

A bill for an act

relating to workforce development; amending economic development provisions; amending higher education provisions; making technical changes; establishing and amending certain financial aid programs; regulating certain industries; amending licensing and fee provisions; establishing a bond program; providing civil penalties; requiring a report; appropriating money; amending Minnesota Statutes 2006, sections 13.32, subdivision 3; 116J.423, by adding a subdivision; 116L.17, by adding a subdivision; 136A.101, subdivision 8; 136A.121, subdivision 5; 136F.90, subdivision 1; 141.25, by adding a subdivision; 144.1501, subdivision 2; 268.125, subdivisions 1, 2, by adding a subdivision; 298.2214, subdivisions 1, 2, as amended; 298.223, subdivision 2; 298.28, subdivisions 9b, 9d, as added; 298.292, subdivision 2, as amended; 298.2961, subdivision 2; 341.21, as amended; 341.23; 341.26; 341.28, as amended; 341.29; 341.30; 341.32, as amended; 341.33; 341.34, subdivision 1; 341.35; 341.37; 446A.12, subdivision 1; Minnesota Statutes 2007 Supplement, sections 116L.17, subdivision 1; 136A.121, subdivision 7a; 136A.126; 136A.127; 136A.128, by adding a subdivision; 136A.65, subdivisions 1, 3, 5, 6, 7; 136A.66; 136A.67; 136A.69; 136F.02, subdivision 1; 136F.03, subdivision 4; 141.25, subdivision 5; 141.28, subdivision 1; 141.35; 197.791, subdivisions 1, 4, 5; 214.04, subdivision 3; 268.047, subdivisions 1, 2; 268.085, subdivisions 3, 16; 268.125, subdivision 3; 298.227; 341.22; 341.25; 341.27; 341.321; 446A.072, subdivisions 3, 5a; 446A.086; Laws 1999, chapter 223, article 2, section 72; Laws 2007, chapter 135, article 1, section 3, subdivisions 2, 3; Laws 2007, chapter 144, article 1, sections 3, subdivisions 2, 18; 5, subdivisions 2, 5; proposing coding for new law in Minnesota Statutes, chapters 116J; 127A; 135A; 136F; 268; 341; 446A; repealing Minnesota Statutes 2006, sections 298.28, subdivision 9a; 341.31; Laws 2004, chapter 188, section 2.

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

ARTICLE 1

HIGHER EDUCATION

Section 1. **SUMMARY OF APPROPRIATIONS**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2007, chapter 144, article 1, to

the agencies and for the purposes specified in this act. 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 act mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2008, are effective the day following final enactment.

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

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

APPROPRIATIONS
Available for the Year
Ending June 30
2008 2009

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

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

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

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

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

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

3.1 must not increase any assessments to the
3.2 campuses from the Office of the Chancellor.
3.3 The Board of Trustees of the Minnesota State
3.4 Colleges and Universities must reallocate
3.5 \$9,000,000 of state appropriations for fiscal
3.6 year 2009 to reduce student tuition increases
3.7 to two percent at state colleges and three
3.8 percent at state universities and must not
3.9 increase student fees beyond the amount that
3.10 is currently planned for the next academic
3.11 year.
3.12 The system base is reduced by \$8,664,000
3.13 in fiscal year 2010 and \$8,665,000 in fiscal
3.14 year 2011.

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

3.17 The Board of Regents must not increase
3.18 student tuition or fees beyond the amount
3.19 currently planned for the next academic year.
3.20 The system base is reduced by \$8,666,000
3.21 in fiscal year 2010 and \$8,665,000 in fiscal
3.22 year 2011.

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

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

- 3.27 (a) pursuant to section 13.05;
- 3.28 (b) pursuant to a valid court order;
- 3.29 (c) pursuant to a statute specifically authorizing access to the private data;
- 3.30 (d) to disclose information in health and safety emergencies pursuant to the
- 3.31 provisions of United States Code, title 20, section 1232g(b)(1)(I) and Code of Federal
- 3.32 Regulations, title 34, section 99.36;

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

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

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

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

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

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

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

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

(m) with respect to Social Security numbers of students in the adult basic education system, to Minnesota State Colleges and Universities and the Department of Employment and Economic Development for the purpose and in the manner described in section 124D.52, subdivision 7; ~~or~~

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

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

(2) information regarding student and employee witnesses;

(3) information regarding the alleged perpetrator; and

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

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

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

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

Sec. 6. [127A.70] MINNESOTA P-20 EDUCATION PARTNERSHIP.

Subdivision 1. Establishment; membership. (a) A P-20 education partnership is established to create a seamless education system that maximizes achievements of all students, from early childhood through elementary, secondary, and postsecondary education, while promoting the effective and efficient use of financial and human resources. The partnership shall consist of major statewide educational groups or constituencies or noneducational statewide organizations with a stated interest in P-20 education. Upon enactment of this legislation, the partnership members shall be those

currently serving on the Minnesota P-16 Education Partnership plus four legislators as follows:

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

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

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

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

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

Subd. 2. Powers and duties; report. (a) The partnership must develop and submit to the governor and the legislative committees with jurisdiction over education policy and finance recommendations for maximizing the achievement of all P-20 students while promoting the effective and efficient use of state resources, and maximizing the value of the state's educational investment. Partnership recommendations must at least include a focus on strategies, policies, and actions that:

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

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

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

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

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

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

Sec. 7. **[135A.27] EQUAL ACCESS TO INSTRUCTIONAL MATERIALS IN HIGHER EDUCATION.**

Subdivision 1. **Short title.** This section may be cited as the "Equal Access to Instructional Materials in Higher Education Act."

Subd. 2. **Purpose.** The Equal Access to Instructional Materials in Higher Education Act provides instructional materials in an accessible format to blind and other eligible students as defined in this act at the same time as the corresponding printed instructional material is made available. The Equal Access to Instructional Materials in Higher Education Act benefits blind and other eligible students by:

- (1) improving literacy;
- (2) enhancing performance in higher education;
- (3) improving employability; and
- (4) reducing the cost of acquiring instructional materials in accessible formats, including Braille.

Subd. 3. **Definitions.** (a) The following terms have the meaning given to them for the purposes of this section.

(b) "Accessible format" means one of several alternatives to traditional print, including Braille, audio recordings, large print, and computer text files.

(c) "Braille" means the tactile system of reading and writing used by persons who are blind, as defined by the Braille Authority of North America.

(d) "Educational institution" means all public and private postsecondary educational institutions in Minnesota.

(e) "Eligible student" means a person who is accepted by, enrolled at, or attending an educational institution and who is also eligible to receive services from the National Library Service for the Blind and Physically Handicapped of the Library of Congress.

(f) "Instructional materials" means commercially produced textbooks and other materials that are required in a course of study, including computerized, electronic, or Internet-based course materials.

(g) "Publisher" means a publishing house, firm or business that publishes, sells or contracts for the sale of course materials to an educational institution.

(h) "Structural integrity" means the entire contents of the printed instructional materials, including the text of the material, sidebars, table of contents, chapter headings and subheadings, footnotes, captions, indexes, glossaries, bibliographies, pictures, illustrations, graphs, and charts, organized in a manner consistent with the original printed instructional materials.

(i) "Textbook" means a book, a system of instructional materials, or a combination of a book and supplementary instructional material that conveys information to the student or otherwise contributes to the learning process, including electronic textbooks.

Subd. 4. **Instructional materials.** (a) A publisher that prints instructional materials for eligible students attending educational institutions must provide:

(1) an electronic file of printed instructional materials in a computer or electronic file that can be easily converted to the accessible format of the student's choice to the educational institution's designated coordinator, upon request of the eligible student; or

(2) an accessible copy of the electronic file of the instructional materials directly to the eligible student in a format of the student's choice.

(b) The format used by the publisher must include any nationally recognized or generally accepted standard for conversion of files to Braille, such as DAISY 3.0.

(c) If no nationally recognized or generally accepted standard is appropriate, publishers must provide the file in another mutually agreed upon computer or electronic format, such as Microsoft Word or LaTeX.

(d) The computer or electronic version of the printed instructional materials supplied by the publisher must:

(1) comply with any applicable federal standard;

(2) otherwise maintain the structural integrity of the printed instructional materials;

(3) include copies of all pictures, illustrations, graphs, and charts, organized in a manner consistent with the original printed instructional materials; and

(4) include corrections and revisions as necessary.

(e) The publisher must provide the computer or electronic version of the printed instructional materials to the eligible student or educational institution at no additional cost and within ten business days after receipt of a written request that does all of the following:

(1) certifies that the eligible student has purchased the printed instructional materials;

(2) certifies that the student is an eligible student as defined in subdivision 3; and

(3) certifies that the printed instructional materials are for use by the eligible student in connection with a course at the educational institution.

(f) A publisher may require that the request include a statement signed by the eligible student agreeing that the eligible student will not copy, publish, or in any other way distribute the accessible version of the printed instructional materials to any other person.

(g) A publisher who manufactures instructional materials using any type of video or audio format, CD ROM, or other digital format for eligible students attending educational institutions shall, upon request, provide an accessible version of the instructional materials, subject to the same conditions and limitations for printed instructional materials.

(h) Nothing in this act shall be deemed to authorize any use of instructional materials that would constitute an infringement of copyright pursuant to applicable federal copyright law.

Subd. 5. **Private right of action.** An eligible student who contends that a publisher has violated the Equal Access to Instructional Materials in Higher Education Act has the right to pursue a private right of action in a court of competent jurisdiction. If the eligible student should prevail in a lawsuit, the eligible student shall be entitled to injunctive and monetary relief and attorney fees and costs incurred in the litigation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

136A.126 INDIAN SCHOLARSHIPS.

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

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

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

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

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

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

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

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

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

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

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

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

(3) the amount of the state grant;

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

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

12.6 (6) the sum of all tribal scholarships;

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

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

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

12.11 (c) Awards are limited as follows:

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

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

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

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

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

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

12.23 **136A.127 ACHIEVE SCHOLARSHIP PROGRAM.**

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

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

12.32 Subd. 3. **Documentation of qualifying programs.** The student shall request a
12.33 transcript from the high school. The high school shall provide a transcript to the Office
12.34 of Higher Education or to the eligible institution in which the student is enrolling,

documenting the qualifying program. The student may be required to provide additional documentation such as:

(1) official postsecondary transcript; and

(2) official IB/AP test scores.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14.29 (5) the postsecondary institutions attended by the program participants;

14.30 (6) the academic performance of the students after enrolling in a postsecondary
14.31 institution; and

14.32 (7) other information as identified by the director.

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

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

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

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

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

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

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

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

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

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

15.25 (1) for degree programs:

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

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

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

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

16.1 (2) for nondegree programs:

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

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

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

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

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

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

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

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

16.23 Subd. 7. **Conditional approval.** The office may grant conditional approval for a
16.24 degree or use of a term in its name for a period of less than one year if doing so would be
16.25 in the best interests of currently enrolled students or prospective students. New schools
16.26 may be granted conditional approval for degrees or names annually for a period not to
16.27 exceed five years to allow them the opportunity to apply for and receive accreditation as
16.28 required in subdivision 1a.

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

16.30 **136A.66 LIST.**

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

Sec. 20. Minnesota Statutes 2007 Supplement, 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 the state of Minnesota, except 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.61 to 136A.71. Registration is not an endorsement of the institution. Credits earned at the institution may not transfer to all other institutions."

Sec. 21. Minnesota Statutes 2007 Supplement, 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~~ degree.

Subd. 3. **Degree or nondegree program addition fee.** The office processing fee for adding a degree or nondegree program that represents a significant departure in the objectives, content, or method of delivery of degree or nondegree programs that are currently offered by the school is \$500 per degree or nondegree 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 degree or nondegree 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 degree or nondegree 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 degree or nondegree 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. 22. Minnesota Statutes 2007 Supplement, section 136F.02, subdivision 1, is amended to read:

Subdivision 1. **Membership.** The board consists of 15 members appointed according to this subdivision. Eleven members are appointed by the governor including three members who are students who have attended an institution for at least one year and are currently 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. The remaining four members are appointed by labor organizations. The Inter Faculty Organization (IFO), the Minnesota State College Faculty (MSCF), the Minnesota Association of Professional Employees (MAPE), and the American Federation of State, County and Municipal Employees (AFSCME) shall each appoint one member. Appointments by the governor and the labor organizations are made with the advice and consent of the senate. At least one member of the board must be a resident of each congressional district. The remaining members must be appointed to represent the state at large. In selecting appointees, the governor and each appointing authority must consider the needs of the board of trustees and the balance of the board membership with respect to labor and business representation and racial, gender, geographic, and ethnic composition. ~~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. The remaining members must be appointed to represent the state at large.~~

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

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

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

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

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

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

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

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

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

(2) enroll full time immediately after graduation; and

(3) are participants in the power of you.

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

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

(1) acquire by purchase or otherwise, construct, complete, remodel, equip, operate, control, and manage residence halls, dormitories, dining halls, student union buildings, parking facilities, and any other similar revenue-producing buildings of such type and character as the board finds necessary for the good and benefit of ~~the state~~ colleges and universities, and may acquire property whether real, personal, or mixed, by gift, purchase,

or otherwise; provided that no contract for the construction of any building shall be entered into until financing has been approved by the legislature;

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

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

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

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

Sec. 27. Minnesota Statutes 2007 Supplement, 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)(1) The amount of the surety bond shall be ten percent of the preceding year's gross income from student tuition, fees, and other required institutional charges, but in no event less than \$10,000 nor greater than \$250,000, except that a school may deposit a greater amount at its own discretion. A school in each annual application for licensure must compute the amount of the surety bond and verify that the amount of the surety bond

complies with this subdivision, unless the school maintains a surety bond equal to at least \$250,000. A school that operates at two or more locations may combine gross income from student tuition, fees, and other required institutional charges for all locations for the purpose of determining the annual surety bond requirement. The gross tuition and fees used to determine the amount of the surety bond required for a school having a license for the sole purpose of recruiting students in Minnesota shall be only that paid to the school by the students recruited from Minnesota.

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

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

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

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

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

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

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

Subdivision 1. **Disclosure required; advertisement restricted.** ~~A~~ Schools, agents of schools, and solicitors may not advertise or represent in writing or orally that such

22.1 school is approved or accredited by the state of Minnesota, except that any school, agent,
22.2 or solicitor may represent in advertisements and shall disclose in catalogues, applications,
22.3 and enrollment materials that the school is duly licensed by the state by prominently
22.4 displaying the following statement:

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

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

22.10 **141.35 EXEMPTIONS.**

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

22.12 (1) public postsecondary institutions;

22.13 (2) postsecondary institutions registered under sections ~~136A.615~~ 136A.61 to
22.14 136A.71;

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

22.17 (4) private schools complying with the requirements of section 120A.22, subdivision
22.18 4;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23.32 (1) for medical residents agreeing to practice in designated rural areas or underserved
23.33 urban communities or specializing in the area of pediatric psychiatry;

(2) for midlevel practitioners agreeing to practice in designated rural areas or to teach ~~for at least 20 hours~~ 12 credit hours, or 720 hours per week year in the nursing field in a postsecondary program at the undergraduate level or the equivalent at the graduate level;

(3) for nurses who agree to practice in a Minnesota nursing home or intermediate care facility for persons with developmental disability or to teach ~~for at least 20 hours~~ 12 credit hours, or 720 hours per week year in the nursing field in a postsecondary program at the undergraduate level or the equivalent at the graduate level;

(4) for other health care technicians agreeing to teach ~~for at least 20 hours~~ 12 credit hours, or 720 hours per week year in their designated field in a postsecondary program at the undergraduate level or the equivalent at the graduate level. The commissioner, in consultation with the Healthcare Education-Industry Partnership, shall determine the health care fields where the need is the greatest, including, but not limited to, respiratory therapy, clinical laboratory technology, radiologic technology, and surgical technology;

(5) for pharmacists who agree to practice in designated rural areas; and

(6) for dentists agreeing to deliver at least 25 percent of the dentist's yearly patient encounters to state public program enrollees or patients receiving sliding fee schedule discounts through a formal sliding fee schedule meeting the standards established by the United States Department of Health and Human Services under Code of Federal Regulations, title 42, section 51, chapter 303.

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

Sec. 32. Minnesota Statutes 2007 Supplement, section 197.791, subdivision 1, is amended to read:

Subdivision 1. **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 graduate and~~ undergraduate students has the meaning given in section 136A.121, subdivision 6, multiplied by a factor of 1.1. ~~The "Cost of attendance" for graduate students has the meaning given in section 136A.121, subdivision 6, multiplied by a factor of 1.1 using the tuition and fee maximum established by law for four-year programs shall be used to calculate the tuition and fee maximum under section 136A.121, subdivision 6, for a graduate student. For purposes of calculating~~

25.1 the cost of attendance for graduate students, full time is eight credits or more per term or
25.2 the equivalent.

25.3 (d) "Child" means a natural or adopted child of a person described in subdivision 4,
25.4 paragraph (a), clause (1), item (i) or (ii).

25.5 (e) "Eligible institution" means a postsecondary institution under section 136A.101,
25.6 subdivision 4, or a graduate school licensed or registered with the state of Minnesota
25.7 serving only graduate students.

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

25.10 (g) "Time of hostilities" means any action by the armed forces of the United States
25.11 that is recognized by the issuance of a presidential proclamation or a presidential executive
25.12 order in which the armed forces expeditionary medal or other campaign service medals
25.13 are awarded according to presidential executive order, and any additional period or place
25.14 that the commissioner determines and designates, after consultation with the United States
25.15 Department of Defense, to be a period or place where the United States is in a conflict that
25.16 places persons at such a risk that service in a foreign country during that period or in that
25.17 place should be considered to be included.

25.18 (h) "Veteran" has the meaning given in section 197.447. Veteran also includes
25.19 a service member who has received an honorable discharge after leaving each period of
25.20 federal active duty service and has:

25.21 (1) served 90 days or more of federal active duty in a foreign country during a time
25.22 of hostilities in that country or been awarded one or more of the following medals:

25.23 (i) Armed Forces Expeditionary Medal;

25.24 (ii) Kosovo Campaign Medal;

25.25 (iii) Afghanistan Campaign Medal;

25.26 (iv) Iraq Campaign Medal;

25.27 (v) Global War on Terrorism Expeditionary Medal; and

25.28 (vi) other campaign medals authorized for service after September 1, 2001; or

25.29 (2) received a service-related medical discharge from any period of service in a
25.30 foreign country during a time of hostilities in that country.

25.31 A service member who has fulfilled the requirements for being a veteran under this
25.32 paragraph but is still serving actively in the United States armed forces is also a veteran
25.33 for the purposes of this section.

