTRICTED PLUMBER LICENSE.**

Subdivision 1. **Licensure.** The commissioner of labor and industry shall grant a restricted journeyman or master plumber license to an individual if:

(1) the individual completes an application with information required by the commissioner of labor and industry;

(2) the completed application is accompanied by a fee of $90;

(3) the commissioner of labor and industry receives the completed application and fee before January 1, 2008;

(4) the completed application demonstrates that the applicant has had at least two years for a restricted journeyman plumber license or four years for a restricted master plumber license of practical plumbing experience in the plumbing trade prior to the application; and

(5) during the entire time for which the applicant is claiming experience in contracting for plumbing work under clause (4), the applicant was in compliance with all applicable requirements of section 326.40.

Subd. 2. **Use of license.** A restricted master plumber and restricted journeyman plumber may engage in the plumbing trade in all areas of the state except in cities and towns with a population of more than 5,000 according to the federal census.

Subd. 3. **Application period.** Applications for restricted master plumber and restricted journeyman plumber licenses must be submitted to the commissioner prior to January 1, 2008.

Subd. 4. **Renewal; use period for license.** A restricted master plumber and restricted journeyman plumber license must be renewed annually for as long as that licensee engages in the plumbing trade. Failure to renew a restricted master plumber and restricted journeyman plumber license within 12 months after the expiration date will result in permanent forfeiture of the restricted master plumber and restricted journeyman plumber license.

Subd. 5. **Prohibition of transference.** A restricted master plumber and restricted journeyman plumber license may not be transferred or sold to any other person.

Subd. 6. **Bond; insurance.** A restricted master plumber licensee is subject to the bond and insurance requirements of section 326.40, subdivision 2, unless the exemption provided by section 326.40, subdivision 3, applies.

Subd. 7. **Fee.** The annual fee for the restricted master plumber and restricted journeyman plumber licenses is the same fee as for a master or journeyman plumber license, respectively.

Sec. 28. Minnesota Statutes 2006, section 326.405, is amended to read:

326.405 RECIPROCITY WITH OTHER STATES.

~~The commissioner of health may license without examination, upon payment of the required fee, nonresident applicants who are licensed under the laws of a state having standards for licensing plumbers which the commissioner determines are substantially equivalent to the standards of this state if the other state grants similar privileges to Minnesota residents duly licensed in this state.~~ The commissioner may issue a temporary license without examination, upon payment of the required fee, nonresident applicants who are licensed under the laws of a state having standards for licensing which the commissioner determines are substantially equivalent to the standards of this state if the other state grants similar privileges to Minnesota residents duly licensed in this state. Applicants who receive a temporary license under this section may acquire an aggregate of 24 months of experience before they have to apply and pass the licensing examination. Applicants must register with the commissioner of labor and industry and the commissioner shall set a fee for a temporary license. Applicants have five years in which to comply with this section.

Sec. 29. Minnesota Statutes 2006, section 326.42, subdivision 1, is amended to read:

Subdivision 1. **Application.** Applications for plumber's license shall be made to the state commissioner of ~~health~~ labor and industry, with fee. Unless the applicant is entitled to a renewal, the applicant shall be licensed by the state commissioner of ~~health~~ labor and industry only after passing a satisfactory examination administered by the ~~examiners~~ commissioner of labor and industry, based upon rules adopted by the Plumbing Board showing fitness. Examination fees for both journeyman and master plumbers shall be in an amount prescribed by the state commissioner of ~~health~~ labor and industry pursuant to section 144.122. Upon being notified that of having successfully passed the examination for original license the applicant shall submit an application, with the license fee herein provided. License fees shall be in an amount prescribed by the state commissioner of ~~health~~ labor and industry pursuant to section 144.122. Licenses shall expire and be renewed as prescribed by the commissioner pursuant to section 144.122.

Sec. 30. Minnesota Statutes 2006, section 341.28, subdivision 2, is amended to read:

Subd. 2. **Regulatory authority; tough person contests.** All tough person contests, including amateur tough person contests, are subject to this chapter. All tough person contests are subject to American Boxing Commission (ABC) rules. Every contestant in a tough person contest shall have a physical examination prior to their bouts. Every contestant in a tough person contest shall wear padded gloves that weigh at least 12 ounces. All tough person bouts are limited to two-minute rounds and a maximum of four total rounds. Officials at tough person bouts shall be licensed under this chapter.

Sec. 31. Minnesota Statutes 2006, section 341.28, is amended by adding a subdivision to read:

Subd. 3. **Regulatory authority; similar sporting events.** All mixed martial arts, ultimate fight contests, and similar sporting events are subject to this chapter.

Sec. 32. Minnesota Statutes 2006, section 341.32, subdivision 2, is amended to read:

Subd. 2. **Expiration and renewal.** A license ~~expires December 31 at midnight in the year of its issuance~~ issued after the effective date of this act is valid for one year from the date it is issued and may be renewed by filing an application for renewal with the commission and payment of the license fee. An application for a license and renewal of a license must be on a form provided by the commission. There is a 30-day grace period during which a license may be renewed if a late filing penalty fee equal to the license fee is submitted with the regular license fee. A licensee that files late shall not conduct any activity regulated by this chapter until the commission has renewed the license. If the licensee fails to apply to the commission within the 30-day grace period, the licensee must apply for a new license under subdivision 1.

Sec. 33. Minnesota Statutes 2006, section 341.321, is amended to read:

341.321 FEE SCHEDULE.

(a) The fee schedule for licenses issued by the Minnesota Boxing Commission is as follows:

(1) referees, ~~$35~~ $45 for each initial license and each renewal;

(2) promoters, $400 for each initial license and each renewal;

(3) judges and knockdown judges, ~~$25~~ $45 for each initial license and each renewal;

(4) trainers, ~~$35~~ $45 for each initial license and each renewal;

(5) ring announcers, ~~$25~~ $45 for each initial license and each renewal;

(6) boxers' seconds, ~~$25~~ $45 for each initial license and each renewal;

(7) timekeepers, ~~$25~~ $45 for each initial license and each renewal; ~~and~~

(8) boxers, ~~$35~~ $45 for each initial license and each renewal~~.~~;

(9) managers, $45 for each initial license and each renewal; and

(10) ringside physicians, $45 for each initial license and each renewal.

(b) The commission shall establish and assess an event fee for each sporting event. The event fee is set at a minimum of $1,500 per event or a percentage of the ticket sales as determined by the commission when the sporting event is scheduled.

(c) All fees collected by the Minnesota Boxing Commission must be deposited in the Boxing Commission account in the special revenue fund.

Sec. 34. **REPEALER.**

Minnesota Statutes 2006, section 326.45, is repealed.

ARTICLE 9
HIGH PRESSURE PIPING

Section 1. Minnesota Statutes 2006, section 326.46, is amended to read:

326.46 SUPERVISION OF HIGH PRESSURE PIPING.

The Department of Labor and Industry shall supervise all high pressure piping used on all projects in this state~~, and may prescribe minimum standards which shall be uniform~~ under rules adopted by the board.

The department shall employ inspectors and other assistants to carry out the provisions of sections 326.46 to 326.52.

Sec. 2. Minnesota Statutes 2006, section 326.461, is amended by adding a subdivision to read:

Subd. 1a. **Board.** "Board" means the Board of High Pressure Piping Systems.

Sec. 3. Minnesota Statutes 2006, section 326.47, subdivision 2, is amended to read:

Subd. 2. **Permissive municipal regulation.** A municipality may, by ordinance, provide for the inspection of high pressure piping system materials and construction, and provide that it shall not be constructed or installed except in accordance with minimum state standards. The authority designated by the ordinance for issuing high pressure piping permits and assuring compliance with state standards must report to the Department of Labor and Industry all violations of state high pressure piping standards.

A municipality may not adopt an ordinance with high pressure piping standards that does not conform to the uniform standards prescribed by the ~~Department of Labor and Industry~~ board. The ~~Department of Labor and Industry~~ board shall specify by rule the minimum qualifications for municipal inspectors.

Sec. 4. Minnesota Statutes 2006, section 326.47, subdivision 6, is amended to read:

Subd. 6. **Filing and inspection fees.** The Department of Labor and Industry must charge a filing fee set by the ~~commissioner~~ board under section 16A.1285 for all applications for permits to construct or install high pressure piping systems. The fee for inspection of high pressure piping system construction or installation shall be set by the ~~commissioner~~ board under section 16A.1285. This subdivision does not apply where a permit is issued by a municipality complying with subdivision 2.