25.34 Sec. 33. Minnesota Statutes 2007 Supplement, section 197.791, subdivision 4, is
25.35 amended to read:

Subd. 4. **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 September 11, 2001;

(ii) a nonveteran who has served honorably for a total of five 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 September 11, 2001;

(iii) the surviving spouse or child of a person who has served in the military at any time on or after September 11, 2001, and who has died as a direct result of that military service; or

(iv) the spouse or child of a person who has served in the military at any time on or after September 11, 2001, and who has a total and permanent service-connected disability as rated by the United States Veterans Administration;

(2) the person providing the military service described in clause (1), items (i) to (iv), was a Minnesota resident within six months of 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:

(i) is an undergraduate or graduate student at an eligible institution;

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

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

(iv) has applied for educational assistance under this section prior to the end of the academic term for which the assistance is being requested;

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

(vi) ~~if an undergraduate student, has applied for the federal Pell Grant and the Minnesota State Grant~~ has completed and submitted the Free Application for Federal Student Aid (FAFSA).

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

(c) To determine eligibility, 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 commissioner considers necessary to determine eligibility.

(d) The commissioner may deny eligibility or terminate benefits under this section to any person who has not provided sufficient documentation to determine eligibility for the program. An applicant may appeal the commissioner's eligibility determination or termination of benefits in writing to the commissioner at any time. The commissioner must rule on any application or appeal within 30 days of receipt of all documentation that the commissioner requires. The decision of the commissioner regarding an appeal is final. However, an applicant whose appeal of an eligibility determination has been rejected by the commissioner may submit an additional appeal of that determination in writing to the commissioner at any time that the applicant is able to provide substantively significant additional information regarding the applicant's eligibility for the program. An approval of an applicant's eligibility by the commissioner following an appeal by the applicant is not retroactively effective for more than one year or the semester of the person's original application, whichever is later.

(e) Upon receiving an application with insufficient documentation to determine eligibility, the commissioner must notify the applicant within 30 days of receipt of the application that the application is being suspended pending receipt by the commissioner of sufficient documentation from the applicant to determine eligibility.

Sec. 34. Minnesota Statutes 2007 Supplement, section 197.791, subdivision 5, is amended to read:

Subd. 5. **Benefit amount.** (a) On approval by the commissioner of 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.

(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 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 program 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 Veterans Administration.

(c) The amount of educational assistance for any eligible person who is a full-time student must not exceed the following:

- (1) \$1,000 per semester or term of enrollment;
- (2) \$2,000 per state fiscal year; and
- (3) \$10,000 in a lifetime.

For a part-time student, the amount of educational assistance must not exceed \$500 per semester or term of enrollment. For the purpose of this paragraph, a part-time undergraduate student is a student taking fewer than 12 credits or the equivalent for a semester or term of enrollment, and a part-time graduate student is a student considered part time by the eligible institution the graduate student is attending. The minimum award per term for the undergraduate and graduate students will be \$50 per term.

Sec. 35. Laws 2007, chapter 144, article 1, section 3, subdivision 2, is amended to read:

Subd. 2. State Grants	147,400,000	144,138,000
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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 \$9,838 in each year for students in four-year programs, and for students in two-year programs, is \$6,114 in the first year and \$5,808 in the second year.

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

Of the appropriation in the second year, \$3,800,000 must be transferred to the Board of Trustees of the Minnesota State Colleges and Universities for the power of you

29.1 program under section 136F.19. Up to half
29.2 this amount must be used for pilot programs
29.3 under section 39.
29.4 Of the appropriation in the second year,
29.5 \$200,000 is for the teachers of color financial
29.6 aid pilot program under section 40.

29.7 Sec. 36. Laws 2007, chapter 144, article 1, section 5, subdivision 2, is amended to read:

29.8 Subd. 2. Operations and Maintenance	621,184,000	637,824,000
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29.9 This appropriation includes funding for
29.10 operation and maintenance of the system
29.11 including amounts to advance the University
29.12 of Minnesota's efforts to sustain quality
29.13 and competitiveness; and funding for the
29.14 "Advancing Education" initiatives including
29.15 an Ojibwe Indian language program on the
29.16 Duluth campus.

29.17 This appropriation includes funding to
29.18 establish banded tuition at the Morris,
29.19 Crookston, and Duluth campuses to reduce
29.20 tuition costs for students.

29.21 This appropriation includes funding for
29.22 scholarships for undergraduate Minnesota
29.23 resident students with family income under
29.24 \$150,000 per year. This appropriation must
29.25 be matched with \$1.50 of nonstate money for
29.26 each \$1 of state money.

29.27 This appropriation includes funding for the
29.28 Center for Transportation Studies to complete
29.29 a study to assess public policy options for
29.30 reducing the volume of greenhouse gases
29.31 emitted from the transportation sector in
29.32 Minnesota. The Center for Transportation
29.33 Studies must report its preliminary findings
29.34 to the legislature by February 1, 2008, and

30.1 must issue its full report by June 1, 2008.

30.2 This is a onetime appropriation.

30.3 This appropriation includes funding to
30.4 establish an India Center to improve and
30.5 promote relations with India and Southeast
30.6 Asia. The center must partner with public
30.7 and private organizations in Minnesota to:

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

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

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

30.17 The Board of Regents may establish an
30.18 advisory council to facilitate the mission
30.19 and objectives of the India Center and must
30.20 report on the progress of the India Center
30.21 by February 15, 2008, to the governor
30.22 and chairs of the legislative committees
30.23 responsible for higher education finance.

30.24 This appropriation must be matched by an
30.25 equal amount of nonstate money. This is a
30.26 onetime appropriation.

30.27 This appropriation includes funding to assist
30.28 in the formation of the neighborhood alliance
30.29 and for projects identified in section 10. The
30.30 alliance, the Board of Regents, and the city of
30.31 Minneapolis may cooperate on the projects
30.32 and may use public services of other entities
30.33 to complete all or a portion of a project. This
30.34 is a onetime appropriation.

31.1 This appropriation includes funding to
31.2 establish a Dakota language teacher training
31.3 immersion program on the Twin Cities
31.4 campus to prepare teachers to teach in
31.5 Dakota language immersion programs.

31.6 ~~One~~ Two percent of the appropriation in
31.7 this subdivision for the second year is
31.8 available when the Board of Regents of the
31.9 University of Minnesota demonstrates to
31.10 the commissioner of finance that the board
31.11 has met at least three of the five following
31.12 performance goals:

31.13 (1) increase financial support to pay the cost
31.14 of attendance for students demonstrating
31.15 financial need;

31.16 (2) maintain or improve the University of
31.17 Minnesota's rank in its national share of
31.18 total research and development expenditures
31.19 reported to the National Science Foundation
31.20 over the 2007 ranking;

31.21 (3) increase by at least five percent, compared
31.22 to fiscal year 2007, the number of degrees
31.23 awarded in science, technology, engineering,
31.24 mathematics, and health sciences disciplines;

31.25 (4) increase by at least five percent, compared
31.26 to fiscal year 2007, the amount of financial
31.27 support from key funding sources for
31.28 renewable energy research; and

31.29 (5) increase and improve interaction and
31.30 research activity beneficial to business and
31.31 industry.

31.32 By October 1, 2007, the Board of Regents
31.33 and the Office of Higher Education must
31.34 agree on specific numerical indicators and

32.1 definitions for each of the five goals that will
32.2 be used to demonstrate the University of
32.3 Minnesota's attainment of each goal.

32.4 On or before April 1, 2008, the Board
32.5 of Regents must report to the legislative
32.6 committees with primary jurisdiction over
32.7 higher education finance and policy the
32.8 progress of the University of Minnesota
32.9 toward attaining the goals.

32.10 Sec. 37. Laws 2007, chapter 144, article 1, section 3, subdivision 18, is amended to
32.11 read:

32.12 Subd. 18. **Transfers**

32.13 The Minnesota Office of Higher Education
32.14 may transfer unencumbered balances from
32.15 the appropriations in this section to the
32.16 state grant appropriation, the interstate
32.17 tuition reciprocity appropriation, the
32.18 child care grant appropriation, the Indian
32.19 scholarship appropriation, the state work
32.20 study appropriation, the public safety officers'
32.21 survivors appropriation, and the Minnesota
32.22 college savings plan appropriation. Transfers
32.23 from the child care or state work study
32.24 appropriations may only be made to the
32.25 extent there is a projected surplus in the
32.26 appropriation. A transfer may be made
32.27 only with the prior written approval of the
32.28 commissioner of finance and prior written
32.29 notice to the chairs of the senate and house
32.30 committees with jurisdiction over higher
32.31 education finance.

32.32 Sec. 38. Laws 2007, chapter 144, article 1, section 5, subdivision 5, is amended to read:

33.1	Subd. 5. University of Minnesota and Mayo		
33.2	Foundation Partnership	25,000,000	-0-

33.3 For the direct and indirect expenses of the
 33.4 collaborative research partnership between
 33.5 the University of Minnesota and the Mayo
 33.6 Foundation for research in biotechnology
 33.7 and medical genomics. For fiscal years 2010
 33.8 and 2011, the base shall be \$8,000,000 in
 33.9 each year. This appropriation is available
 33.10 until expended. An annual report on the
 33.11 expenditure of these funds must be submitted
 33.12 to the governor, the chair of the house
 33.13 bioscience and emerging technologies
 33.14 committee, and the chairs of the senate and
 33.15 house committees responsible for higher
 33.16 education and economic development by
 33.17 June 30 of each fiscal year. At a minimum,
 33.18 the report must include information on
 33.19 the number of patents, disclosures, and
 33.20 licensing agreements; the amount generated
 33.21 in royalties and how the royalty money is
 33.22 spent; and the number of companies created,
 33.23 where they are located, how many jobs are
 33.24 created, and the amount of venture capital
 33.25 raised.

33.26 Sec. 39. **POWER OF YOU PILOT PROGRAMS.**

33.27 Subdivision 1. Power of you pilot programs. Pilots shall be established in suburban
 33.28 and rural sites to test the expansion of power of you. In addition to the requirements
 33.29 under Minnesota Statutes, section 136F.19, the power of you pilot programs must follow
 33.30 the model set forth by the power of you at Metropolitan State University, Minneapolis
 33.31 Community and Technical College, and St. Paul College, increasing financial aid to
 33.32 students enrolled in the program.

33.33 Subd. 2. Suburban pilot selection. By June 1, 2008, Metropolitan State University
 33.34 shall select one technical college and one community college or community-technical
 33.35 college to each partner with a high school in developing a power of you pilot program,

to test expansion of the program established under Minnesota Statutes, section 136F.19, to students in Twin Cities' suburban areas. Metropolitan State University shall choose the colleges' high school partners.

Subd. 3. Rural pilot selection. By June 1, 2008, the chancellor of Minnesota State Colleges and Universities shall select two rural colleges, one being a multi-campus institution in an agricultural part of the state and the other a multi-campus institution in a nonagricultural part of the state dependent on natural resources, for power of you pilot programs. Each of the campus sites of the colleges shall work with a high school to test the application of the power of you pilot program established under Minnesota Statutes, section 136F.19, to nonmetropolitan students and colleges. The chancellor shall choose the campus' high school partners.

Sec. 40. **TEACHERS OF COLOR FINANCIAL AID PILOT PROGRAM.**

Subdivision 1. Establishment. The teachers of color financial aid pilot program is established under the supervision of the Minnesota Office of Higher Education to encourage academically talented postsecondary students of color to become teachers of early childhood, elementary, or secondary education; to increase the academic achievement of diverse student populations; to help close the existing student achievement gaps by creating a cadre of qualified new teachers; and to encourage students of color attending four-year institutions to enroll in a teacher preparation program and students attending two-year colleges to transfer to and enroll in a teacher preparation program at eligible institutions. Financial aid under this pilot program is to provide incentives for postsecondary students of color to enter teacher preparation programs and to teach in Minnesota school districts.

Subd. 2. Definitions. For the purposes of this section, the following terms have the meanings given them:

(1) "student of color" means a student who is African American, African immigrant, American Indian, Alaskan native, Asian American or Pacific Islander, or Hispanic;

(2) "director" means the director of the Minnesota Office of Higher Education;

(3) "eligible institution" means a public four-year postsecondary institution with an approved teacher preparation program that is participating in a pilot partnership under subdivision 5; and

(4) "teacher preparation program" means a program at an institution that prepares students to be teachers.

Subd. 3. Grants. (a) The director shall award grants under this section to eligible students as an incentive to enter teacher preparation programs. An eligible student must

submit an application for a grant under this section for the student's junior and senior years in a teacher preparation program. Applications must be submitted to the director in the form and manner and with the information required by the director.

(b) An eligible student who is enrolled as a junior or senior in a teacher preparation program at an eligible institution may receive a grant under this section of up to \$5,000 each year for a maximum of two academic years or the equivalent at an eligible institution if the student continues to make satisfactory progress toward a baccalaureate degree in education.

(c) Grants under this section are made within the limits of appropriations for the pilot program. The director may prorate the grant awards and the length of time of the award for students who attend part-time. The director must give priority for grants under this section to students who are eligible for the Pell grant or for a state grant under Minnesota Statutes, section 136A.121.

Subd. 4. **Student eligibility.** A student is eligible to receive a grant under this section if the student:

(1) is an American citizen or eligible noncitizen residing in Minnesota;

(2) certifies that the student is a student of color;

(3) is enrolled in an eligible institution and making satisfactory academic progress;

and

(4) is admitted to an approved teacher preparation program at an eligible institution.

Subd. 5. **Pilot partnerships.** Up to four partnerships between a public four-year institution in Minnesota with an approved teacher preparation program and at least one Minnesota school district may participate in the teachers of color financial aid pilot program. Of the four partnerships, one must be a partnership between Winona State University and the Rochester school district and one must be a partnership between St. Cloud State University and Robbinsdale public schools. The director must select the other partnerships for the pilot program based on applications submitted according to the timeline established and with information required by the director. Each partnership must agree to devise a plan to recruit students of color for teacher preparation programs and assistance under this section. Recruitment of students must include recruiting and encouraging talented students of color who attend two-year colleges to transfer to teacher preparation programs at participating pilot institutions.

Subd. 6. **Teachers of color program promotion.** The director may use up to \$25,000 of the appropriation for the program under this section for the administration and promotion of the pilot program and to assist with the recruitment of students of color for teacher preparation programs. The director must consult with the commissioner of

education, the University of Minnesota, Minnesota State Colleges and Universities, and private colleges to develop strategies to recruit, retain, and mentor students in pilot programs while the students attend a teacher preparation program. To the extent possible, existing state or private programs must be used to provide recruitment, retention, and mentoring services under this subdivision.

Subd. 7. **Report.** The director must report to the committees of the legislature with responsibility for higher education finance by February 1, 2009, on the teachers of color financial aid pilot project. The report must include an evaluation of participation with recommendations on the program design, including the potential to expand the program to graduate education programs. The report must also make recommendations on continued funding for the program.

Sec. 41. **REPORT TO LEGISLATURE.**

The staff of the Office of the Chancellor of Minnesota State Colleges and Universities shall evaluate the performance of the power of you pilot programs established at the locations chosen in section 39 and in Minnesota Statutes, section 136F.19, to determine the effects on participation rates, retention, and potential enhancement of the workforce, and shall evaluate the costs and benefits of the pilot programs. The Office of the Chancellor shall report the results of the evaluation to the committees in the senate and house of representatives with jurisdiction over higher education by January 15, 2010.

Sec. 42. **2008 APPOINTMENTS TO THE BOARD OF TRUSTEES.**

Notwithstanding Minnesota Statutes, section 136F.02, the governor shall make no appointments to the Board of Trustees of the Minnesota State Colleges and Universities for board terms expiring in 2008 and all appointments for these seats must be made by the labor organizations under section 1. Beginning in 2008 and every six years thereafter, the IFO, MSCF, MAPE, and AFSCME must each appoint one member to the board of trustees according to the requirements of sections 22 and 24.

ARTICLE 2

JOBS AND ECONOMIC DEVELOPMENT APPROPRIATIONS SUMMARY

Section 1. **SUMMARY OF APPROPRIATIONS.**

The amounts shown in this section summarize direct appropriations or reductions, by fund, made in this act.

		<u>2008</u>		<u>2009</u>		<u>Total</u>
<u>General</u>	\$	(3,000,000)	\$	2,218,000	\$	(782,000)

37.1	<u>Cancellations</u>	<u>-0-</u>	<u>2,758,000</u>	<u>2,758,000</u>
37.2	<u>Transfers From Other Funds</u>	<u>-0-</u>	<u>22,000,000</u>	<u>22,000,000</u>
37.3	<u>Total</u>	\$ (3,000,000)	\$ (22,540,000)	\$ (25,540,000)

37.4 **Sec. 2. JOBS AND ECONOMIC DEVELOPMENT APPROPRIATIONS AND**
37.5 **REDUCTIONS.**

37.6 The dollar amounts in the columns under "Appropriations and Reductions" are
37.7 added to or, if shown in parentheses, subtracted from the appropriations in Laws 2007,
37.8 chapter 135, or other law to the specified agencies. The appropriations are from the
37.9 general fund, or another named fund, and are available for the fiscal years indicated for
37.10 each purpose. The figures "2008" and "2009" used in this act mean that the appropriations
37.11 listed under them are available for the fiscal year ending June 30, 2008, or June 30, 2009,
37.12 respectively. "The first year" is fiscal year 2008. "The second year" is fiscal year 2009.
37.13 "The biennium" is fiscal years 2008 and 2009. Appropriations for the fiscal year ending
37.14 June 30, 2008, are effective the day following final enactment.

37.15	<u>APPROPRIATIONS AND</u>
37.16	<u>REDUCTIONS</u>
37.17	<u>Available for the Year</u>
37.18	<u>Ending June 30</u>
37.19	<u>2008</u> <u>2009</u>

37.20 **Sec. 3. EMPLOYMENT AND ECONOMIC**
37.21 **DEVELOPMENT**

37.22	<u>Subdivision 1. Total Appropriation</u>	<u>\$ (3,000,000)</u>	<u>\$ 2,250,000</u>
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37.23	<u>Appropriations by Fund</u>	
37.24	<u>2008</u>	<u>2009</u>
37.25	<u>General</u>	<u>(3,000,000)</u> <u>2,250,000</u>
37.26	<u>Cancellations</u>	<u>-0-</u> <u>2,758,000</u>
37.27	<u>Transfers From</u>	
37.28	<u>Other Funds</u>	<u>-0-</u> <u>8,000,000</u>

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

37.32 **Subd. 2. Employment and Economic**
37.33 **Development**

37.34 \$550,000 in the second year is a base
37.35 reduction to the department's operating
37.36 budget.