Sec. 5. **[326.471] BOARD OF HIGH PRESSURE PIPING SYSTEMS.**

Subdivision 1. **Composition.** (a) The Board of High Pressure Piping Systems shall consist of 12 members who must be residents of the state, appointed by the governor, and confirmed by the senate. The commissioner of the Department 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) one member shall be a high pressure piping inspector;

(2) one member shall be a licensed mechanical engineer;

(3) one member shall be a representative of the piping industry;

(4) four members shall be high pressure piping contractors or their representatives, engaged in the scope of high pressure piping, two from the metro area and two from greater Minnesota;

(5) two members shall be high pressure piping journeypersons engaged in the scope of high pressure piping systems installation, one from the metro area and one from greater Minnesota; and

(6) two members shall be representatives from utility companies in Minnesota who shall serve an initial term of two years.

(b) Except for the licensed mechanical engineer and the members from utilities companies, all persons appointed to the board must possess a current license or competency credential required for contractors and persons engaged in the design, installation, alteration, and inspection of high pressure piping systems.

Subd. 2. **Powers.** (a) The board shall have the power to:

(1) elect its chair;

(2) specify the high pressure piping code that must be followed in Minnesota;

(3) maintain an appeals committee 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, trainees, and persons engaged in the design, installation, alteration, and inspection of high pressure piping systems, except for persons licensed under sections 326.02 to 326.15;

(5) adopt rules necessary for continuing education for individuals regulated and licensed under this section; and

(6) pay expenses deemed necessary in the performance of board duties, including:

(i) rent, utilities, and supplies in the manner and amount specified in section 43A.18, subdivision 2; and

(ii) per diem and expenses for its members as provided in section 15.0575, subdivision 3.

(b) Complaints filed under this section may originate with high pressure piping inspectors, contractors, or their employees, or other persons engaged in the design, installation, and alteration of a high pressure piping system. The board shall make their findings known to all parties and the commissioner of the Department of Labor and Industry within the time period specified by the board.

Subd. 3. **Fee and finances.** The board shall submit an annual budget to the commissioner of the Department of Labor and Industry. The commissioner shall collect fees under section 326.47, subdivision 6, necessary for the operation and continuance of the board. The commissioner is responsible for the enforcement of the codes and licensing requirements determined by the board. The board shall set the fees for licenses and certification under this section and for all high pressure piping system permits and submit the fee structure to the commissioner of labor and industry. The commissioner of finance shall make a quarterly certification of the amount necessary to pay expenses required for operation of the board under subdivision 2, paragraph (a), clause (6). The certified amount is appropriated to the board for those purposes from the fees collected under section 326.50.

Sec. 6. Minnesota Statutes 2006, section 326.48, subdivision 1, is amended to read:

Subdivision 1. **License required; rules; time credit.** No person shall engage in or work at the business of a contracting pipefitter unless issued an individual contracting pipefitter license to do so by the Department of Labor and Industry under rules prescribed by the board. No license shall be required for repairs on existing installations. No person shall engage in or work at the business of journeyman pipefitter unless issued an individual journeyman pipefitter competency license to do so by the Department of Labor and Industry under rules prescribed by the board. A person possessing an individual contracting pipefitter competency license may also work as a journeyman pipefitter.

No person, partnership, firm, or corporation shall install high pressure piping, nor install high pressure piping in connection with the dealing in and selling of high pressure pipe material and supplies, unless, at all times, a person possessing a contracting pipefitter individual competency license or a journeyman pipefitter individual competency license is responsible for the high pressure pipefitting work conducted by the person, partnership, firm, or corporation being in conformity with Minnesota Statutes and Minnesota Rules.

The ~~Department of Labor and Industry~~ board shall prescribe rules, not inconsistent herewith, for the examination and individual competency licensing of contracting pipefitters and journeyman pipefitters and for issuance of permits by the department and municipalities for the installation of high pressure piping.

An employee performing the duties of inspector for the Department of Labor and Industry in regulating pipefitting shall not receive time credit for the inspection duties when making an application for a license required by this section.

Sec. 7. Minnesota Statutes 2006, section 326.48, subdivision 2, is amended to read:

Subd. 2. **High pressure pipefitting business license.** Before obtaining a permit for high pressure piping work, a person, partnership, firm, or corporation must obtain or utilize a business with a high pressure piping business license.