38.1	Subd. 3. Business and Community		
38.2	<u>Development</u>	<u>(3,000,000)</u>	<u>2,800,000</u>
38.3	<u>Appropriations by Fund</u>		
38.4	<u>General</u>	<u>(3,000,000)</u>	<u>2,800,000</u>
38.5	<u>\$400,000 in the second year is for the</u>		
38.6	<u>establishment and operation of the Office of</u>		
38.7	<u>Science and Technology. This is a onetime</u>		
38.8	<u>appropriation and is available until expended.</u>		
38.9	<u>\$2,000,000 in the second year is for grants</u>		
38.10	<u>to the six Minnesota Initiative Foundations</u>		
38.11	<u>to expand existing small business revolving</u>		
38.12	<u>loans with a focus on lending to entrepreneurs</u>		
38.13	<u>and new businesses. The commissioner of</u>		
38.14	<u>employment and economic development</u>		
38.15	<u>must make equal grants to each Minnesota</u>		
38.16	<u>Initiative Foundation. This is a onetime</u>		
38.17	<u>appropriation.</u>		
38.18	<u>\$200,000 in the second year is for a grant to</u>		
38.19	<u>the Hennepin-Carver Workforce Investment</u>		
38.20	<u>Board (WIB) to coordinate with the Partners</u>		
38.21	<u>for Progress Regional Skills Consortium</u>		
38.22	<u>to provide employment and training as</u>		
38.23	<u>demonstrated by the Twin Cities regional</u>		
38.24	<u>health care training partnership project. This</u>		
38.25	<u>is a onetime appropriation.</u>		
38.26	<u>\$200,000 in the second year is for a grant to</u>		
38.27	<u>HIRED to operate its industry sector training</u>		
38.28	<u>initiatives, which provide employee training</u>		
38.29	<u>developed in collaboration with employers in</u>		
38.30	<u>specific, high-demand industries. This is a</u>		
38.31	<u>onetime appropriation.</u>		
38.32	Subd. 4. <u>Cancellations</u>	<u>-0-</u>	<u>2,758,000</u>

39.1 Prior to July 31, 2008, the unexpended
39.2 balances from the following appropriations
39.3 are canceled to the general fund:
39.4 (1) the appropriation made in Laws 2005,
39.5 First Special Session chapter 3, article
39.6 10, section 23, to the foreign trade zone
39.7 authority; and
39.8 (2) the appropriation made in Laws
39.9 2005, First Special Session chapter 1,
39.10 article 3, section 2, subdivision 2, for
39.11 the methamphetamine laboratory cleanup
39.12 revolving loan fund.
39.13 Prior to July 31, 2008, of the unexpended
39.14 balance in the job skills partnership account,
39.15 \$2,000,000 is canceled to the general fund.
39.16 Subd. 5. **Transfers** -0- 8,000,000
39.17 Prior to July 31, 2008, the amount specified
39.18 from the unexpended balance of the
39.19 workforce development fund must be
39.20 transferred to the general fund.
39.21 Subd. 6. **Minnesota Minerals 21st Century**
39.22 **Fund**
39.23 Notwithstanding Minnesota Statutes,
39.24 section 116J.423, by June 30, 2009, the
39.25 commissioner shall make a \$1,000,000 grant
39.26 and a \$1,000,000 loan from the Minnesota
39.27 Minerals 21st Century Fund to Magnetation,
39.28 Inc. for reclamation of iron ore.
39.29 Sec. 4. **LABOR AND INDUSTRY**
39.30 Subdivision 1. **Base Reduction** \$ -0- \$ (43,000)
39.31 \$43,000 in the second year is a base reduction
39.32 to the municipal building permit reporting
39.33 unit in the labor standards program. The

40.1 commissioner must not reduce funding
40.2 available for prevailing wage enforcement
40.3 and must fill all positions when vacancies
40.4 become available.

40.5 Subd. 2. Transfers -0- 14,000,000

40.6 Prior to July 31, 2008, the amount specified
40.7 from the unexpended balance of the
40.8 worker's compensation special fund must be
40.9 transferred to the general fund.

40.10 Sec. 5. BUREAU OF MEDIATION
40.11 SERVICES \$ -0- \$ (69,000)

40.12 This is a base reduction.

40.13 Sec. 6. COMBATIVE SPORTS
40.14 COMMISSION \$ -0- \$ 80,000

40.15 This amount is added to the commission's
40.16 base budget.

40.17 Sec. 7. Minnesota Statutes 2006, section 116J.423, is amended by adding a subdivision
40.18 to read:

40.19 Subd. 2a. Grants authorized. Notwithstanding subdivision 2, the commissioner
40.20 may use money in the fund to make grants to a city, county, or to a county regional rail
40.21 authority as appropriate, for public infrastructure needed to support an eligible project
40.22 under this section. Grant money may be used by the city, county, or regional rail authority
40.23 to acquire right-of-way and mitigate loss of wetlands and runoff of storm water; to
40.24 predesign, design, construct, and equip roads and rail lines; and, in cooperation with
40.25 municipal utilities, to predesign, design, construct, and equip natural gas pipelines, electric
40.26 infrastructure, water supply systems, and wastewater collection and treatment systems.
40.27 Grants made under this subdivision are available until expended.

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

40.29 Sec. 8. [116J.996] MILITARY RESERVIST ECONOMIC INJURY LOANS.

40.30 Subdivision 1. Definitions. (a) The definitions in this subdivision apply to this
40.31 section.

40.32 (b) "Active service" has the meaning given in section 190.05.

41.1 (c) "Commissioner" means the commissioner of employment and economic
41.2 development.

41.3 (d) "Eligible business" means a small business, as defined in section 645.445, that
41.4 was operating in Minnesota on the date a military reservist received orders for active
41.5 service.

41.6 (e) "Essential employee" means a military reservist who is an owner or employee
41.7 of an eligible business and whose managerial or technical expertise is critical to the
41.8 day-to-day operation of the eligible business.

41.9 (f) "Military reservist" means a member of the reserve component of the armed
41.10 forces.

41.11 (g) "Reserve component of the armed forces" has the meaning given it in United
41.12 States Code, title 10, section 101(c).

41.13 (h) "Substantial economic injury" means an economic harm to an eligible business
41.14 that results in the inability of the eligible business to:

41.15 (1) meet its obligations as they mature;

41.16 (2) pay its ordinary and necessary operating expenses; or

41.17 (3) manufacture, produce, market, or provide a product or service ordinarily
41.18 manufactured, produced, marketed, or provided by the eligible business.

41.19 Subd. 2. **Loan program.** The commissioner may make onetime, interest-free loans
41.20 of up to \$20,000 per borrower to eligible businesses that have sustained or are likely to
41.21 sustain substantial economic injury as a result of the call to active service for 180 days
41.22 or more of an essential employee. Loans must be made for the purpose of preventing,
41.23 remedying, or ameliorating the substantial economic injury.

41.24 Subd. 3. **Transfer.** The commissioner of veterans affairs shall transfer funds
41.25 as requested by the commissioner of employment and economic development for the
41.26 purposes of the loan program created in this section, including costs incurred by the
41.27 commissioner to establish and administer the program.

41.28 Subd. 4. **Rules.** Using the expedited rulemaking procedures of section 14.389, the
41.29 commissioner shall develop and publish expedited rules for loan applications, use of
41.30 funds, needed collateral, terms of loans, and other details of military reservist economic
41.31 injury loans.

41.32 Sec. 9. Minnesota Statutes 2007 Supplement, section 116L.17, subdivision 1, is
41.33 amended to read:

41.34 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms
41.35 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) 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;

(4) 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;

(5) has been permanently separated from employment in a restaurant, bar, or lawful gambling organization from October 1, 2007, to October 1, 2009, due to the implementation of any state law prohibiting smoking; ~~or~~

(6) is a veteran as defined by section 197.447, has been discharged or released from active duty under honorable conditions within the last 36 months, and (i) is unemployed or (ii) is employed in a job which pays less than what the veteran could verifiably earn; or

~~(6)~~ (7) 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.

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

Sec. 10. Minnesota Statutes 2006, section 116L.17, is amended by adding a subdivision to read:

Subd. 11. Transfer from department of veterans affairs. The commissioner of veterans affairs shall transfer funds as requested by the commissioner of employment and economic development to reimburse the workforce development fund for costs incurred under section 116L.17, subdivision 1, paragraph (c), clause (6).

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

Sec. 11. Minnesota Statutes 2007 Supplement, section 214.04, subdivision 3, is amended to read:

Subd. 3. Officers; staff. The executive director of each health-related board and the executive secretary of each non-health-related board shall be the chief administrative officer for the board but shall not be a member of the board. The executive director or executive secretary shall maintain the records of the board, account for all fees received by it, supervise and direct employees servicing the board, and perform other services as directed by the board. The executive directors, executive secretaries, and other employees of the following boards shall be hired by the board, and the executive directors or executive secretaries shall be in the unclassified civil service, except as provided in this subdivision:

- (1) Dentistry;
- (2) Medical Practice;
- (3) Nursing;
- (4) Pharmacy;
- (5) Accountancy;
- (6) Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience, and Interior Design;
- (7) Barber Examiners;
- (8) Cosmetology;
- (9) Teaching;
- (10) Peace Officer Standards and Training;

- 44.1 (11) Social Work;
- 44.2 (12) Marriage and Family Therapy;
- 44.3 (13) Dietetics and Nutrition Practice; ~~and~~
- 44.4 (14) Licensed Professional Counseling; and
- 44.5 (15) Combative Sports Commission.

44.6 The executive directors or executive secretaries serving the boards are hired by those
44.7 boards and are in the unclassified civil service, except for part-time executive directors
44.8 or executive secretaries, who are not required to be in the unclassified service. Boards
44.9 not requiring full-time executive directors or executive secretaries may employ them on
44.10 a part-time basis. To the extent practicable, the sharing of part-time executive directors
44.11 or executive secretaries by boards being serviced by the same department is encouraged.
44.12 Persons providing services to those boards not listed in this subdivision, except executive
44.13 directors or executive secretaries of the boards and employees of the attorney general, are
44.14 classified civil service employees of the department servicing the board. To the extent
44.15 practicable, the commissioner shall ensure that staff services are shared by the boards
44.16 being serviced by the department. If necessary, a board may hire part-time, temporary
44.17 employees to administer and grade examinations.

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

44.19 Sec. 12. Minnesota Statutes 2007 Supplement, section 268.047, subdivision 1, is
44.20 amended to read:

44.21 Subdivision 1. **General rule.** Unemployment benefits paid to an applicant,
44.22 including extended, ~~additional,~~ and shared work benefits, will be used in computing
44.23 the future tax rate of a taxpaying base period employer or charged to the reimbursable
44.24 account of a base period nonprofit or government employer that has elected to be liable for
44.25 reimbursements except as provided in subdivisions 2 and 3. The amount of unemployment
44.26 benefits used in computing the future tax rate of taxpaying employers or charged to the
44.27 reimbursable account of a nonprofit or government employer that has elected to be liable
44.28 for reimbursements is the same percentage of the total amount of unemployment benefits
44.29 paid as the percentage of wage credits from the employer is of the total amount of wage
44.30 credits from all the applicant's base period employers.

44.31 In making computations under this subdivision, the amount of wage credits, if not a
44.32 whole dollar, must be computed to the nearest whole dollar.

44.33 Sec. 13. Minnesota Statutes 2007 Supplement, section 268.047, subdivision 2, is
44.34 amended to read:

Subd. 2. **Exceptions for all employers.** Unemployment benefits paid will not be used in computing the future tax rate of a taxpaying base period employer or charged to the reimbursable account of a base period nonprofit or government employer that has elected to be liable for reimbursements when:

(1) the applicant was discharged from the employment because of aggravated employment misconduct as determined under section 268.095. This exception applies only to unemployment benefits paid for periods after the applicant's discharge from employment;

(2) an applicant's discharge from that employment occurred because a law required removal of the applicant from the position the applicant held;

(3) the employer is in the tourist or recreation industry and is in active operation of business less than 15 calendar weeks each year and the applicant's wage credits from the employer are less than 600 times the applicable state or federal minimum wage;

(4) the employer provided regularly scheduled part-time employment to the applicant during the applicant's base period and continues to provide the applicant with regularly scheduled part-time employment during the benefit year of at least 90 percent of the part-time employment provided in the base period, and is an involved employer because of the applicant's loss of other employment. This exception terminates effective the first week that the employer fails to meet the benefit year employment requirements. This exception applies to educational institutions without consideration of the period between academic years or terms;

(5) the employer is a fire department or firefighting corporation or operator of a life-support transportation service, and continues to provide employment for the applicant as a volunteer firefighter or a volunteer ambulance service personnel during the benefit year on the same basis that employment was provided in the base period. This exception terminates effective the first week that the employer fails to meet the benefit year employment requirements;

(6) the applicant's unemployment from this employer was a direct result of the condemnation of property by a governmental agency, a fire, flood, or act of nature, where 25 percent or more of the employees employed at the affected location, including the applicant, became unemployed as a result. This exception does not apply where the unemployment was a direct result of the intentional act of the employer or a person acting on behalf of the employer;

(7) the unemployment benefits were paid by another state as a result of the transferring of wage credits under a combined wage arrangement provided for in section 268.131;

(8) the applicant stopped working because of a labor dispute at the applicant's primary place of employment if the employer was not a party to the labor dispute;

(9) the unemployment benefits were determined overpaid unemployment benefits under section 268.18; ~~or~~

(10) the applicant was employed as a replacement worker, for a period of six months or longer, for an employee who is in the military reserve and was called for active duty during the time the applicant worked as a replacement, and the applicant was laid off because the employee returned to employment after active duty; or

(11) the trust fund was reimbursed for the unemployment benefits by the federal government.

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

Sec. 14. Minnesota Statutes 2007 Supplement, section 268.085, subdivision 3, is amended to read:

Subd. 3. **Payments that delay unemployment benefits.** (a) An applicant is not 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 does not apply to (i) vacation pay paid upon a permanent separation from employment; or (ii) vacation pay paid from a vacation fund administered by a union or a third party not under the control of the employer;

(2) severance pay, bonus pay, sick pay, and any other 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 payment is considered wages at the time of payment under section 268.035, subdivision 29. This clause does not apply to the first \$5,000 of any amount of severance pay, bonus pay, sick pay, or any other payments paid to an employee; 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 that are provided for in subdivision 4. The base period employer is considered to have contributed to the plan if the contribution is excluded from the definition of wages under section 268.035, subdivision 29, clause (1).

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

(b) This subdivision applies to all the weeks of payment. Payments under paragraph (a), clauses (1) and (2), are applied to the period immediately following the last day of employment, ~~and The number of weeks of payment, for purposes of those clauses,~~ is determined as follows:

(1) if the payments are made periodically, the total of the payments to be received is 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 is 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 are reduced by the amount of the payment. If the computation of reduced unemployment benefits is not a whole dollar, it is rounded down to the next lower whole dollar.

EFFECTIVE DATE. This section, except for subdivision 3, paragraph (a), clause (2), is effective the day following final enactment. Subdivision 3, paragraph (a), clause (2), 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. 15. Minnesota Statutes 2007 Supplement, section 268.085, subdivision 16, is amended to read:

Subd. 16. **Actively seeking suitable employment defined.** (a) "Actively seeking suitable employment" means those reasonable, diligent efforts an individual in similar circumstances would make if genuinely interested in obtaining suitable employment under the existing conditions in the labor market area. Limiting the search to positions that are not available or are above the applicant's training, experience, and qualifications is not "actively seeking suitable employment."

(b) To be considered "actively seeking suitable employment" an applicant must, when reasonable, contact those employers from whom the applicant was laid off because of lack of work and request suitable employment.

(c) If reasonable prospects of suitable employment in the applicant's usual or customary occupation do not exist, the applicant must actively seek other suitable employment to be considered "actively seeking suitable employment." This applies to an applicant who is seasonally unemployed.

(d) An applicant who is seeking employment only through a union is ~~not considered~~ actively seeking suitable employment ~~unless~~ if the applicant is in an occupation where it is required by union rule that all the hiring in that locality is done through the union, or that all members are If the applicant is a union member who is restricted

to obtaining employment among signatory contractors in the construction industry,
seeking employment only with those signatory contractors is considered actively seeking
employment. The applicant must be a union member in good standing, registered with
the union for employment, and in compliance with other union rules to be considered
"actively seeking suitable employment."

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

Sec. 16. Minnesota Statutes 2006, section 268.125, subdivision 1, is amended to read:

Subdivision 1. **Additional unemployment benefits; when available.** Additional
unemployment benefits are available if:

(1) a county had a total unemployment rate for the prior 12-calendar month period of
at least 1.8 times the state average unemployment rate for the prior 12-calendar month
period and the state average unemployment rate for the same 12-calendar month period
was at least 4.6 percent. The commissioner must calculate the applicable unemployment
rates within 30 calendar days following the end of the month. Once it has been calculated
that the total unemployment rate in a county equals or exceeds 1.8 times the state average
unemployment rate for the prior 12-calendar month period, the additional benefits are
available beginning the Sunday following the date of calculation and continuing for a
minimum of 13 calendar weeks; or

(2) (i) at a facility that had 100 or more employees, the employer reduced
operations, resulting within a one-month period in the layoff of 50 percent or more of the
facility's work force, including reductions caused as a result of a major natural disaster
declared by the president;

(2) (ii) the employer has no expressed plan to resume operations that would lead to
the reemployment of those employees in the immediate future; and

(3) (iii) the seasonally adjusted unemployment rate in the county that the facility
is located was ten percent or more during the month of the reduction or any of the three
months before or after the month of the reduction.

EFFECTIVE DATE. This section is effective the day following final enactment
and applies retroactively to January 1, 2008.

Sec. 17. Minnesota Statutes 2006, section 268.125, subdivision 2, is amended to read:

Subd. 2. **Payment of unemployment benefits from trust fund; effect on**
employer. Additional unemployment benefits are payable from the trust fund. Additional
unemployment benefits paid will not be used in computing the experience rating of a

49.1 taxpaying employer nor charged to the reimbursing account of a nonprofit or government
49.2 employer.