A person, partnership, firm, or corporation must have at all times as a full-time employee at least one individual holding an individual contracting pipefitter competency license. Only full-time employees who hold individual contracting pipefitter licenses are authorized to obtain high pressure piping permits in the name of the business. The individual contracting pipefitter competency license holder can be the employee of only one high pressure piping business at a time.

To retain its business license without reapplication, a person, partnership, firm, or corporation holding a high pressure piping business license that ceases to employ a person holding an individual contracting pipefitter competency license shall have 60 days from the last day of employment of its previous individual contracting pipefitter competency license holder to employ another license holder. The Department of Labor and Industry must be notified no later than five days after the last day of employment of the previous license holder.

No high pressure pipefitting work may be performed during any period when the high pressure pipefitting business does not have an individual contracting pipefitter competency license holder on staff. If a license holder is not employed within 60 days, the pipefitting business license shall lapse.

The ~~Department of Labor and Industry~~ board shall prescribe by rule procedures for application for and issuance of business licenses and fees.

Sec. 8. Minnesota Statutes 2006, section 326.48, is amended by adding a subdivision to read:

Subd. 6. **Reciprocity with other states.** The commissioner may issue a temporary license without examination, upon payment of the required fee, nonresident applicants who are licensed under the laws of a state having standards for licensing which the commissioner determines are substantially equivalent to the standards of this state if the other state grants similar privileges to Minnesota residents duly licensed in this state. Applicants who receive a temporary license under this section may acquire an aggregate of 24 months of experience before they have to apply and pass the licensing examination. Applicants must register with the commissioner of labor and industry and the commissioner shall set a fee for a temporary license. Applicants have five years in which to comply with this section.

Sec. 9. Minnesota Statutes 2006, section 326.50, is amended to read:

326.50 APPLICATION; FEES.

Application for an individual contracting pipefitter competency or an individual journeyman pipefitter competency license shall be made to the Department of Labor and Industry, with fees. The applicant shall be licensed only after passing an examination administered by the Department of Labor and Industry in accordance with rules adopted by the board.

Sec. 10. Minnesota Statutes 2006, section 326.51, is amended to read:

326.51 DEPARTMENT MAY REVOKE LICENSES.

The ~~department~~ board may revoke or suspend, for cause, any license obtained through error or fraud, or if the licensee is shown to be incompetent, or for a violation of any of its rules and regulations applicable to high pressure pipefitting work. The licensee shall have notice, in writing, enumerating the charges, and be entitled to a hearing on at least ten days' notice, with the right to produce testimony. The hearing shall be held pursuant to chapter 14. The ~~commissioner~~ board shall issue a final order based on testimony and the record at hearing. One year from the date of revocation application may be made for a new license.

Sec. 11. Minnesota Statutes 2006, section 326.52, is amended to read:

326.52 DEPOSIT OF FEES.

All fees received under sections 326.46 to 326.52 shall be deposited by the Department of Labor and Industry to the credit of the general fund in the state treasury. The salaries and per diem of the inspectors and examiners hereinbefore provided, their expenses, and all incidental expenses of the department and board in carrying out the provisions of sections 326.46 to 326.52 shall be paid from the appropriations made to the Department of Labor and Industry. The ~~commissioner~~ board by rule shall set the amount of the fees at a level that approximates, to the greatest extent possible, the salaries, per 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.

Subd. 2. **Collection; remittance.** The surcharge imposed in this section shall be collected by all sellers of these tickets with nexus in the state of Minnesota. The seller shall report the surcharge on a return proscribed by the commissioner of revenue and shall remit the surcharge with the return.

Subd. 3. **Administration.** Unless specifically provided otherwise in this section, the audit, assessment, refund, penalty, interest, enforcement, collection remedies, appeal, and administrative provisions in this chapter and chapter 289A that are applicable to taxes imposed under chapter 297A apply to the surcharge imposed under this section.

Subd. 4. **Deposit of revenues.** The commissioner of revenue shall deposit all revenues, including penalty and interest, derived from the surcharge imposed in this section in the hockey surcharge account in the special revenue fund. The amount deposited under this section is appropriated to the Iron Range Resources and Rehabilitation Board for payment to the city of Eveleth to be used for the support of the Hockey Hall of Fame Museum provided that it continues to operate in the city. Payments under this section for the Hockey Hall of Fame Museum are in addition to and must not be used to supplant funding under section 298.28, subdivision 9c.

Sec. 2. Minnesota Statutes 2006, section 298.22, subdivision 2, is amended to read:

Subd. 2. **Iron Range Resources and Rehabilitation Board.** There is hereby created the Iron Range Resources and Rehabilitation Board, consisting of ~~13~~ ten members, five of whom are state senators appointed by the Subcommittee on Committees of the Rules Committee of the senate, and five of whom are representatives, appointed by the speaker of the house of representatives. ~~The remaining members shall be appointed one each by the senate majority leader, the speaker of the house of representatives, and the governor and must be nonlegislators who reside in a taconite assistance area as defined in section 273.1341.~~ The members shall be appointed in January of every odd-numbered year~~, except that the initial nonlegislator members shall be appointed by July 1, 1999,~~ and shall serve until January of the next odd-numbered year. Vacancies on the board shall be filled in the same manner as the original members were chosen. At least a majority of the legislative members of the board shall be elected from state senatorial or legislative districts in which over 50 percent of the residents reside within a taconite assistance area as defined in section 273.1341. All expenditures and projects made by the commissioner of Iron Range resources and rehabilitation shall be consistent with the priorities established in subdivision 8 and shall first be submitted to the Iron Range Resources and Rehabilitation Board for approval by a majority of the board of expenditures and projects for rehabilitation purposes as provided by this section, and the method, manner, and time of payment of all funds proposed to be disbursed shall be first approved or disapproved by the board. The board shall biennially make its report to the governor and the legislature on or before November 15 of each even-numbered year. The expenses of the board shall be paid by the state from the funds raised pursuant to this section.

Sec. 3. Minnesota Statutes 2006, section 298.227, is amended to read:

298.227 TACONITE ECONOMIC DEVELOPMENT FUND.

An amount equal to that distributed pursuant to each taconite producer's taxable production and qualifying sales under section 298.28, subdivision 9a, shall be held by the Iron Range Resources and Rehabilitation Board in a separate taconite economic development fund for each taconite and direct reduced ore producer. Money from the fund for each producer shall be released by the commissioner after review by a joint committee consisting of an equal number of representatives of the salaried employees and the nonsalaried production and maintenance employees of that producer. The District 11 director of the United States Steelworkers of America, on advice of each local employee president, shall select the employee members. In nonorganized operations, the employee committee shall be elected by the nonsalaried production and maintenance employees. The review must be completed no later than six months after the producer presents a proposal for expenditure of the funds to the committee. The funds held pursuant to this section may be released only for acquisition of plant and stationary mining equipment and facilities for the producer or for research and development in Minnesota on new mining, or taconite, iron, or steel production technology, but only if the producer provides a matching expenditure to be used for the same purpose of at least 50 percent of the distribution based on 14.7 cents per ton beginning with distributions in 2002. Effective for proposals for expenditures of money from the fund approved beginning the day following final enactment, the commissioner may release the funds only if the proposed expenditure is approved by a majority of the members of the Iron Range Resources and Rehabilitation Board. If a producer uses money which has been released from the fund prior to the day following final enactment to procure haulage trucks, mobile equipment, or mining shovels, and the producer removes the piece of equipment from the taconite tax relief area defined in section 273.134 within ten years from the date of receipt of the money from the fund, a portion of the money granted from the fund must be repaid to the taconite economic development fund. The portion of the money to be repaid is 100 percent of the grant if the equipment is removed from the taconite tax relief area within 12 months after receipt of the money from the fund, declining by ten percent for each of the subsequent nine years during which the equipment remains within the taconite tax relief area. If a taconite production facility is sold after operations at the facility had ceased, any money remaining in the fund for the former producer may be released to the purchaser of the facility on the terms otherwise applicable to the former producer under this section. If a producer fails to provide matching funds for a proposed expenditure within six months after the commissioner approves release of the funds, the funds are available for release to another producer in proportion to the distribution provided and under the conditions of this section. Any portion of the fund which is not released by the commissioner within two years of its deposit in the fund shall be divided between the taconite environmental protection fund created in section 298.223 and the Douglas J. Johnson economic protection trust fund created in section 298.292 for placement in their respective special accounts. Two-thirds of the unreleased funds shall be distributed to the taconite environmental protection fund and one-third to the Douglas J. Johnson economic protection trust fund.

EFFECTIVE DATE. This section is effective for proposals for expenditures of money from the fund the day following final enactment.