49.3 Sec. 18. Minnesota Statutes 2007 Supplement, section 268.125, subdivision 3, is
49.4 amended to read:

49.5 Subd. 3. **Eligibility conditions.** An applicant is eligible to receive additional
49.6 unemployment benefits for any week during the applicant's benefit year if:

49.7 (1) for any week during which benefits are available under subdivision 1, clause (1):

49.8 (i) the applicant resides in a county that meets the requirements of subdivision 1,
49.9 clause (1), and resided in that county each week that regular unemployment benefits
49.10 were paid;

49.11 (ii) the applicant meets the same eligibility requirements that are required for regular
49.12 unemployment benefits under section 268.069; and

49.13 (iii) the applicant has exhausted regular unemployment benefits under section
49.14 268.07, is not entitled to receive extended unemployment benefits under section 268.115,
49.15 and is not entitled to receive unemployment benefits under any other state or federal
49.16 law for that week; or

49.17 ~~(1)~~ (2) the applicant was laid off from employment as a result of a reduction under
49.18 subdivision 1, clause (2), or was laid off because of lack of work from that employer
49.19 during the three-month period before, or the three-month period after, the month of the
49.20 reduction under subdivision 1, clause (2);

49.21 ~~(2)~~ (3) the applicant meets the same eligibility requirements that are required for
49.22 regular unemployment benefits under section 268.085 268.069;

49.23 ~~(3) the applicant is not ineligible under section 268.095 because of a quit or a~~
49.24 ~~discharge;~~

49.25 (4) the applicant has exhausted regular unemployment benefits under section 268.07,
49.26 is not entitled to receive extended unemployment benefits under section 268.115, and
49.27 is not entitled to receive unemployment benefits under any other state or federal law
49.28 for that week; and

49.29 (5) a majority of the applicant's wage credits were from the employer that had a
49.30 reduction in operations under subdivision 1, clause (2).

49.31 **EFFECTIVE DATE.** This section is effective the day following final enactment
49.32 and applies retroactively to January 1, 2008.

49.33 Sec. 19. Minnesota Statutes 2006, section 268.125, is amended by adding a subdivision
49.34 to read:

50.1 Subd. 6. **Notice.** The commissioner must notify applicants of the availability
50.2 of additional unemployment benefits by contacting applicants by mail or electronic
50.3 transmission, by posting a notice on the department's official Web site, and by appropriate
50.4 announcement.

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

50.6 Sec. 20. **[268.232] UNEMPLOYMENT INSURANCE WORKER INITIATIVE.**

50.7 Subdivision 1. **Purpose; set aside.** The unemployment insurance workers initiative
50.8 is created to increase the number of staff at each workforce development center who are
50.9 available to provide services to unemployed workers seeking information, assistance, and
50.10 advice on applying for unemployment insurance benefits.

50.11 Subd. 2. **Tax reduction.** Beginning January 1, 2009, the base unemployment tax
50.12 calculated under section 268.051, subdivision 2, paragraph (b), is reduced by .01 percent.

50.13 Subd. 3. **Fee suspension.** Notwithstanding Minnesota Statutes, section 116L.20, the
50.14 special assessment under that section of .10 percent is suspended until December 31, 2011.

50.15 Subd. 4. **Workforce enhancement fee.** A workforce enhancement fee of .11
50.16 percent on taxable wages as defined in section 268.035 subdivision 24, is assessed in
50.17 addition to unemployment taxes under section 268.051. The workforce enhancement fee
50.18 shall be paid on the same schedule and in the same manner as unemployment taxes under
50.19 section 268.051. Late payment of fees under this section is subject to the same interest and
50.20 penalty provisions as those that apply to unemployment taxes.

50.21 Subd. 5. **Use of funds.** (a) Of the funds collected under this section an amount equal
50.22 to .01 percent on taxable wages must be deposited in the unemployment insurance worker
50.23 initiative account created under subdivision 6.

50.24 (b) The remaining funds collected under this section must be deposited in the
50.25 workforce development fund under section 116L.20 minus reimbursement for costs under
50.26 section 116L.20, subdivision 2, paragraph (c).

50.27 Subd. 6. **Account.** The unemployment insurance worker initiative account is
50.28 created as a special account in the special revenue fund in the state treasury. All funds
50.29 deposited under subdivision 5, paragraph (a), and any interest earnings on those funds
50.30 are appropriated to the commissioner to increase the amount of staff in the workforce
50.31 centers to provide assistance and support to applicants for unemployment insurance.
50.32 The commissioner shall give priority to providing sufficient staff in workforce centers
50.33 located outside of the seven county metropolitan area. Any funds that remain unexpended
50.34 in the first year are available for expenditure until December 31, 2011. Any unexpended

51.1 funds in this account after December 31, 2011 shall be transferred to the unemployment
51.2 insurance trust fund.

51.3 Subd. 7. **Report.** Beginning in 2010 and every two years thereafter, the
51.4 commissioner shall report by January 15 to the standing committees of the senate and
51.5 house of representatives having jurisdiction over unemployment insurance on the number
51.6 of staff providing unemployment insurance assistance to applicants at each workforce
51.7 center, the salaries paid to staff, and the amount of unemployment benefits paid to
51.8 applicants who received unemployment insurance assistance at the workforce centers.

51.9 Subd. 8. **Sunset.** Except for the reporting requirements under subdivision 7, this
51.10 section sunsets on December 31, 2011.

51.11 **EFFECTIVE DATE.** This section is effective January 1, 2009.

51.12 Sec. 21. Minnesota Statutes 2006, section 298.2214, subdivision 1, is amended to read:

51.13 Subdivision 1. **Creation of committee; purpose.** A committee is created to advise
51.14 the ~~commissioner of~~ Iron Range resources and rehabilitation board on providing higher
51.15 education programs in cooperation with the University of Minnesota, the Minnesota State
51.16 Colleges and Universities, and private colleges in the taconite assistance area defined in
51.17 section 273.1341. The committee is subject to section 15.059.

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

51.19 Sec. 22. Minnesota Statutes 2006, section 298.2214, subdivision 2, as amended by
51.20 Laws 2008, chapter 154, article 8, section 4, is amended to read:

51.21 Subd. 2. **Iron Range Higher Education Committee; membership.** The members
51.22 of the committee shall consist of:

51.23 (1) one member appointed by the governor;

51.24 (2) one member appointed by the president of the University of Minnesota;

51.25 (3) four members of the Iron Range Resources and Rehabilitation Board appointed
51.26 by the chair;

51.27 (4) ~~the commissioner of Iron Range resources and rehabilitation~~ one member
51.28 appointed by the chancellor of the Minnesota State Colleges and Universities; and

51.29 (5) the president of the Northeast Higher Education District or its successor.

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

51.31 Sec. 23. Minnesota Statutes 2006, section 298.223, subdivision 2, is amended to read:

Subd. 2. **Administration.** (a) The taconite area environmental protection fund shall be administered by the commissioner of the Iron Range Resources and Rehabilitation Board. The commissioner shall by September 1 of each year submit to the board a list of projects to be funded from the taconite area environmental protection fund, with such supporting information including description of the projects, plans, and cost estimates as may be necessary.

(b) Each year no less than one-half of the amounts deposited into the taconite environmental protection fund must be used for public works projects, including construction of sewer and water systems, as specified under subdivision 1, paragraph (c). The Iron Range Resources and Rehabilitation Board with a majority vote of the members, may waive the requirements of this paragraph.

(c) Upon approval by a majority of the members of the Iron Range Resources and Rehabilitation Board, ~~this~~ the list of projects approved under this subdivision shall be submitted to the governor by November 1 of each year. By December 1 of each year, the governor shall approve or disapprove, or return for further consideration, each project. Funds for a project may be expended only upon approval of the project by the board and governor. The commissioner may submit supplemental projects to the board and governor for approval at any time.

EFFECTIVE DATE. This section is effective for distributions beginning in 2009.

Sec. 24. Minnesota Statutes 2007 Supplement, section 298.227, is amended to read:

298.227 TACONITE ECONOMIC DEVELOPMENT FUND.

For distributions prior to January 1, 2009, 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 beginning May 26, 2007, the commissioner may not release the funds before the next scheduled meeting of the board. If the board rejects a proposed expenditure, the funds must be deposited in the Taconite Environmental Protection Fund under sections 298.222 to 298.225. If a producer uses money which has been released from the fund prior to May 26, 2007 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.

Sec. 25. Minnesota Statutes 2006, section 298.28, subdivision 9b, is amended to read:

Subd. 9b. **Taconite environmental fund.** ~~Five~~ eight cents per ton must be paid to the taconite environmental fund for use under section 298.2961, subdivision 4.

EFFECTIVE DATE. This section is effective for production in 2008, distributions in 2009 and thereafter.

54.1 Sec. 26. Minnesota Statutes 2006, section 298.28, subdivision 9d, as added by Laws
54.2 2008, chapter 154, article 8, section 9, is amended to read:

54.3 Subd. 9d. **Iron Range higher education account.** ~~Two~~ Five cents per taxable ton
54.4 must be allocated to the Iron Range Resources and Rehabilitation Board to be deposited
54.5 in an Iron Range higher education account that is hereby created, to be used for higher
54.6 education programs conducted at educational institutions in the taconite assistance area
54.7 defined in section 273.1341. The Iron Range Higher Education committee under section
54.8 298.2214 and the Iron Range Resources and Rehabilitation Board must approve all
54.9 expenditures from the account.

54.10 Sec. 27. Minnesota Statutes 2006, section 298.292, subdivision 2, as amended by Laws
54.11 2008, chapter 154, article 8, section 11, is amended to read:

54.12 Subd. 2. **Use of money.** Money in the Douglas J. Johnson economic protection trust
54.13 fund may be used for the following purposes:

54.14 (1) to provide loans, loan guarantees, interest buy-downs and other forms of
54.15 participation with private sources of financing, but a loan to a private enterprise shall be
54.16 for a principal amount not to exceed one-half of the cost of the project for which financing
54.17 is sought, and the rate of interest on a loan to a private enterprise shall be no less than the
54.18 lesser of eight percent or an interest rate three percentage points less than a full faith
54.19 and credit obligation of the United States government of comparable maturity, at the
54.20 time that the loan is approved;

54.21 (2) to fund reserve accounts established to secure the payment when due of the
54.22 principal of and interest on bonds issued pursuant to section 298.2211;

54.23 (3) to pay in periodic payments or in a lump sum payment any or all of the interest
54.24 on bonds issued pursuant to chapter 474 for the purpose of constructing, converting,
54.25 or retrofitting heating facilities in connection with district heating systems or systems
54.26 utilizing alternative energy sources;

54.27 (4) to invest in a venture capital fund or enterprise that will provide capital to other
54.28 entities that are engaging in, or that will engage in, projects or programs that have the
54.29 purposes set forth in subdivision 1. No investments may be made in a venture capital fund
54.30 or enterprise unless at least two other unrelated investors make investments of at least
54.31 \$500,000 in the venture capital fund or enterprise, and the investment by the Douglas
54.32 J. Johnson economic protection trust fund may not exceed the amount of the largest
54.33 investment by an unrelated investor in the venture capital fund or enterprise. For purposes
54.34 of this subdivision, an "unrelated investor" is a person or entity that is not related to
54.35 the entity in which the investment is made or to any individual who owns more than 40

percent of the value of the entity, in any of the following relationships: spouse, parent, child, sibling, employee, or owner of an interest in the entity that exceeds ten percent of the value of all interests in it. For purposes of determining the limitations under this clause, the amount of investments made by an investor other than the Douglas J. Johnson economic protection trust fund is the sum of all investments made in the venture capital fund or enterprise during the period beginning one year before the date of the investment by the Douglas J. Johnson economic protection trust fund; and

(5) to purchase forest land in the taconite assistance area defined in section 273.1341 to be held and managed as a public trust for the benefit of the area for the purposes authorized in section 298.22, subdivision 5a. Property purchased under this section may be sold upon approval by a majority vote of the board. The net proceeds must be deposited in the trust fund for the purposes and uses of this section.

Money from the trust fund shall be expended only in or for the benefit of the taconite assistance area defined in section 273.1341.

Sec. 28. Minnesota Statutes 2006, section 298.2961, subdivision 2, is amended to read:

Subd. 2. **Projects; approval.** (a) Projects funded must be for:

(1) environmentally unique reclamation projects; or

(2) pit or plant repairs, expansions, or modernizations other than for a value added iron products plant; ~~or~~

~~(3) haulage trucks and equipment and mining shovels.~~

(b) To be proposed by the board, a project must be approved by at least eight Iron Range Resources and Rehabilitation Board members. The money for a project may be spent only upon approval of the project by the governor. The board may submit supplemental projects for approval at any time.

(c) The board may require that it receive an equity percentage in any project to which it contributes under this section.

Sec. 29. Minnesota Statutes 2006, section 341.21, as amended by Laws 2007, chapter 135, article 3, section 30, is amended to read:

341.21 DEFINITIONS.

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

Subd. 2. **Boxing.** "Boxing" means the act of attack and defense with the fists, using padded gloves, that is practiced as a sport under the rules of the Association of Boxing Commissions, or equivalent. Where applicable, boxing includes tough person contests.

Subd. 2a. **Combatant.** "Combatant" means an individual who employs the act of attack and defense as a boxer, tough person, or mixed martial artist while engaged in a combative sport.

Subd. 2b. **Combative sport.** "Combative sport" means a sport that employs the act of attack and defense with the fists, with or without using padded gloves, or feet that is practiced as a sport under the rules of the Association of Boxing Commissions, unified rules for mixed martial arts, or their equivalent. Combative sports include professional boxing and professional and amateur tough person and professional and amateur mixed martial arts contests.

Subd. 3. **Commission.** "Commission" means the ~~Minnesota Boxing~~ Combative Sports Commission.

Subd. 4. **Combative sports contest.** "Combative sports contest" means ~~any a~~ professional boxing, a professional or amateur tough person, or a professional or amateur mixed martial art bout, competition contest, match, or exhibition.

Subd. 4a. **Director.** "Director" means the executive director of the commission.

Subd. 4b. **HBV.** "HBV" means the hepatitis B virus with the e-antigen present in the most recent blood test.

Subd. 4c. **HCV.** "HCV" means the hepatitis C virus.

Subd. 4d. **HIV.** "HIV" means the human immunodeficiency virus.

Subd. 4e. **Individual.** "Individual" means a living human being.

Subd. 4f. **Mixed martial arts contest.** "Mixed martial arts contest" means a contest between two or more individuals consisting of any combination of full contact martial art including, but not limited to, Muay Thai and Karate, kickboxing, wrestling, grappling, or other recognized martial art.

Subd. 4g. **Person.** "Person" means an individual, corporation, partnership, limited liability company, organization, or other business entity organized and existing under law, its officers and directors, or a person holding 25 percent or more of the ownership of a corporation that is authorized to do business under the laws of this state.

Subd. 5. **Professional.** "Professional" means any person who competes for any money prize or a prize that exceeds the value of \$50 or teaches, pursues, or assists in the practice of ~~boxing a combative sport~~ as a means of obtaining a livelihood or pecuniary gain.

~~Subd. 6. **Director.** "Director" means the executive director of the commission.~~

Subd. 7. **Tough person contest.** "Tough person contest," including contests marketed as tough man ~~and or~~ and or tough woman contests, means ~~any boxing match consisting a contest of one-minute rounds~~ two-minute rounds consisting of not more than four rounds

between two or more ~~persons~~ individuals who use their hands, or their feet, or both, in any manner. Tough person contest does not include ~~kick boxing~~ kickboxing or any recognized martial arts ~~competition~~ contest.

~~Subd. 8. **Mixed martial arts.** "Mixed martial arts" means any combination of boxing, kick boxing, wrestling, grappling, or other recognized martial arts.~~

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

Sec. 30. Minnesota Statutes 2007 Supplement, section 341.22, is amended to read:

341.22 ~~BOXING~~ COMBATIVE SPORTS COMMISSION.

There is hereby created the Minnesota ~~Boxing~~ Combative Sports Commission consisting of nine members who are citizens of this state. The members must be appointed by the governor. One member of the commission must be a retired judge of the Minnesota district court, Minnesota Court of Appeals, Minnesota Supreme Court, the United States District Court for the District of Minnesota, or the Eighth Circuit Court of Appeals, and at least ~~three~~ four members must have knowledge of the boxing industry. At least four members must have knowledge of the mixed martial arts industry. The governor shall make serious efforts to appoint qualified women to serve on the commission. Membership terms, compensation of members, removal of members, the filling of membership vacancies, and fiscal year and reporting requirements must be as provided in sections 214.07 to 214.09. Unless otherwise provided, the provision of staff, administrative services, and office space; the review and processing of complaints; the setting of fees; and other provisions relating to commission operations ~~must be~~ are as provided in chapter 214. The purpose of the commission is to protect health, promote safety, and ensure fair events.

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

Sec. 31. Minnesota Statutes 2006, section 341.23, is amended to read:

341.23 LIMITATIONS.

No member of the ~~Boxing~~ commission may directly or indirectly promote a ~~boxing~~ contest, directly or indirectly engage in the managing of a ~~boxer~~ combatant, or have an interest in any manner in the proceeds from a ~~boxing~~ combative sport contest.

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

Sec. 32. Minnesota Statutes 2007 Supplement, section 341.25, is amended to read:

341.25 RULES.

(a) The commission may adopt rules that include standards for the physical examination and condition of ~~boxers~~ combatants and referees. Notwithstanding section 14.125, the commission shall publish a notice of intent to adopt rules or a notice of hearing on or before September 1, 2008.

(b) The commission may adopt other rules necessary to carry out the purposes of this chapter, including, but not limited to, the conduct of ~~boxing exhibitions, bouts, and fights,~~ all combative sport contests and their manner, supervision, time, and place. Notwithstanding section 14.125, the commission shall publish a notice of intent to adopt rules or a notice of hearing on or before September 1, 2008.

(c) The commission must adopt unified rules for mixed martial arts contests.

(d) The commission may adopt the rules of the Association of Boxing Commissions, with amendments.

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

Sec. 33. Minnesota Statutes 2006, section 341.26, is amended to read:

341.26 MEETINGS.

The commission shall hold a regular meeting quarterly and may hold special meetings. Except as otherwise provided in law, all meetings of the commission must be open to the public and reasonable notice of the meetings must be given under chapter 13D. If compliance with section 13D.02 is impractical, the commission may conduct a meeting of its members by telephone or other electronic means so long as the following conditions are met:

(1) all members of the commission participating in the meeting, wherever their physical location, can hear one another and can hear all discussion and testimony;

(2) members of the public present at the regular meeting location of the commission can hear clearly all discussion and testimony and all votes of members of the commission and, if needed, receive those services required by sections 15.44 and 15.441;

(3) at least one member of the commission is physically present at the regular meeting location; and

(4) all votes are conducted by roll call, so each member's vote on each issue can be identified and recorded.

Each member of the commission participating in a meeting by telephone or other electronic means is considered present at the meeting for purposes of determining a quorum and participating in all proceedings.

59.1 If a telephone or other electronic means is used to conduct a regular, special, or
59.2 emergency meeting, the commission, to the extent practical, shall allow a person to
59.3 monitor the meeting electronically from a remote location. The commission may require
59.4 the person making such a connection to pay for documented costs that the commission
59.5 incurs as a result of the additional connection.

59.6 If a telephone or other electronic means is used to conduct a regular, special, or
59.7 emergency meeting, the commission shall provide notice of the regular meeting location,
59.8 of the fact that some members may participate by telephone or other electronic means, and
59.9 that a person may monitor the meeting electronically from a remote location. The timing
59.10 and method of providing notice is governed by section 13D.04.

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

59.12 Sec. 34. Minnesota Statutes 2007 Supplement, section 341.27, is amended to read:

59.13 **341.27 COMMISSION DUTIES.**

59.14 The commission shall:

59.15 (1) issue, deny, renew, suspend, or revoke licenses;

59.16 (2) make and maintain records of its acts and proceedings including the issuance,
59.17 denial, renewal, suspension, or revocation of licenses;

59.18 (3) keep public records of the commission open to inspection at all reasonable times;

59.19 (4) assist the director in the development of rules to be implemented under this
59.20 chapter;

59.21 (5) conform to the rules adopted under this chapter; ~~and~~

59.22 (6) develop policies and procedures for regulating mixed martial arts;₂

59.23 (7) immediately suspend an individual license for a medical condition, including but
59.24 not limited to a medical condition resulting from an injury sustained during a match, bout,
59.25 or contest that has been confirmed by the ringside physician. The medical suspension must
59.26 be lifted after the commission receives written information from a physician licensed in
59.27 the home state of the licensee indicating that the combatant may resume competition, and
59.28 any other information that the commission may by rule require. Medical suspensions are
59.29 not subject to section 214.10; and

59.30 (8) evaluate the performance and compensation of the director, including eligibility
59.31 for salary increases, in keeping with state procedures.

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

59.33 Sec. 35. **[341.271] GIFT AUTHORITY.**

The commission may apply for, receive, and expend in its own name grants and gifts of money consistent with the powers and duties specified in section 341.27. The commission may accept gifts, bequests, grants, payments for services, and other public and private money to help finance the activities of the commission.

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

Sec. 36. Minnesota Statutes 2006, section 341.28, as amended by Laws 2007, chapter 135, article 3, sections 34, 35, is amended to read:

341.28 REGULATION OF ~~BOXING~~ COMBATIVE SPORT CONTESTS.

Subdivision 1. **Regulatory authority; ~~boxing~~ combative sports.** All ~~professional~~ ~~boxing combative sport~~ contests are subject to this chapter. ~~Every contestant in a boxing contest shall wear padded gloves that weigh at least eight ounces.~~ The commission shall, for every ~~boxing combative sport~~ contest:

(1) direct a commission member to be present; and

(2) direct the attending commission member to make a written report of the contest.

All ~~boxing combative sport~~ contests within this state must be conducted according to the requirements of this chapter.

Subd. 1a. Regulatory authority; boxing contests. All professional boxing contests are subject to this chapter. Every combatant in a boxing contest shall wear padded gloves that weigh at least eight ounces. Officials at all boxing contests must be licensed under this chapter.

Subd. 2. **Regulatory authority; tough person contests.** All ~~professional and amateur~~ tough person contests, ~~including amateur tough person contests,~~ are subject to this chapter. All tough person contests are subject to ~~American Association of Boxing Commission (AABC) Commissions~~ American Association of Boxing Commission (AABC) Commissions 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 all tough person ~~bouts~~ contests shall be licensed under this chapter.

Subd. 3. **Regulatory authority; mixed martial arts contests; similar sporting events.** All professional and amateur mixed martial arts, ultimate fight contests, and similar sporting events are subject to this chapter and all officials at these events must be licensed under this chapter.

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

61.1 Sec. 37. Minnesota Statutes 2006, section 341.29, is amended to read:

61.2 **341.29 JURISDICTION OF COMMISSION.**

61.3 The commission shall:

61.4 (1) have sole direction, supervision, regulation, control, and jurisdiction over all
61.5 ~~boxing~~ combative sports contests ~~and tough person contests~~ that are held within this state
61.6 unless a contest is exempt from the application of this chapter under federal law;

61.7 (2) have sole control, authority, and jurisdiction over all licenses required by this
61.8 chapter; and

61.9 (3) grant a license to an applicant if, in the judgment of the commission, the financial
61.10 responsibility, experience, character, and general fitness of the applicant are consistent
61.11 with the public interest, convenience, or necessity and the best interests of ~~boxing~~
61.12 combative sports and conforms with this chapter and the commission's rules.

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

61.14 Sec. 38. Minnesota Statutes 2006, section 341.30, is amended to read:

61.15 **341.30 LICENSURE REQUIREMENTS.**

61.16 Subdivision 1. **Licensure; individuals.** All referees, judges, matchmakers,
61.17 promoters, trainers, ring announcers, timekeepers, ringside physicians, ~~boxers~~ combatants,
61.18 ~~boxers'~~ managers, and ~~boxers'~~ seconds are required to be licensed by the commission. The
61.19 commission shall not permit any of these persons to participate in the holding or conduct
61.20 of any ~~boxing~~ combative sport contest unless the commission has first issued the person
61.21 a license.

61.22 Subd. 2. **Entity licensure.** Before participating in the holding or conduct of any
61.23 ~~boxing~~ combative sport contest, a corporation, partnership, limited liability company, or
61.24 other business entity organized and existing under law, its officers and directors, and
61.25 any person holding 25 percent or more of the ownership of the corporation shall obtain
61.26 a license from the commission and must be authorized to do business under the laws of
61.27 this state.

61.28 Subd. 3. **Background investigation.** The commission may require referees, judges,
61.29 matchmakers, promoters, and ~~boxers~~ combatants to furnish fingerprints and background
61.30 information under commission rules before licensure. The commission shall charge a fee
61.31 for receiving fingerprints and background information in an amount determined by the
61.32 commission. The commission may require referees, judges, matchmakers, promoters,
61.33 and ~~boxers~~ combatants to furnish fingerprints and background information before
61.34 license renewal. The fee may include a reasonable charge for expenses incurred by the

commission or the Department of Public Safety. For this purpose, the commission and the Department of Public Safety may enter into an interagency agreement.

Subd. 4. **Prelicensure requirements.** (a) Before the commission issues a license to a promoter, matchmaker, corporation, or other business entity, the applicant shall:

(1) provide the commission with a copy of any agreement between a ~~contestant~~ combatant and the applicant that binds the applicant to pay the ~~contestant~~ combatant a certain fixed fee or percentage of the gate receipts;

(2) show on the application the owner or owners of the applicant entity and the percentage of interest held by each owner holding a 25 percent or more interest in the applicant;

(3) provide the commission with a copy of the latest financial statement of the entity; and

(4) provide the commission with a copy or other proof acceptable to the commission of the insurance contract or policy required by this chapter.

(b) Before the commission issues a license to a promoter, the applicant shall deposit with the commission a cash bond or surety bond in an amount set by the commission. The bond shall be executed in favor of this state and shall be conditioned on the faithful performance by the promoter of the promoter's obligations under this chapter and the rules adopted under it. An applicant for a license as a promoter shall submit an application a minimum of six weeks before the combative sport contest is scheduled to occur.

(c) Before the commission issues a license to a ~~boxer~~ combatant, the applicant shall submit to the commission the results of a current medical examination on forms furnished or approved by the commission. The medical examination must include an ophthalmological and neurological examination, and documentation of test results for HBV, HCV, and HIV, and any other blood test as the commission by rule may require. The ophthalmological examination must be designed to detect any retinal defects or other damage or condition of the eye that could be aggravated by ~~boxing~~ combative sports. The neurological examination must include an electroencephalogram or medically superior test if the ~~boxer~~ combatant has been knocked unconscious in a previous ~~boxing or other athletic competition~~ contest. The commission may also order an electroencephalogram or other appropriate neurological or physical examination before any contest, ~~match, or exhibition~~ if it determines that the examination is desirable to protect the health of the ~~boxer~~ combatant. The commission shall not issue a license to an applicant submitting positive test results for HBV, HCV, or HIV.

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

Sec. 39. Minnesota Statutes 2006, section 341.32, as amended by Laws 2007, chapter 135, article 3, section 36, is amended to read:

341.32 LICENSE FEES; EXPIRATION; RENEWAL.

Subdivision 1. **Annual licensure.** The commission may establish and issue annual licenses subject to the collection of advance fees by the commission for promoters, ~~matchmakers~~, managers, judges, referees, ring announcers, ringside physicians, timekeepers, ~~boxers~~ combatants, ~~boxers'~~ trainers, ~~boxers'~~ seconds, business entities filing for a license to participate in the holding of any ~~boxing~~ contest, and officers, directors, or other persons affiliated with the business entity.

Subd. 2. **Expiration and renewal.** A license issued after July 1, 2007, 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~~ fees established in section 341.321. 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.

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

Sec. 40. Minnesota Statutes 2007 Supplement, section 341.321, is amended to read:

341.321 FEE SCHEDULE.

(a) The fee schedule for professional licenses issued by the ~~Minnesota Boxing~~ commission is as follows:

- (1) referees, ~~\$45~~ \$25 for each initial license and each renewal;
- (2) promoters, \$400 for each initial license and each renewal;
- (3) judges and knockdown judges, ~~\$45~~ \$25 for each initial license and each renewal;
- (4) trainers, ~~\$45~~ \$25 for each initial license and each renewal;
- (5) ring announcers, ~~\$45~~ \$25 for each initial license and each renewal;
- (6) ~~boxers'~~ seconds, ~~\$45~~ \$25 for each initial license and each renewal;
- (7) timekeepers, ~~\$45~~ \$25 for each initial license and each renewal;
- (8) ~~boxers~~ combatant, ~~\$45~~ \$25 for each initial license and each renewal;
- (9) managers, ~~\$45~~ \$25 for each initial license and each renewal; and
- (10) ringside physicians, ~~\$45~~ \$25 for each initial license and each renewal.

In addition to the license fee and the late filing penalty fee in section 341.32, subdivision 2, if applicable, an individual who applies for a combatant license on the same day the combative sporting event is held shall pay a fee of \$100 at the time the application is submitted.

(b) The fee schedule for amateur licenses issued by the commission is as follows:

(1) referees, \$10 for each initial license and each renewal;

(2) promoters, \$100 for each initial license and each renewal;

(3) judges and knockdown judges, \$10 for each initial license and each renewal;

(4) trainers, \$10 for each initial license and each renewal;

(5) ring announcers, \$10 for each initial license and each renewal;

(6) seconds, \$10 for each initial license and each renewal;

(7) timekeepers, \$10 for each initial license and each renewal;

(8) combatant, \$10 for each initial license and each renewal;

(9) managers, \$10 for each initial license and each renewal; and

(10) ringside physicians, \$10 for each initial license and each renewal.

(c) The commission shall establish ~~and assess an event~~ a contest fee for each ~~sporting event~~ combative sport contest. The ~~event~~ contest fee is ~~set at a minimum of \$1,500 per event or a percentage~~ not more than four percent of the gross ticket sales as determined by the commission when the ~~sporting event~~ combative sport contest is scheduled, except that the amateur combative sport contest fee shall be \$150. The commission shall consider the size and type of venue when establishing a contest fee. The commission may establish the maximum number of complimentary tickets allowed for each event by rule. An amateur combative sport contest fee is nonrefundable.

(~~e~~) (d) All fees collected by the ~~Minnesota Boxing~~ commission must be deposited in the ~~Boxing~~ commission account in the special revenue fund.

EFFECTIVE DATE. This section is effective July 1, 2008.

Sec. 41. Minnesota Statutes 2006, section 341.33, is amended to read:

341.33 PHYSICAL EXAMINATION REQUIRED; FEES.

Subdivision 1. **Examination by physician.** All ~~boxers and referees~~ combatants must be examined by a physician licensed by this state within ~~three~~ 36 hours before entering the ring, and the examining physician shall immediately file with the commission a written report of the examination. The physician's examination ~~shall~~ may report on the condition of the ~~boxer's~~ combatant's heart and general physical and general neurological condition. The physician's report may record the condition of the ~~boxer's~~ combatant's

65.1 nervous system and brain as required by the commission. The physician may prohibit the
65.2 ~~boxer combatant~~ from entering the ring if, in the physician's professional opinion, it is in
65.3 the best interest of the ~~boxer's combatant's~~ health. The cost of the examination is payable
65.4 by the person or entity conducting the contest or exhibition.

65.5 Subd. 2. **Attendance of physician.** A person holding or sponsoring a ~~boxing contest~~
65.6 combative sport contest, shall have in attendance a physician licensed by this state. The
65.7 commission may establish a schedule of fees to be paid to each attending physician by the
65.8 person holding or sponsoring the contest.

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

65.10 Sec. 42. Minnesota Statutes 2006, section 341.34, subdivision 1, is amended to read:

65.11 Subdivision 1. **Required insurance.** The commission shall:

65.12 (1) require insurance coverage for a ~~boxer combatant~~ to provide for medical,
65.13 surgical, and hospital care for injuries sustained in the ring in an amount of at least
65.14 ~~\$20,000~~ \$10,000 and payable to the ~~boxer combatant~~ as beneficiary; and

65.15 (2) require life insurance for a ~~boxer combatant~~ in the amount of at least ~~\$20,000~~
65.16 \$10,000 payable in case of accidental death resulting from injuries sustained in the ring.

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

65.18 Sec. 43. Minnesota Statutes 2006, section 341.35, is amended to read:

65.19 **341.35 PENALTIES FOR NONLICENSED EXHIBITIONS CONTESTS.**

65.20 Any person or persons who send or cause to be sent, published, or otherwise made
65.21 known, any challenge to fight what is commonly known as a prize fight, or engage in any
65.22 public ~~boxing or sparring~~ combative sport match or contest, with or without gloves, for
65.23 any prize, reward, or compensation, or for which any admission fee is charged directly or
65.24 indirectly, or go into training preparatory for the fight, exhibition, or contest, or act as a
65.25 trainer, aider, abettor, backer, umpire, referee, second, surgeon, assistant, or attendant at
65.26 the fight, exhibition, or contest, or in any preparation for same, and any owner or lessee of
65.27 any ground, building, or structure of any kind permitting the same to be used for any fight,
65.28 exhibition, or contest, is guilty of a misdemeanor unless ~~a license~~ the licenses required for
65.29 the holding of the fight, exhibition, or contest ~~has~~ have been issued by the commission in
65.30 compliance with the rules adopted by it.

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

Sec. 44. **[341.355] PENALTIES.**

When the commission finds that a person has violated one or more provisions of any statute, rule, or order that the commission is empowered to regulate, enforce, or issue, the commission may impose, for each violation, a civil penalty of up to \$10,000 for each violation, or a civil penalty that deprives the person of any economic advantage gained by the violation, or both.

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

Sec. 45. Minnesota Statutes 2006, section 341.37, is amended to read:

341.37 APPROPRIATION.

A ~~Boxing~~ commission account is created in the special revenue fund. Money in the account is annually appropriated to the ~~Boxing~~ commission for the purposes of conducting its statutory responsibilities and obligations.

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

Sec. 46. Minnesota Statutes 2007 Supplement, section 446A.072, subdivision 3, is amended to read:

Subd. 3. **Program administration.** (a) The authority shall provide supplemental assistance, as provided in subdivision 5a to governmental units:

(1) whose projects are listed on the Pollution Control Agency's project priority list;
(2) that demonstrate their projects are a cost-effective solution to an existing environmental or public health problem; and

(3) whose projects are approved by the USDA/RECD or certified by the commissioner of the Pollution Control Agency.

(b) For a governmental unit receiving grant funding from the USDA/RECD, applications must be made to the USDA/RECD with additional information submitted to the authority as required by the authority. Eligible project costs and affordability criteria shall be determined by the USDA/RECD.

(c) For a governmental unit not receiving grant funding from the USDA/RECD, application must be made to the authority on forms prescribed by the authority for the clean water revolving fund program with additional information as required by the authority. In accordance with section 116.182, the Pollution Control Agency shall:

(1) calculate the essential project component percentage which must be multiplied by the total project cost to determine the eligible project cost; and

(2) review and certify approved projects to the authority.

67.1 (d) ~~At the time funds are appropriated under this section,~~ Each fiscal year the
67.2 authority shall make funds available for projects based on their ranking on the Pollution
67.3 Control Agency's project priority list. The authority shall reserve supplemental assistance
67.4 funds for projects in order of their rankings on the Pollution Control Agency's project
67.5 priority list and a project when the applicant receives a funding commitment from the
67.6 United States Department of Agriculture Rural Development (USDA/RECD) or submits
67.7 plans and specifications to the Pollution Control Agency. Funds must be reserved in an
67.8 amount based on their most recent the project cost estimates estimate submitted to the
67.9 authority or prior to the appropriation of the funds and awarded in the amount reserved
67.10 or an amount based on the as-bid costs, whichever is less.

67.11 Sec. 47. Minnesota Statutes 2007 Supplement, section 446A.072, subdivision 5a,
67.12 is amended to read:

67.13 Subd. 5a. **Type and amount of assistance.** (a) For a governmental unit receiving
67.14 grant funding from the USDA/RECD, the authority shall provide assistance in the form
67.15 of a grant of up to ~~one-half~~ 65 percent of the eligible grant ~~amount need~~ determined by
67.16 USDA/RECD. A governmental unit may not receive a grant under this paragraph for more
67.17 than \$4,000,000 or \$15,000 per existing connection, whichever is less, unless specifically
67.18 approved by law. In the case of a sanitary district or other multijurisdictional project for
67.19 which the USDA/RECD is unable to fully fund ~~up to one-half~~ its share of the eligible grant
67.20 ~~amount need~~, the authority may provide up to an additional \$1,000,000 for each additional
67.21 governmental unit participating up to a maximum of \$8,000,000 or \$15,000 per existing
67.22 connection, whichever is less, but not to exceed the maximum grant level determined by
67.23 the USDA/RECD as needed to keep the project affordable.

67.24 (b) For a governmental unit not receiving grant funding from the USDA/RECD,
67.25 the authority shall provide assistance in the form of a loan for the eligible project costs
67.26 plus the outstanding balance on any existing wastewater system debt that together exceed
67.27 five percent of the market value of properties in the project service area, less the amount of
67.28 any other grant funding received by the governmental unit for the project. A governmental
67.29 unit may not receive a loan under this paragraph for more than \$4,000,000 or \$15,000 per
67.30 existing connection, whichever is less, unless specifically approved by law. In the case of
67.31 a sanitary district or other multijurisdictional project, the authority may provide a loan
67.32 under this paragraph for up to an additional \$1,000,000 for each additional municipality
67.33 participating up to a maximum of \$8,000,000 or \$15,000 per existing connection,
67.34 whichever is less, unless specifically approved by law. A loan under this paragraph must

bear no interest, must be repaid as provided in subdivision 7, and must only be provided in conjunction with a loan from the clean water revolving fund under section 446A.07.

(c) Notwithstanding the limits in paragraphs (a) and (b), for a governmental unit receiving supplemental assistance under this section after January 1, 2002, if the authority determines that the governmental unit's construction and installation costs are significantly increased due to geological conditions of crystalline bedrock or karst areas and discharge limits that are more stringent than secondary treatment, the authority shall provide assistance in the form of half grant and half loan. Assistance from the authority may not be more than \$25,000 per existing connection. Any additional grant amount received for the same project must be used to reduce the amount of the governmental unit's loan from the clean water ~~pollution control~~ revolving fund that exceeds five percent of the market value of properties in the project service area.