Sec. 4. **APPROPRIATION; IRON RANGE RESOURCES AND REHABILITATION BOARD.**

$500,000 is appropriated from the Iron Range Resources and Rehabilitation Board fund for fiscal year 2008 for allocation in this section:

(1) $225,000 is for Aitkin County Growth, Inc. to extend electric service and other infrastructure to a peat project in Spencer Township in Aitkin County;

(2) $75,000 is for a nonprofit organization for the preservation of the B'nai Abraham Synagogue in Virginia, of which $50,000 is for renovation and $25,000 is for a permanent endowment for the preservation;

(3) $150,000 is for a grant to the Iron Range youth in action program to assist the organization to employ youth for the construction of community centers; and

(4) $50,000 is for a grant to the Iron Range retriever club for pond and field construction.

These are onetime appropriations.

Sec. 5. **IRRRB BUILDING.**

The Iron Range Resources and Rehabilitation Board office building in Eveleth, Minnesota is designated and named the Joe Begich Building and shall be signed as such 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 preforming 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:

(1) two shall be representatives of the electrical suppliers in the rural areas of the state,

(2) two shall be master electricians, who shall be contractors,

(3) two journeyman electricians,

(4) one registered consulting electrical engineer,

(5) two power limited technicians, who shall be technology system contractors primarily engaged in the business of installing technology circuits or systems, and

(6) two public members as defined by section 214.02.

(b) Except as provided herein, membership terms, compensation of members, removal of members, the filling of membership vacancies, and fiscal year and reporting requirements shall be as provided in sections 214.07 to 214.09. The provision of staff, administrative services and office space; the review and processing of complaints; the setting of board fees; and other provisions relating to board operations shall be as provided in chapter 214.

Sec. 3. Minnesota Statutes 2006, section 326.241, subdivision 2, is amended to read:

Subd. 2. **Powers.** (a) The board, or the complaint committee on behalf of the board where authorized by law, shall have power to:

(1) Elect its own officers.

~~(2) Engage and fix the compensation of inspectors, and hire employees. The salary of the executive secretary shall be established pursuant to chapter 43A. All agents and employees other than contract inspectors shall be in the classified service and shall be compensated pursuant to chapter 43A. All inspectors shall hold licenses as master or journeyman electricians under section 326.242, subdivision 1(1) or 2(1), and shall give bond in an amount fixed by the board, conditioned upon the faithful performance of their duties.~~

~~(3)~~ (2) Pay such other expenses as it may deem necessary in the performance of its duties, including rent, supplies, and such like.

(3) Select from its members individuals to serve on any other state advisory councils, boards, or committees.

(4) Enforce the provisions of sections 326.241 to 326.248, and provide, upon request, such additional voluntary inspections and reviews as it may deem appropriate.

(5) ~~Issue, renew, refuse to renew, suspend, temporarily suspend, and revoke licenses, censure licensees, assess civil penalties, issue cease and desist orders, and seek injunctive relief and civil penalties in court as authorized by section 326.242 and other provisions of Minnesota law.~~ Establish the committees required herein and any others deemed necessary by the board or requested by the commissioner.

(6) Adopt reasonable rules to carry out its duties under sections 326.241 to 326.248 and to provide for the amount and collection of fees for inspection and other services. All rules shall be adopted in accordance with chapter 14.

(7) Advise the commissioner on issues related to sections 326.241 to 326.248 or as requested by the commissioner.

(b) Except for the powers granted to the Electricity Board the commissioner of labor and industry shall administer the provisions of sections 326.241 to 326.248 and for such purposes may employ electrical inspectors and other assistants.

Sec. 4. Minnesota Statutes 2006, section 326.242, subdivision 5, is amended to read:

Subd. 5. **Unlicensed ~~persons~~ individuals.** (a) An unlicensed ~~person~~ individual means an individual who has not been licensed by the Board of Electricity as a Class A master electrician or as a Class A journeyman electrician. An unlicensed individual shall not perform electrical work required to be performed by a licensed individual unless the individual has first registered with the Board of Electricity as an unlicensed individual. Thereafter, an unlicensed individual shall not perform electrical work required to be performed by a licensed individual unless the work is performed under the ~~personal~~ direct supervision of ~~a person~~ an individual actually licensed to perform such work ~~and~~. The licensed ~~electrician~~ individual and unlicensed ~~persons are~~ individual must be employed by the same employer. Licensed ~~persons~~ individuals shall not permit unlicensed ~~persons~~ individuals to perform electrical work except under the ~~personal~~ direct supervision of ~~a person~~ an individual actually licensed to perform such work. Unlicensed ~~persons~~ individuals shall not supervise the performance of electrical work or make assignments of electrical work to unlicensed ~~persons~~ individuals. Except for technology circuit or system work, licensed ~~persons~~ individuals shall supervise no more than two unlicensed ~~persons~~ individuals. For technology circuit or system work, licensed ~~persons~~ individuals shall supervise no more than three unlicensed ~~persons~~ individuals.