Sec. 48. Minnesota Statutes 2007 Supplement, section 446A.086, is amended to read:

446A.086 STATE MAY GUARANTEE ~~COUNTY~~ GOVERNMENTAL UNIT BUILDING DEBT; REPAYMENT.

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

(b) "Authority" means the Minnesota Public Facilities Authority.

(c) "Commissioner" means the commissioner of finance.

(d) "Debt obligation" means:

(1) a general obligation bond issued by a county, a bond to which the general obligation of a county is pledged under section 469.034, subdivision 2, or a bond payable from a county lease obligation under section 641.24, to provide funds for the construction of:

~~(1)~~ (i) jails;

~~(2)~~ (ii) correctional facilities;

~~(3)~~ (iii) law enforcement facilities;

~~(4)~~ (iv) social services and human services facilities;

~~(5)~~ (v) solid waste facilities; or

~~(6)~~ (vi) qualified housing development projects as defined in section 469.034, subdivision 2; or

(2) a general obligation bond issued by a governmental unit and acquired under the credit enhanced bond program established under section 446A.087.

Subd. 2. **Application.** (a) This section provides a state guarantee of the payment of principal and interest on debt obligations if:

(1) the obligations are issued after June 30, 2000;
(2) application to the Public Facilities Authority is made before issuance; and
(3) the obligations are covered by an agreement meeting the requirements of subdivision 3.

(b) Applications to be covered by the provisions of this section must be made in a form and contain the information prescribed by the authority. Applications are subject to a fee of \$500 for ~~the first~~ each bond issue requested by the county and ~~\$250 for each bond issue thereafter~~ or applicable fees under section 446A.087.

(c) Application fees paid under this section must be deposited in a separate ~~county~~ credit enhancement bond guarantee account in the general fund. Money in the ~~county~~ credit enhancement bond guarantee account is appropriated to the authority for purposes of administering this section.

(d) Neither the authority nor the commissioner is required to promulgate administrative rules under this section and the procedures and requirements established by the authority or commissioner under this section are not subject to chapter 14.

Subd. 3. **Agreement.** (a) For specified debt obligations ~~of a county~~ to be covered by this section, the ~~county~~ county governmental unit must enter an agreement with the authority obligating the ~~county~~ county governmental unit to be bound by this section.

(b) This agreement must be in a form prescribed by the authority and contain any provisions required by the authority, including, at least, an obligation to:

(1) deposit with the paying agent three days before the date on which the payment is due an amount sufficient to make that payment or ten days prior to the date a payment is due on revenue bonds issued by the authority under section 446A.087;

(2) notify the authority, if the ~~county~~ county governmental unit will be unable to make all or a portion of the payment; and

(3) include a provision in the bond resolution and county's agreement with the paying agent for the debt obligation that requires the paying agent to inform the commissioner if it becomes aware of a default or potential default in the payment of principal or interest on that issue or if, on the day two business days before the date a payment is due on that issue, there are insufficient funds to make the payment on deposit with the paying agent.

(c) Funds invested in a refunding escrow account established under section 475.67 that are to become available to the paying agent on a principal or interest payment date are deemed to be on deposit with the paying agent three business days before the payment date.

(d) The provisions of an agreement under this subdivision are binding as to an issue as long as any debt obligation of the issue remains outstanding.

(e) This section and the obligations of the state under this section are not a public debt of the state under article XI, section 4, of the Minnesota Constitution, and the legislature may, at any time, choose not to appropriate amounts under subdivision 4, paragraph (b).

Subd. 4. **Notifications; payment; appropriation.** (a) After receipt of a notice of a default or potential default in payment of principal or interest in debt obligations covered by this section or an agreement under this section, and after consultation with the ~~county~~, governmental unit and the paying agent, and after verification of the accuracy of the information provided, the authority shall notify the commissioner of the potential default. The notice must include a final figure as to the amount due that the ~~county~~ governmental unit will be unable to repay on the date due.

(b) Upon receipt of this notice from the authority, the commissioner shall issue a warrant and authorize the authority to pay to the bond holders or paying agent for the debt obligation the specified amount on or before the date due. The amounts needed for the purposes of this subdivision are annually appropriated to the authority from the general fund.

Subd. 5. **Interest on state paid amount.** If the state has paid part or all of the principal or interest due on a ~~county's~~ debt obligation, the amount paid bears interest from the date paid by the state until the date of repayment. The interest rate is the commissioner's invested cash rate as it is certified by the commissioner. Interest only accrues on the amounts paid and outstanding less the reduction in aid under subdivision 7 and other payments received from the ~~county~~ governmental unit.

Subd. 6. **Pledge of ~~county's~~ governmental unit's full faith and credit.** If the state has paid part or all of the principal or interest due on a ~~county's~~ debt obligation, the ~~county's~~ governmental unit's pledge of its full faith and credit and unlimited taxing powers to repay the principal and interest due on those debt obligations becomes, without an election or the requirement of a further authorization, a pledge of the full faith and credit and unlimited taxing powers of the ~~county~~ governmental unit to repay to the state the amount paid, with interest. Amounts paid by the state must be repaid in the order in which the state payments were made.

Subd. 7. **Aid reduction for repayment.** (a) Except as provided in paragraph (b), the commissioner may reduce, by the amount paid by the state under this section on behalf of the ~~county~~ governmental unit, plus the interest due on the state payments, the ~~county~~ program local government aid under ~~section 477A.0124~~ chapter 477A. The amount of any aid reduction reverts from the appropriate account to the state general fund.

(b) If, after review of the financial situation of the ~~county~~ governmental unit, the authority advises the commissioner that a total reduction of the aids would cause an

71.1 undue hardship on the ~~county~~ governmental unit, the authority, with the approval of the
71.2 commissioner, may establish a different schedule for reduction of aids to repay the state.
71.3 The amount of aids to be reduced are decreased by any amounts repaid to the state by the
71.4 ~~county~~ governmental unit from other revenue sources.

71.5 Subd. 8. **Tax levy for repayment.** (a) With the approval of the authority, a ~~county~~
71.6 governmental unit may levy in the year the state makes a payment under this section an
71.7 amount up to the amount necessary to provide funds for the repayment of the amount
71.8 paid by the state plus interest through the date of estimated repayment by the ~~county~~
71.9 governmental unit. The proceeds of this levy may be used only for this purpose unless
71.10 they exceed the amount actually due. Any excess must be used to repay other state
71.11 payments made under this section or must be deposited in the debt redemption fund of
71.12 the ~~county~~ governmental unit. The amount of aids to be reduced to repay the state are
71.13 decreased by the amount levied.

71.14 (b) If the state is not repaid in full for a payment made under this section by
71.15 November 30 of the calendar year following the year in which the state makes the
71.16 payment, the authority shall require the ~~county~~ governmental unit to certify a property
71.17 tax levy in an amount up to the amount necessary to provide funds for repayment of the
71.18 amount paid by the state plus interest through the date of estimated repayment by the
71.19 ~~county~~ governmental unit. To prevent undue hardship, the authority may allow the ~~county~~
71.20 governmental unit to certify the levy over a five-year period. The proceeds of the levy
71.21 may be used only for this purpose unless they are in excess of the amount actually due, in
71.22 which case the excess must be used to repay other state payments made under this section
71.23 or must be deposited in the debt redemption fund of the ~~county~~ governmental unit. If the
71.24 authority orders the ~~county~~ governmental unit to levy, the amount of aids reduced to repay
71.25 the state are decreased by the amount levied.

71.26 (c) A levy under this subdivision is an increase in the levy limits of the ~~county~~
71.27 governmental unit for purposes of section 275.065, subdivision 6, and must be explained
71.28 as a specific increase at the meeting required under that provision.

71.29 Subd. 9. **Mandatory plan; technical assistance.** If the state makes payments on
71.30 behalf of a ~~county~~ governmental unit under this section or the ~~county~~ governmental unit
71.31 defaults in the payment of principal or interest on an outstanding debt obligation, it must
71.32 submit a plan to the authority for approval specifying the measures it intends to implement
71.33 to resolve the issues which led to its inability to make the payment and to prevent
71.34 further defaults. If the authority determines that a ~~county's~~ governmental unit's plan is
71.35 not adequate, the authority shall notify the ~~county~~ governmental unit that the plan has
71.36 been disapproved, the reasons for the disapproval, and that the state will not make future

payments under this section for debt obligations of the affected ~~county~~ governmental unit issued after the date specified in that notice until its plan is approved. The authority may also notify the ~~county~~ governmental unit that until its plan is approved, aids due the ~~county~~ governmental unit will be withheld after a date specified in the notice.

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

Sec. 49. **[446A.087] CREDIT ENHANCED BOND PROGRAM.**

Subdivision 1. **Establishment of program.** A credit enhanced bond program is established for the purposes set forth in subdivision 2.

Subd. 2. **Purpose.** The purpose of the credit enhanced bond program is to provide loans to governmental units through the purchase of general obligation bonds of governmental units issued to finance all or a portion of the costs of a project. The program shall include providing credit enhancement to the general obligation bonds of the governmental unit through the guarantee program as provided in section 446A.086. The authority shall obtain funds to make the loans authorized pursuant to this section through the issuance of its revenue bonds payable from loan repayments pledged to the bonds, and such other sources and security as are specifically pledged by the authority.

Subd. 3. **Definitions.** (a) Terms used in this section have the meanings given to them in this subdivision.

(b) "Applicant" means any governmental unit applying to the authority for a loan pursuant to this section.

(c) "Borrower" means any governmental unit that has entered into a commitment for the sale of its general obligation bonds to the authority pursuant to this section and subsequently sells its general obligation bonds to the authority and enters into a regulatory agreement.

(d) "Commitment" means a written agreement between a governmental unit and the authority obligating the governmental unit to deliver its general obligation bonds to the authority on a date in the future evidencing a loan pursuant to this section and to enter into a regulatory agreement with the authority, all upon the terms and conditions set forth in the commitment.

(e) "Eligible cost" means any cost of a project authorized by law to be financed from the proceeds of general obligation bonds of a governmental unit.

(f) "General obligation bonds" means bonds or notes secured by the full faith and credit and unlimited taxing powers of a governmental unit.

(g) "Project" means the construction, improvement, or rehabilitation of:

(1) wastewater facilities;

(2) drinking water facilities;

(3) storm water facilities;

(4) streets, street lighting, curbs, gutters, and sidewalks;

(5) energy conservation or alternative energy sources for use in public buildings or facilities;

(6) telecommunications facilities;

(7) public safety buildings including those providing police and fire protection; or

(8) any publicly owned building or infrastructure improvement that has received partial funding from grants awarded by the commissioner of employment and economic development related to redevelopment, contaminated site cleanup, bioscience, small cities development programs, and rural business infrastructure programs.

(h) "Regulatory agreement" means a written agreement entered into by the authority and a borrower in connection with the purchase of the borrower's general obligation bonds by the authority pursuant to this section.

Subd. 4. Establishment of fund and accounts. A credit enhancement bond program fund is established for the purposes described in subdivision 2. Other accounts may be established in the fund as necessary for its management and administration. Money in the fund is annually appropriated to the authority and does not lapse. The fund must be credited with investment income, and with repayments of principal and interest, except for fees assessed under section 446A.04, subdivisions 5 and 15.

Subd. 5. Management of fund and accounts. The authority shall manage and administer the credit enhancement bond program fund and individual accounts in the fund. For those purposes, the authority may exercise all powers provided in this chapter.

Subd. 6. Applications. (a) Applicants for participation in the credit enhancement bond program must submit an application to the authority on forms prescribed by the authority. The applicant shall provide information customary to that needed for the disclosure purposes in issuing general obligation bonds in the market, in addition to the following information:

(1) the total estimated cost of the project and the amount of general obligation bond proceeds sought;

74.1 (2) other sources of funding if the general obligation bond proceeds do not cover
74.2 the entire costs identified;

74.3 (3) the proposed sources of funds to be used for repayment of the general obligation
74.4 bonds;

74.5 (4) information showing the applicant's financial status and ability of the applicant
74.6 to repay loans;

74.7 (5) the proposed term and principal repayment schedule for the general obligation
74.8 bonds of the applicant; and

74.9 (6) the statutory authorization for the applicant to issue such general obligation
74.10 bonds, together with a statement that the statutory provision authorizes the use of proceeds
74.11 of such general obligation bonds to pay the costs of a project.

74.12 (b) The authority may establish deadlines or time periods for the submission of
74.13 applications to facilitate funding loans from the proceeds of a specific bond issue proposed
74.14 or previously issued by the authority, or the authority may accept applications from time
74.15 to time.

74.16 (c) Each application must be complete and accurate to be considered delivered to
74.17 and received by the authority or to be considered as having met any deadline established
74.18 by the authority with respect to an application period. If any application is determined by
74.19 the authority to be incomplete or inaccurate, the authority shall notify the applicant and
74.20 specify the missing or inaccurate information.

74.21 (d) The executive director and the staff of the authority shall evaluate the applications
74.22 to determine if the application should be accepted or rejected by the authority.

74.23 (e) The authority is not obligated to accept any application including those complete
74.24 and accurate and submitted by any specified deadline for submission if the authority
74.25 determines that it is not practicable to fund the loan for any reason including, but not
74.26 limited to, the creditworthiness of the applicant, the proposed loan amount, the term
74.27 and repayment schedule, the sources of funding available to the authority, and current
74.28 market conditions. Upon acceptance and approval of an application by the authority, the
74.29 authority may require that the applicant authorize, execute, and deliver a commitment to
74.30 the authority within such time period specified by the authority in its acceptance of the
74.31 application. The authority may reject an approved application for failure by the applicant
74.32 to authorize, execute, and deliver a commitment by the specified deadline.

74.33 Subd. 7. **Loan terms and conditions.** (a) The terms and conditions of loans
74.34 provided by the authority pursuant to the credit enhanced bond program are as provided
74.35 by this section, any applicable bond resolution or series bond resolution of the authority,
74.36 any trust indenture pursuant to which any series of bonds of the authority are issued,

75.1 the regulatory agreement, the commitment and the general obligation bond, and the
75.2 authorizing resolution of the borrower.

75.3 (b) The loan must be made by the authority through its purchase of the general
75.4 obligation bond of the borrower. The borrower shall provide the authority with the
75.5 opinion of nationally recognized bond counsel as to the valid authorization, issuance, and
75.6 enforceability of the general obligation bond of the borrower, and the exclusion of interest
75.7 thereon from gross income for the purposes of federal taxation, subject to customary
75.8 qualifications. The general obligation bond of the borrower may pledge other specified
75.9 sources of revenues for repayment to the extent permitted or required by law, in addition
75.10 to the full faith and credit and unlimited taxing powers of the borrower.

75.11 (c) The authority may disburse the proceeds of the loan as a single payment for the
75.12 general obligation bond or from time to time pursuant to draw requests if the general
75.13 obligation bond of the borrower is structured as a periodic drawdown bond. In the event
75.14 the authority pays for the general obligation bond in a single payment, the borrower
75.15 shall establish a project account and disburse the proceeds of its general obligation bond
75.16 solely for costs of the project approved in its application pursuant to such additional
75.17 requirements specified in the regulatory agreement.

75.18 (d) In order to facilitate the issuance of the authority's revenue bonds to finance
75.19 a pool of loans to different borrowers, the authority may require the borrower in the
75.20 commitment to issue its general obligation bond on a date certain in the future, and
75.21 may require the borrower to pay the costs incurred by the authority as a result of the
75.22 borrower's failure to deliver its general obligation bond as required by the commitment.
75.23 The commitment may also require the borrower to provide to the authority full disclosure
75.24 of all material facts and financial information relating to the borrower that would be
75.25 required if the borrower issued its general obligation bond to the public, certified as to
75.26 completeness and accuracy by authorized officers of the borrower, and authorization for
75.27 the authority to use such information in connection with the sale of the authority's revenue
75.28 bonds or disclosure relating to the authority's revenue bonds.

75.29 (e) In addition to delivering its general obligation bond, each borrower shall enter
75.30 into a regulatory agreement with the authority providing additional terms of the loan
75.31 as the authority may specify, including providing to the authority periodic reports and
75.32 information relating to the acquisition or construction of the project and use of the
75.33 proceeds of the borrower's general obligation bond and periodic operating, financial, and
75.34 other information as to the creditworthiness of the borrower, and providing and filing
75.35 continuing secondary market disclosure to the extent required by the authority.

(f) The purchase or commitment to purchase general obligation bonds of borrowers by the authority shall be subject to the availability of proceeds of revenue bonds of the authority for such purpose and the authority is not liable to any borrower for the failure to purchase its general obligation bond pursuant to a commitment or any other agreement if proceeds of the authority's revenue bonds are not available for any reason.

Subd. 8. Interest rate determination. The rate of interest on the general obligation bonds of the borrower must be the true interest cost on the revenue bonds of the authority issued to purchase such general obligation bonds of the borrower plus the ongoing percentage fee charged by the authority under subdivision 10; provided that the interest rate must not exceed any limit imposed by federal tax law with respect to the authority's revenue bonds.

Subd. 9. Market considerations. The authority may suspend offering loans if it is determined by the executive director that there are extreme or unusual events impacting the bond market and that to continue making loans would be detrimental to holders of the authority's revenue bonds or the financial viability of the credit enhanced bond program, or if the state is warned by one of its rating agencies that continuing to make loans will result in lowering the state's bond rating. If the making of loans is suspended under this section, the authority shall have the option to resume making loans once it has determined that the conditions for suspending the program no longer exist.

Subd. 10. Fees. The authority shall charge a nonrefundable application fee of \$1,000 payable by each applicant upon submission of an application to the authority. A separate application fee must be payable for each application submitted, including a resubmitted application for an application that was rejected by the authority or determined to be incomplete or inaccurate by the authority. The authority shall charge an ongoing periodic fee of ten basis points of the outstanding principal amount of the loan to be added to, and be a component of, the interest rate on the general obligation bonds of the borrower.

Subd. 11. Authority revenue bonds. (a) The authority is authorized to issue revenue bonds as provided in this chapter to fund the credit enhanced bond program. The revenue bonds may be issued in one or more series pursuant to a resolution of the authority or a series resolution or pursuant to a trust indenture with a financial institution with trust powers as trustee, authorized by resolution of the authority. Any issue of bonds may be used to fund one or more loans, may be payable by the loans funded from such issue of bonds and such additional loans as pledged by the authority, and may be payable on a subordinated basis to other bonds. As permitted by the terms of any revenue bonds issued by the authority, the authority may sell the general obligations pledged to the payment of the revenue bonds and any proceeds of the sale in excess of those used to pay

the principal of the revenue bonds must be deposited to the credit enhanced bond program fund and may be used to purchase additional general obligation bonds of borrowers, to provide credit enhancement for the authority's revenue bonds, or to pay any other expense of the credit enhanced bond program.