(b) Notwithstanding any other provision of this section, no ~~person~~ individual other than a master electrician or power limited technician shall plan or lay out electrical wiring, apparatus, or equipment for light, heat, power, or other purposes, except circuits or systems exempted from personal licensing by subdivision 12, paragraph (b).

(c) Contractors employing unlicensed ~~persons performing~~ individuals to perform electrical work shall maintain records establishing compliance with this subdivision, ~~which~~ that shall ~~designate~~ identify all unlicensed ~~persons~~ individuals performing electrical work, except for persons working on circuits or systems exempted from personal licensing by subdivision 12, paragraph (b), and shall permit the board to examine and copy all such records as provided for in section 326.244, subdivision 6.

(d) When a licensed individual supervises the electrical work of an unlicensed individual, the licensed individual is responsible for ensuring that the electrical work complies with sections 326.241 to 326.248 and rules adopted.

Sec. 5. Minnesota Statutes 2006, section 326.242, is amended by adding a subdivision to read:

Subd. 5a. **Registration of unlicensed individuals.** Unlicensed individuals performing electrical work for a contractor or employer shall register with the department in the manner prescribed by the commissioner. Experience credit for electrical work performed after January 1, 2008, by an applicant for a license identified in this section shall not be granted where the applicant has not registered with or is not licensed by the department.

Sec. 6. Minnesota Statutes 2006, section 326.242, subdivision 11, is amended to read:

Subd. 11. **Reciprocity.** ~~To the extent that any other state which provides for the licensing of electricians provides for similar action the board may grant licenses, without examination, of the same grade and class to an electrician who has been licensed by such other state for at least one year, upon payment by the applicant of the required fee and upon the board being furnished with proof that the required fee and upon the board being furnished with proof that the qualifications of the applicant are equal to the qualifications of holders of similar licenses in Minnesota.~~ The commissioner may enter into reciprocity agreements for personal licenses with another state if approved by the board. Once approved by the board, the commissioner may issue a personal license without requiring the applicant to pass an examination provided the applicant:

(a) submits an application under section 326.242;

(b) pays the fee required under section 326.242; and

(c) holds a valid comparable license in the state participating in the agreement.

Agreements are subject to the following:

(1) The parties to the agreement must administer a statewide licensing program that includes examination and qualifying experience or training comparable to Minnesota's.

(2) The experience and training requirements under which an individual applicant qualified for examination in the qualifying state must be deemed equal to or greater than required for an applicant making application in Minnesota at the time the applicant acquired the license in the qualifying state.

(3) The applicant must have acquired the license in the qualifying state through an examination deemed equivalent to the same class of license examination in Minnesota. A lesser class of license may be granted where the applicant has acquired a greater class of license in the qualifying state and the applicant otherwise meets the conditions of this subdivision.

(4) At the time of application, the applicant must hold a valid license in the qualifying state and have held the license continuously for at least one year before making application in Minnesota.

(5) An applicant is not eligible for a license under this subdivision if the applicant has failed the same or greater class of license examination in Minnesota, or if the applicant's license of the same or greater class has been revoked or suspended.

(6) An applicant who has failed to renew a personal license for two years or more after its expiration is not eligible for a license under this subdivision.

Sec. 7. **REPEALER.**

Minnesota Statutes 2006, sections 326.01, subdivision 4; and 326.242, subdivision 4, are repealed.