(b) The authority may issue short-term bonds in anticipation of issuing long-term bonds for the purpose of acquiring general obligation bonds of borrowers.

(c) Bonds issued by the authority for the credit enhanced bond program must not be general obligations of the authority to the payment of which the general assets of the authority are pledged or available for payment. All bonds issued for the credit enhanced bond programs by the authority must be revenue bonds payable solely from the sources specified in the bond.

Subd. 12. **Reports, disclosure, audits.** (a) During the term of the loan the borrower shall provide written reports to the authority. The content and timing of these reports must be as specified in the regulatory agreement.

(b) During the term of the loan the borrower shall disclose to the authority any material information or events adversely affecting the creditworthiness of the borrower as specified in the regulatory agreement. If required by the authority in a regulatory agreement, the borrower shall enter into a continuing disclosure undertaking to provide disclosure to the market.

(c) During the term of the loan, the borrower shall provide to the authority on an annual basis financial statements of the borrower audited by an independent accounting firm, as further specified in the regulatory agreement.

Sec. 50. Minnesota Statutes 2006, section 446A.12, subdivision 1, is amended to read:

Subdivision 1. **Bonding authority.** The authority may issue negotiable bonds in a principal amount that the authority determines necessary to provide sufficient funds for achieving its purposes, including the making of loans and purchase of securities, the payment of interest on bonds of the authority, the establishment of reserves to secure its bonds, the payment of fees to a third party providing credit enhancement, and the payment of all other expenditures of the authority incident to and necessary or convenient to carry out its corporate purposes and powers, but not including the making of grants. Bonds of the authority may be issued as bonds or notes or in any other form authorized by law. The principal amount of bonds issued and outstanding under this section at any time may not exceed \$1,500,000,000, excluding bonds for which refunding bonds or crossover refunding bonds have been issued, and excluding any bonds issued for the credit enhanced bond program or refunding or crossover refunding bonds issued under the

program. The principal amount of bonds issued and outstanding under section 446A.087, may not exceed \$500,000,000, excluding bonds for which refunding bonds or crossover refunding bonds have been issued.

Sec. 51. Laws 1999, chapter 223, article 2, section 72, is amended to read:

Sec. 72. **UPPER RED LAKE BUSINESS LOAN PROGRAM.**

The commissioner of trade and economic development must make loans to businesses in the Upper Red Lake area that have been severely affected by the significant decline of the walleye fishing resource in Upper Red Lake. The loans may only be made to businesses that operated in 1998. A business must submit an application to the commissioner on forms provided by the commissioner. The application must include a business plan for continued operation, with the assistance of the loan, until the walleye fishing resource recovers. The commissioner shall allocate available loan funds to a business based on the commissioner's evaluation of the probable success of its business plan. A loan shall be for a maximum amount of \$75,000 and a duration of ten years from the date of the loan and shall be interest free. Repayment of a loan in monthly payments of 1/120 of the original principal amount must begin no later than one year after walleye fishing on Upper Red Lake is ~~allowed by the department of natural resources~~ recovered to a bag limit of six fish. Any principal balance remaining at the end of the ten-year period shall be forgiven if the business continues in operation for the ten-year period. Loan repayments shall be deposited in the general fund.

Sec. 52. Laws 2007, chapter 135, article 1, section 3, subdivision 2, is amended to read:

Subd. 2. Business and Community Development	40,667,000	8,639,000
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Appropriations by Fund		
General	39,967,000	7,939,000
Remediation	700,000	700,000

(a) (1) \$250,000 the first year and \$250,000 the second year are from the general fund for a grant under Minnesota Statutes, section 116J.421, to the Rural Policy and Development Center at St. Peter, Minnesota. The grant shall be used for research and policy analysis on emerging economic and social issues in rural Minnesota, to serve as

79.1 a policy resource center for rural Minnesota
79.2 communities, to encourage collaboration
79.3 across higher education institutions to
79.4 provide interdisciplinary team approaches
79.5 to research and problem-solving in rural
79.6 communities, and to administer overall
79.7 operations of the center.

79.8 (2) The grant shall be provided upon the
79.9 condition that each state-appropriated
79.10 dollar be matched with a nonstate dollar.
79.11 Acceptable matching funds are nonstate
79.12 contributions that the center has received and
79.13 have not been used to match previous state
79.14 grants. Any unencumbered balance in the
79.15 first year is available for the second year.

79.16 (b) \$250,000 the first year and \$250,000
79.17 the second year are from the general fund
79.18 for a grant to WomenVenture for women's
79.19 business development programs.

79.20 (c) \$250,000 the first year is for a grant to
79.21 University Enterprise Laboratories (UEL)
79.22 for its direct and indirect expenses to support
79.23 efforts to encourage the growth of early-stage
79.24 and emerging bioscience companies. UEL
79.25 must provide a report by June 30 each year
79.26 to the commissioner on the expenditures
79.27 until the appropriation is expended. This is a
79.28 onetime appropriation and is available until
79.29 expended.

79.30 (d) \$2,000,000 the first year is for grants
79.31 under Minnesota Statutes, section 116J.571,
79.32 for the redevelopment grant program. This is
79.33 a onetime appropriation.

79.34 (e) \$100,000 the first year and \$100,000 the
79.35 second year are to help small businesses

80.1 access federal funds through the federal
80.2 Small Business Innovation Research Program
80.3 and the federal Small Business Technology
80.4 Transfer Program. Department services
80.5 must include maintaining connections to
80.6 11 federal programs, assessment of specific
80.7 funding opportunities, review of funding
80.8 proposals, referral to specific consulting
80.9 services, and training workshops throughout
80.10 the state. Unless prohibited by federal law,
80.11 the department must implement fees for
80.12 services that help companies seek federal
80.13 Phase II Small Business Innovation Research
80.14 grants. The recommended fee schedule
80.15 must be reported to the chairs of the house
80.16 of representatives finance committee and
80.17 senate budget division with jurisdiction over
80.18 economic development by February 1, 2008.

80.19 (f) \$100,000 the first year and \$100,000
80.20 the second year are appropriated to the
80.21 Public Facilities Authority for the small
80.22 community wastewater treatment program
80.23 under Minnesota Statutes, chapter 446A.

80.24 (g) \$255,000 the first year and \$155,000
80.25 the second year are from the general fund
80.26 for a grant to the Metropolitan Economic
80.27 Development Association for continuing
80.28 minority business development programs in
80.29 the metropolitan area.

80.30 (h) \$85,000 the first year and \$85,000 the
80.31 second year are for grants to the Minnesota
80.32 Inventors Congress. Of this amount, \$10,000
80.33 each year is for the Student Inventors
80.34 Congress.

81.1 (i) \$151,000 the first year is for a onetime
81.2 grant to the city of Faribault to design,
81.3 construct, furnish, and equip renovations to
81.4 accommodate handicapped accessibility at
81.5 the Paradise Center for the Arts.

81.6 (j) \$750,000 the first year is to Minnesota
81.7 Technology, Inc. for the small business
81.8 growth acceleration program established
81.9 under Minnesota Statutes, section 116O.115.
81.10 This is a onetime appropriation. This
81.11 appropriation does not cancel, but is
81.12 available until June 30, 2011.

81.13 (k) \$300,000 the first year is for a onetime
81.14 grant to the city of Northome for the
81.15 construction of a new municipal building to
81.16 replace the structures damaged by fire on
81.17 July 22, 2006. This appropriation is available
81.18 when the commissioner determines that a
81.19 sufficient match is available from nonstate
81.20 sources to complete the project.

81.21 (l) \$300,000 the first year is for a grant to the
81.22 city of Worthington for an agricultural-based
81.23 bioscience training and testing center. Funds
81.24 appropriated under this section must be used
81.25 to provide a training and testing facility for
81.26 incubator firms developing new agricultural
81.27 processes and products. This is a onetime
81.28 appropriation and is available until expended.

81.29 (m) \$1,750,000 the first year is for a onetime
81.30 grant to BioBusiness Alliance of Minnesota
81.31 for bioscience business development
81.32 programs to promote and position the state
81.33 as a global leader in bioscience business
81.34 activities. These funds may be used for:

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

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

82.14 (3) the design and construction of a
82.15 Minnesota focused bioscience business
82.16 model to test competing strategies and
82.17 scenarios, evaluate options, and forecast
82.18 outcomes; and

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

82.29 This appropriation is available until June 30,
82.30 2009.

82.31 (n) \$125,000 the first year is to develop and
82.32 operate a bioscience business marketing
82.33 program to market Minnesota bioscience
82.34 businesses and business opportunities
82.35 to other states and other countries. The

83.1 bioscience business marketing program must
83.2 emphasize bioscience business location and
83.3 expansion opportunities in communities
83.4 outside of the seven-county metropolitan
83.5 area as defined in Minnesota Statutes,
83.6 section 473.121, subdivision 2, that have
83.7 established collaborative plans among two
83.8 or more municipal units for bioscience
83.9 business activities, and that are within 15
83.10 miles of a four-year, baccalaureate degree
83.11 granting institution or a two-year technical
83.12 or community college that offers bioscience
83.13 curricula. The commissioner must report
83.14 to the committees of the senate and house
83.15 of representatives having jurisdiction
83.16 over bioscience and technology issues by
83.17 February 1 of each year on the expenditures
83.18 of these funds and the promotional activities
83.19 undertaken to market the Minnesota
83.20 bioscience industry to persons outside of the
83.21 state. This is a onetime appropriation and is
83.22 available until expended.

83.23 (o) \$325,000 is for a grant to the Walker
83.24 Area Community Center, Inc., to construct,
83.25 furnish, and equip the Walker Area
83.26 Community Center. This appropriation is
83.27 not available until the commissioner has
83.28 determined that an amount sufficient to
83.29 complete the project has been committed
83.30 from nonstate sources. This is a onetime
83.31 appropriation and is available until expended.

83.32 (p) \$100,000 the first year is for a grant
83.33 to the Pine Island Economic Development
83.34 Authority for predesign to upgrade and
83.35 extend utilities to serve Elk Run Bioscience
83.36 Research Park and The Falls - Healthy

84.1 Living By Nature, an integrated medicine
84.2 facility. This is a onetime appropriation and
84.3 is available until expended.

84.4 (q) \$350,000 the first year is for a grant
84.5 to Thomson Township for infrastructure
84.6 improvements for the industrial park. This
84.7 is a onetime appropriation and is available
84.8 until expended.

84.9 (r) \$75,000 the first year is for a grant to
84.10 Le Sueur County for the cost of cleaning
84.11 up debris from lakes in Le Sueur County,
84.12 caused by the August 24, 2006, tornado in
84.13 southern Le Sueur County. This is a onetime
84.14 appropriation and is available until expended.

84.15 (s) \$400,000 the first year is for a grant to
84.16 the city of Rogers to be used for relief from
84.17 damages caused by the September 16, 2006,
84.18 tornado.

84.19 (t) \$75,000 the first year is for a grant to
84.20 the city of Warroad for new public facilities
84.21 to replace those damaged or destroyed
84.22 by the August 2006 tornado, including
84.23 approximately 28 new street lights and
84.24 underground electrical circuits and a new
84.25 fish cleaning house. This is a onetime
84.26 appropriation and is available until expended.

84.27 If an appropriation for this purpose is enacted
84.28 more than once in the 2007 session, the
84.29 appropriation is effective only once.

84.30 (u) \$500,000 the first year is for a grant to
84.31 the Upper Sioux Community to improve the
84.32 current water system to ensure continuity
84.33 of service to the entire population of the
84.34 community and to meet the demands of the
84.35 community expansion over the next 20 years.

85.1 The is a onetime appropriation and is not
85.2 available until the Public Facilities Authority
85.3 has determined that at least \$1,000,000 has
85.4 been committed from nonstate sources. This
85.5 appropriation is available until expended. *
85.6 (The preceding text beginning "(u) \$500,000
85.7 the first year is for" was indicated as vetoed
85.8 by the governor.)

85.9 (v) \$755,000 the first year is for the urban
85.10 challenge grant program under Minnesota
85.11 Statutes, section 116M.18. This is a onetime
85.12 appropriation.

85.13 (w) \$1,100,000 is for a grant to the
85.14 Neighborhood Development Center for
85.15 assistance necessary to retain minority
85.16 business enterprises at the Global Market.
85.17 This is a onetime appropriation and is
85.18 available until expended.

85.19 (x) \$350,000 the first year is for a onetime
85.20 grant to the city of Inver Grove Heights
85.21 to reduce debt on the Inver Grove Heights
85.22 Veterans Memorial Community Center. *
85.23 (The preceding text beginning "(x) \$350,000
85.24 the first year is for" was indicated as vetoed
85.25 by the governor.)

85.26 (y) \$14,900,000 the first year is for the
85.27 Minnesota minerals 21st century fund created
85.28 in Minnesota Statutes, section 116J.423, to
85.29 partially restore the money unallotted by the
85.30 commissioner of finance in 2003 pursuant
85.31 to Minnesota Statutes, section 16A.152.
85.32 This appropriation may be used as provided
85.33 in Minnesota Statutes, section 116J.423,
85.34 subdivision 2. This appropriation is available
85.35 until expended.

86.1 (z) \$2,500,000 the first year is for a grant to
86.2 the city of St. Paul to be used to pay, redeem,
86.3 or refund debt service costs incurred for the
86.4 River Centre Campus. * (The preceding text
86.5 beginning "(z) \$2,500,000 the first year is
86.6 for" was indicated as vetoed by the governor.)

86.7 (aa) \$147,000 each year is appropriated from
86.8 the general fund to the commissioner of
86.9 employment and economic development for
86.10 grants of \$49,000 to eligible organizations
86.11 each year and for the purposes of this
86.12 paragraph. Each state grant dollar must be
86.13 matched with \$1 of nonstate funds. Any
86.14 balance in the first year does not cancel but
86.15 is available in the second year. The base for
86.16 these grants in fiscal years 2010 and 2011
86.17 is \$189,000 each year, with each eligible
86.18 organization receiving a \$63,000 grant each
86.19 year.

86.20 The commissioner of employment and
86.21 economic development must make grants to
86.22 organizations to assist in the development
86.23 of entrepreneurs and small businesses.

86.24 Three grants must be awarded to continue
86.25 or to develop a program. One grant must
86.26 be awarded to the Riverbend Center for
86.27 Entrepreneurial Facilitation in Blue Earth
86.28 County, and two to other organizations
86.29 serving Faribault and Martin Counties. Grant
86.30 recipients must report to the commissioner
86.31 by February 1 of each year that the
86.32 organization receives a grant with the
86.33 number of customers served; the number of
86.34 businesses started, stabilized, or expanded;
86.35 the number of jobs created and retained; and
86.36 business success rates. The commissioner

87.1 must report to the house of representatives
87.2 and senate committees with jurisdiction
87.3 over economic development finance on the
87.4 effectiveness of these programs for assisting
87.5 in the development of entrepreneurs and
87.6 small businesses.

87.7 (bb) ~~\$5,000,000~~ \$2,000,000 the first year is
87.8 for grants under Minnesota Statutes, section
87.9 116J.8731, for the Minnesota investment
87.10 fund program. Of this amount, ~~up to~~
87.11 ~~\$3,000,000 may be used for a legal reference~~
87.12 ~~office and data center facility, provided that~~
87.13 ~~the total capital investment in the facility~~
87.14 ~~is at least \$60,000,000. This grant is not~~
87.15 ~~subject to grant limitations under Minnesota~~
87.16 ~~Statutes, section 116J.8731, subdivision 5~~
87.17 \$1,000,000 must be used for biomass heating
87.18 grants and loans under section 55. This is
87.19 a onetime appropriation and is available in
87.20 either year of the biennium.

87.21 Sec. 53. Laws 2007, chapter 135, article 1, section 3, subdivision 3, is amended to read:

87.22	Subd. 3. Workforce Development	50,024,000	49,833,000
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87.23	Appropriations by Fund		
87.24	General	33,529,000	33,338,000
87.25	Workforce		
87.26	Development	16,495,000	16,495,000

87.27 (a) \$6,785,000 the first year and \$6,785,000
87.28 the second year are from the general fund
87.29 for the Minnesota job skills partnership
87.30 program under Minnesota Statutes, sections
87.31 116L.01 to 116L.17. If the appropriation for
87.32 either year is insufficient, the appropriation
87.33 for the other year is available for it. This
87.34 appropriation does not cancel.

88.1 (b) \$455,000 the first year and \$455,000 the
88.2 second year are from the general fund for
88.3 a grant under Minnesota Statutes, section
88.4 116J.8747, to Twin Cities RISE! to provide
88.5 training to hard-to-train individuals.

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

88.10 (d) \$5,614,000 each year is from the general
88.11 fund and \$6,920,000 each year is from the
88.12 workforce development fund for extended
88.13 employment services for persons with
88.14 severe disabilities or related conditions
88.15 under Minnesota Statutes, section 268A.15.

88.16 Of this, \$125,000 each year and in the
88.17 base for fiscal years 2010 and 2011 is to
88.18 supplement funds paid for wage incentives
88.19 for the community support fund established
88.20 in Minnesota Rules, part 3300.2045. The
88.21 commissioner shall not reduce expenditures
88.22 from these appropriations in either year of
88.23 the biennium.

88.24 (e) \$1,650,000 the first year and \$1,650,000
88.25 the second year are from the general fund for
88.26 grants for programs that provide employment
88.27 support services to persons with mental
88.28 illness under Minnesota Statutes, sections
88.29 268A.13 and 268A.14. Up to \$77,000 each
88.30 year may be used for administrative and
88.31 salary expenses.

88.32 (f) \$2,440,000 the first year and \$2,440,000
88.33 the second year are from the general
88.34 fund for grants under Minnesota Statutes,
88.35 section 268A.11, for the eight centers

89.1 for independent living. The base for this
89.2 program is \$2,440,000 each year in fiscal
89.3 years 2010 and 2011. Money not expended
89.4 the first year is available the second year.

89.5 The commissioner must:

89.6 (1) transfer \$115,000 of federal independent
89.7 living Part B rehabilitation services funds
89.8 to the Minnesota Centers for Independent
89.9 Living each year contingent upon the
89.10 availability of federal funds under Title VII,
89.11 Part B, of the Federal Rehabilitation Act of
89.12 1973 as amended under United States Code,
89.13 title 29, section 711(c), and approved by the
89.14 Statewide Independent Living Council;

89.15 (2) replace federal Part B funds in the
89.16 State Independent Living Council budget
89.17 transferred under clause (1) with \$115,000
89.18 of Social Security Administration program
89.19 income funds each year; and

89.20 (3) provide an additional \$185,000 each year
89.21 from the Social Security Administration
89.22 program income to the Minnesota Centers for
89.23 Independent Living to be allocated equally
89.24 among the eight centers.