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

ARTICLE 12
APPRENTICESHIP BOARD

Section 1. Minnesota Statutes 2006, section 178.01, is amended to read:

178.01 PURPOSES.

The purposes of this chapter are: to open to young people regardless of race, sex, creed, color or national origin, the opportunity to obtain training that will equip them for profitable employment and citizenship; to establish as a means to this end, a program of voluntary apprenticeship under approved apprentice agreements providing facilities for their training and guidance in the arts, skills, and crafts of industry and trade, with concurrent, supplementary instruction in related subjects; to promote employment opportunities under conditions providing adequate training and reasonable earnings; to relate the supply of skilled workers to employment demands; to establish standards for apprentice training; to establish an Apprenticeship ~~Advisory Council~~ Board and apprenticeship committees to assist in effectuating the purposes of this chapter; to provide for a Division of Labor Standards and Apprenticeship within the Department of Labor and Industry; to provide for reports to the legislature regarding the status of apprentice training in the state; to establish a procedure for the determination of apprentice agreement controversies; and to accomplish related ends.

Sec. 2. Minnesota Statutes 2006, section 178.02, is amended to read:

178.02 APPRENTICESHIP ~~ADVISORY COUNCIL~~ BOARD.

Subdivision 1. **Members.** The commissioner of labor and industry, hereinafter called the commissioner, shall appoint an Apprenticeship ~~Advisory Council~~ Board, hereinafter referred to as the ~~council~~ board, composed of three representatives each from employer and employee organizations, and two representatives of the general public. The director of education responsible for career and technical education or designee shall be an ex officio member of the ~~council~~ board and shall serve in an advisory capacity only.

Subd. 2. **Terms.** The ~~council~~ board shall expire and the terms, compensation, and removal of appointed members shall be as provided in section 15.059~~, except that the council shall not expire before June 30, 2003~~.

Subd. 4. **Duties.** The ~~council~~ board shall meet at the call of the commissioner. It shall propose occupational classifications for apprenticeship programs; propose minimum standards for apprenticeship programs and agreements; and advise on the establishment of such policies, procedures, and rules as the ~~commissioner~~ board deems necessary in implementing the intent of this chapter.

Sec. 3. Minnesota Statutes 2006, section 178.03, subdivision 3, is amended to read:

Subd. 3. **Duties and functions.** The director, under the supervision of the commissioner, and with the advice and oversight of the Apprenticeship ~~Advisory Council~~ Board, is authorized: to administer the provisions of this chapter; to promote apprenticeship and other forms of on the job training; to establish, in cooperation and consultation with the Apprenticeship ~~Advisory Council~~ Board and with the apprenticeship committees, conditions and training standards for the approval of apprenticeship programs and agreements, which conditions and standards shall in no case be lower than those prescribed by this chapter; to promote equal employment opportunity in apprenticeship and other on the job training and to establish a Minnesota plan for equal employment opportunity in apprenticeship which shall be consistent with standards established under Code of Federal Regulations, title 29, part 30, as amended; to issue certificates of registration to sponsors of approved apprenticeship programs; to act as secretary of the Apprenticeship ~~Advisory Council~~ Board; to approve, if of the opinion that approval is for the best interest of the apprentice, any apprenticeship agreement which meets the standards established hereunder; to terminate any apprenticeship agreement in accordance with the provisions of such agreement; to keep a record of apprenticeship agreements and their disposition; to issue certificates of completion of apprenticeship; and to perform such other duties as the commissioner deems necessary to carry out the intent of this chapter; provided, that the administration and supervision of supplementary instruction in related subjects for apprentices; coordination of instruction on a concurrent basis with job experiences, and the selection and training of teachers and coordinators for such instruction shall be the function of state and local boards responsible for vocational education. The director shall have the authority to make wage determinations applicable to the graduated schedule of wages and journeyman wage rate for apprenticeship agreements, giving consideration to the existing wage rates prevailing throughout the state, except that no wage determination by the director shall alter an existing wage provision for apprentices or journeymen that is contained in a bargaining agreement in effect between an employer and an organization of employees, nor shall the director make any determination for the beginning rate for an apprentice that is below the wage minimum established by federal or state law.

Sec. 4. Minnesota Statutes 2006, section 178.041, subdivision 1, is amended to read:

Subdivision 1. **Rules.** The commissioner may, upon receipt of the ~~council's~~ board's proposals, accept, adopt, and issue them by rule with any modifications or amendments the commissioner finds appropriate. The commissioner may refer them back to the ~~council~~ board with recommendations for further study, consideration and revision. If the commissioner refuses to accept, adopt, and issue by rule or other appropriate action a board proposal, the commissioner must provide a written explanation of the reason for the refusal to the board within 30 days after the board submitted the proposal to the commissioner. Additional rules may be issued as the commissioner may deem necessary.