89.25 Additional funding for centers for
89.26 independent living under clauses (1) and (3)
89.27 must be used for core independent living
89.28 services by the Centers for Independent
89.29 Living. The Statewide Independent Living
89.30 Council framework for statewide distribution
89.31 of state and federal funding to the Minnesota
89.32 Centers for Independent Living does not
89.33 apply to the funds under clauses (1) and
89.34 (3). The commissioner must report on the
89.35 transfers in clauses (1), (2), and (3), and any

90.1 other effort to pursue additional funding for
90.2 the Centers for Independent Living to the
90.3 standing committees of the senate and house
90.4 of representatives having jurisdiction over
90.5 Centers for Independent Living by March 15
90.6 each year.

90.7 (g) \$5,940,000 the first year and \$5,940,000
90.8 the second year are from the general fund for
90.9 state services for the blind activities.

90.10 (h) \$150,000 the first year and \$150,000
90.11 the second year are from the general fund
90.12 and \$175,000 the first year and \$175,000
90.13 the second year are from the workforce
90.14 development fund for grants under Minnesota
90.15 Statutes, section 268A.03, to Rise, Inc.
90.16 for the Minnesota Employment Center for
90.17 People Who are Deaf or Hard-of-Hearing.
90.18 Money not expended the first year is
90.19 available the second year.

90.20 (i) \$9,021,000 the first year and \$9,021,000
90.21 the second year are from the general fund for
90.22 the state's vocational rehabilitation program
90.23 for people with significant disabilities to
90.24 assist with employment, under Minnesota
90.25 Statutes, chapter 268A.

90.26 (j) \$350,000 the first year and \$350,000
90.27 the second year are from the workforce
90.28 development fund for grants to provide
90.29 interpreters for a regional transition program
90.30 that specializes in providing culturally
90.31 appropriate transition services leading to
90.32 employment for deaf, hard-of-hearing, and
90.33 deaf-blind students. This amount must be
90.34 added to the department's base.

91.1 (k) \$150,000 the first year and \$150,000 the
91.2 second year are for a grant to Advocating
91.3 Change Together for training, technical
91.4 assistance, and resources materials to persons
91.5 with developmental and mental illness
91.6 disabilities.

91.7 (l) \$250,000 the first year and \$250,000
91.8 the second year are from the workforce
91.9 development fund and \$150,000 the first
91.10 year and \$100,000 the second year are from
91.11 the general fund for a grant to Lifetrack
91.12 Resources for its immigrant and refugee
91.13 collaborative programs, including those
91.14 related to job-seeking skills and workplace
91.15 orientation, intensive job development,
91.16 functional work English, and on-site job
91.17 coaching. \$50,000 of the first year general
91.18 fund appropriation is for a onetime pilot
91.19 Lifetrack project in Rochester.

91.20 (m) \$75,000 the first year and \$75,000 the
91.21 second year are from the general fund and
91.22 \$1,000,000 the first year and \$1,000,000
91.23 the second year are from the workforce
91.24 development fund for the youthbuild
91.25 program under Minnesota Statutes, sections
91.26 116L.361 to 116L.366. This appropriation
91.27 may be used for:

91.28 (1) restoring the three youthbuild programs
91.29 that were eliminated due to budget reductions
91.30 and adding seven more youthbuild programs
91.31 statewide;

91.32 (2) restoring funding levels for all youthbuild
91.33 programs plus an inflationary increase for
91.34 each program;

92.1 (3) increasing the number of at-risk youth
92.2 served by the youthbuild programs from 260
92.3 youth per year to 500 youth per year; and

92.4 (4) restoring the youthbuild focus on careers
92.5 in technology and adding a youthbuild focus
92.6 on careers in the medical field.

92.7 (n) \$1,325,000 each year is from the
92.8 workforce development fund for grants
92.9 to fund summer youth employment in
92.10 Minneapolis. The grants shall be used to
92.11 fund up to 500 jobs for youth each summer.
92.12 Of this appropriation, \$325,000 each year is
92.13 for a grant to the learn-to-earn summer youth
92.14 employment program. The commissioner
92.15 shall establish criteria for awarding the
92.16 grants. This appropriation is available in
92.17 either year of the biennium and is available
92.18 until spent.

92.19 (o) \$600,000 the first year and \$600,000
92.20 the second year are from the workforce
92.21 development fund for a grant to the city of
92.22 St. Paul for grants to fund summer youth
92.23 employment in St. Paul. The grants shall be
92.24 used to fund up to 500 jobs for youth each
92.25 summer. The commissioner shall establish
92.26 criteria for awarding the grants within the
92.27 city of St. Paul. This appropriation is
92.28 available in either year of the biennium and
92.29 is available until spent.

92.30 (p) \$250,000 the first year and \$250,000 the
92.31 second year are from the general fund for
92.32 grants to Northern Connections in Perham
92.33 to implement and operate a pilot workforce
92.34 program that provides one-stop supportive

93.1 services to individuals as they transition into
93.2 the workforce.

93.3 (q) \$100,000 each year is for a grant to
93.4 Ramsey County Workforce Investment Board
93.5 for the development of the building lives
93.6 program. This is a onetime appropriation. *
93.7 (The preceding text beginning "(q) \$100,000
93.8 each year is for" was indicated as vetoed by
93.9 the governor.)

93.10 (r) \$150,000 each year is for a grant to the
93.11 Hennepin-Carver Workforce Investment
93.12 Board (WIB) to coordinate with the Partners
93.13 for Progress Regional Skills Consortium
93.14 to provide employment and training as
93.15 demonstrated by the Twin Cities regional
93.16 health care training partnership project. *
93.17 (The preceding text beginning "(r) \$150,000
93.18 each year is for" was indicated as vetoed by
93.19 the governor.)

93.20 (s) \$160,000 the first year is for a onetime
93.21 grant to Workforce Development, Inc., for
93.22 a pilot project to provide demand-driven
93.23 employment and training services to
93.24 welfare recipients and other economically
93.25 disadvantaged populations in Mower,
93.26 Freeborn, Dodge, and Steele Counties.

93.27 (t) \$200,000 the first year and \$200,000 the
93.28 second year are from the general fund for
93.29 a grant to HIRED to operate its industry
93.30 sector training initiatives, which provide
93.31 employee training developed in collaboration
93.32 with employers in specific, high-demand
93.33 industries. * (The preceding text beginning
93.34 "(t) \$200,000 the first year" was indicated as
93.35 vetoed by the governor.)

94.1 (u) \$100,000 the first year is for a onetime
94.2 grant to a nonprofit organization. The
94.3 nonprofit organization must work on behalf
94.4 of all licensed vendors to coordinate their
94.5 efforts to respond to solicitations or other
94.6 requests from private and governmental units
94.7 as defined in Minnesota Statutes, section
94.8 471.59, subdivision 1, in order to increase
94.9 employment opportunities for persons with
94.10 disabilities.

94.11 (v) \$3,500,000 each year from the workforce
94.12 development fund is for the Minnesota youth
94.13 program under Minnesota Statutes, sections
94.14 116L.56 and 116L.561.

94.15 (w) \$1,000,000 each year from the workforce
94.16 development fund is for a grant to the
94.17 Minnesota Alliance of Boys and Girls
94.18 Clubs to administer a statewide project
94.19 of youth job skills development. This
94.20 project, which may have career guidance
94.21 components, including health and life skills,
94.22 is to encourage, train, and assist youth in
94.23 job-seeking skills, workplace orientation,
94.24 and job site knowledge through coaching.
94.25 This grant requires a 25 percent match from
94.26 nonstate resources.

94.27 (x) \$10,000 the first year is for a study on
94.28 ways to promote employment opportunities
94.29 for minorities, with a particular focus on
94.30 opportunities for African Americans, in
94.31 the state of Minnesota. The study should
94.32 focus on how to significantly expand the job
94.33 training available to minorities and promote
94.34 substantial increases in the wages paid to
94.35 minorities, at least to a rate well above living

95.1 wage, and within several years, to equality.
95.2 The commissioner must report on the study
95.3 to the governor and the chair of the finance
95.4 committee in each house of the legislature
95.5 that has jurisdiction over employment by
95.6 January 15, 2008, with recommendations for
95.7 implementing the findings.

95.8 (y) The commissioner must provide funding
95.9 for the Minnesota Conservation Corps to
95.10 provide learning stipends for deaf students
95.11 and wages for interpreters participating in
95.12 the MCC summer youth program.

95.13 Sec. 54. **BIOMASS HEATING GRANTS AND LOANS PILOT PROJECT.**

95.14 Within the limits of appropriations, the commissioner of the Department of
95.15 Employment and Economic Development shall make grants and loans for costs related
95.16 to the installation of an approved biomass heating project in a publicly owned facility,
95.17 including K-12 public schools, higher education buildings, and buildings owned by a
95.18 local unit of government. The commissioner must approve biomass heating projects that
95.19 produce energy for heating air or water using organic matter available on a renewable
95.20 basis, including but not limited to agricultural crops, grasses and trees, or wood production
95.21 or other waste. Applications for a grant or loan under this section must be made to the
95.22 commissioner on the forms and according to the timeline prescribed by the commissioner.
95.23 At a minimum, the commissioner must require sufficient information on the applications
95.24 to determine that the physical condition of the publicly owned facility is sufficient to
95.25 support the efficient operation of the biomass heating project and that the projected
95.26 cumulative energy cost savings are adequate relative to the costs of the investment.
95.27 The grant and loan may each provide up to 50 percent of the total installed costs of the
95.28 biomass heating projects.

95.29 Sec. 55. **HARDSHIP PAYMENTS.**

95.30 Subdivision 1. **Payments; availability.** Hardship payments are available to
95.31 an applicant if the applicant suffered economic hardship due to delays in receiving
95.32 unemployment benefits resulting from the new unemployment insurance application
95.33 and filing system implemented by the Department of Employment and Economic
95.34 Development on October 15, 2007.

96.1 Subd. 2. **Economic hardship.** "Economic hardship" means financial losses to
96.2 an applicant resulting from: checks returned for insufficient funds; account overdraft
96.3 charges; installment credit penalties, interest, and other fees resulting from missed or
96.4 late payments; mortgage loan late fees, interest charges, or other penalties; charges for
96.5 force-placed automobile or homeowner's insurance; penalties for late payment of income
96.6 or property taxes; and any penalties or adverse consequences, including the suspension of
96.7 an applicant's driver's license due to nonpayment of child support.

96.8 Subd. 3. **Payment from administration account.** Hardship payments are payable
96.9 from the unemployment insurance administration account under Minnesota Statutes,
96.10 section 268.196.

96.11 Subd. 4. **Eligibility conditions.** An applicant is eligible to receive hardship
96.12 payments under this section if the applicant's unemployment benefit payments due and
96.13 payable after October 15, 2007, were delayed at least four weeks.

96.14 Subd. 5. **Amount of hardship payments.** The amount of hardship payments
96.15 available to an applicant is equal to the amount of economic hardship experienced by an
96.16 applicant due to the delay in receiving unemployment benefits. An applicant must provide
96.17 documentation of the amount of financial hardship claimed using financial institution
96.18 records, consumer or business credit records, child support records, or other commonly
96.19 recognized methods of documenting financial transactions.

96.20 Subd. 6. **Notice.** The commissioner must notify applicants of the availability of
96.21 hardship payments by posting a notice on the department's official Web site, by notifying
96.22 applicants by individual mailing where department records show the applicant may be
96.23 eligible under subdivision 4, and by any other appropriate announcement.

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

96.25 Sec. 56. **LUMBER COMPANY EXTRA BENEFITS.**

96.26 Subdivision 1. **Extra benefits; availability.** Extra unemployment benefits are
96.27 available to an applicant if the applicant was laid off due to lack of work from the
96.28 Ainsworth Lumber Company plants in Cook.

96.29 Subd. 2. **Payment from fund; effect on employer.** Extra unemployment benefits
96.30 are payable from the unemployment insurance trust fund. Extra unemployment benefits
96.31 paid under this section will not be used in computing the experience rating of Ainsworth
96.32 Lumber Company under Minnesota Statutes, section 268.047.

96.33 Subd. 3. **Eligibility conditions.** An applicant is eligible to receive extra
96.34 unemployment benefits under this section for any week through December 31, 2008,

97.1 following the effective date of the applicant's benefit account of regular unemployment
97.2 benefits, as a result of a layoff described under subdivision 1, if:

97.3 (1) a majority of the applicant's wage credits were with Ainsworth Lumber Company
97.4 or Ainsworth Engineered;

97.5 (2) the applicant meets the eligibility requirements of Minnesota Statutes, section
97.6 268.085;

97.7 (3) the applicant is not subject to a disqualification under Minnesota Statutes, section
97.8 268.095;

97.9 (4) the applicant is not entitled to regular unemployment benefits and the applicant
97.10 is not entitled to receive unemployment benefits under any other state or federal law
97.11 for that week; and

97.12 (5) the applicant is enrolled in, or has within the last two weeks successfully
97.13 completed, a program that qualifies as reemployment assistance training under Minnesota
97.14 Statutes, section 268.035, subdivision 21a, except that an applicant whose training is
97.15 scheduled to begin in more than 30 days may be considered to be in training if: (i) the
97.16 applicant's chosen training program does not offer an available start date within 30 days;
97.17 (ii) the applicant is scheduled to begin training on the earliest available start date for
97.18 the chosen training program; and (iii) the applicant is scheduled to begin training in no
97.19 more than 60 days.

97.20 Subd. 4. **Weekly amount of extra benefits.** The weekly extra unemployment
97.21 benefits amount available to an applicant is the same as the applicant's weekly regular
97.22 unemployment benefit amount on the benefit account established as a result of a layoff
97.23 under subdivision 1.

97.24 Subd. 5. **Maximum amount of extra unemployment benefits.** (a) The maximum
97.25 amount of extra unemployment benefits available is equal to 13 weeks at the applicant's
97.26 weekly extra unemployment benefits amount.

97.27 (b) If an applicant qualifies for a new regular benefit account under Minnesota
97.28 Statutes, section 268.07, at any time after exhausting regular unemployment benefits
97.29 as a result of the layoff under subdivision 1, the applicant must apply for and exhaust
97.30 entitlement to those new regular unemployment benefits. The maximum amount of extra
97.31 unemployment benefits available is reduced by any new regular unemployment benefits
97.32 available if the majority of wage credits on that new regular benefit account were with
97.33 Ainsworth Lumber Company or Ainsworth Engineered.

97.34 Subd. 6. **Program expiration.** This extra unemployment benefit program expires
97.35 on December 31, 2008. No extra unemployment benefits may be paid for any week after
97.36 the expiration of this program.

98.1 Subd. 7. **Findings.** The legislature finds that providing extra unemployment
98.2 benefits to assist laid-off workers of Ainsworth Lumber Company, while in training, is
98.3 appropriate because:

98.4 (1) the unemployment rate in the applicant's county of employment is higher than
98.5 the statewide average rate of unemployment;

98.6 (2) the average weekly wages paid in the applicant's county of employment is below
98.7 the statewide average weekly wage;

98.8 (3) the applicant's weekly wage is higher than the statewide average weekly wage;
98.9 and

98.10 (4) the dislocated worker program has determined that the applicant does not
98.11 currently possess skills making reemployment in a comparable position likely.

98.12 Sec. 57. **UNEMPLOYMENT BENEFITS; CONTINUED REQUEST TIME**
98.13 **PERIOD WAIVER.**

98.14 Notwithstanding any other law to the contrary, the commissioner must accept initial
98.15 and continued requests for unemployment benefits and pay unemployment benefits to an
98.16 applicant who applied for unemployment benefits on September 15, 2006, and had an
98.17 account dated September 10, 2006:

98.18 (1) was employed as a technician or inspector for Northwest Airlines, Inc., prior
98.19 to August 20, 2005;

98.20 (2) stopped working on or about August 20, 2005, because of a labor dispute between
98.21 the Aircraft Mechanics Fraternal Association (AMFA) and Northwest Airlines, Inc.;

98.22 (3) did not file an initial or continued requests for unemployment benefits within the
98.23 time periods required under Minnesota Statutes, chapter 268; and

98.24 (4) meets all the other requirements for the payment of unemployment benefits
98.25 under Minnesota Statutes, section 268.069, subdivision 2.

98.26 Any unemployment benefits paid under the account established September 10, 2006,
98.27 shall be deducted from the total benefits authorized under this section.

98.28 **EFFECTIVE DATE.** This section is effective the day following final enactment
98.29 and applies retroactively from August 21, 2005.

98.30 Sec. 58. **OFFICE OF SCIENCE AND TECHNOLOGY.**

98.31 Subdivision 1. **Establishment.** An Office of Science and Technology is established
98.32 in the Department of Employment and Economic Development to do the following:

99.1 (1) coordinate public and private efforts to procure federal funding for collaborative
99.2 research and development projects of primary benefit to small and medium-sized
99.3 businesses;

99.4 (2) promote contractual relationships between Minnesota businesses that are
99.5 recipients of federal grants and prime contractors, and Minnesota-based subcontractors;

99.6 (3) work with Minnesota nonprofit institutions including the University of
99.7 Minnesota, Minnesota State Colleges and Universities, and the Mayo Clinic in promoting
99.8 collaborative efforts to respond to federal funding opportunities;

99.9 (4) develop a framework for Minnesota companies to establish sole-source
99.10 relationships with federal agencies; and

99.11 (5) coordinate workshops, assistance with business proposals, licensing, intellectual
99.12 property protection, commercialization, and government auditing with the University of
99.13 Minnesota and Minnesota State Colleges and Universities.

99.14 For the purposes of this section, "office" means the Office of Science and Technology
99.15 established in this subdivision.

99.16 Subd. 2. **Technology partnering with a prime contractor.** The office must
99.17 develop a program to assist small businesses competing for a small business innovation
99.18 research award by matching the applicant with a larger company. Prime contractors are
99.19 matched to small businesses through a prescreening process that may result in a letter of
99.20 support for the applicant designed to increase the chance of receiving a Small Business
99.21 Innovation Research (SBIR) award.

99.22 Subd. 3. **Collaborate to commercialize.** The office must develop a program to use
99.23 the federal high-risk research and development investment program to encourage the
99.24 development of new technologies, products, and business development and to reduce
99.25 development risks by encouraging alliances between medium-sized companies and
99.26 innovative small businesses.

99.27 Subd. 4. **Technology matchmaking.** The office must assist businesses in
99.28 identifying qualified suppliers and vendors through a program to serve as a conduit for
99.29 Minnesota-based companies to network with firms able to support their success. Firms
99.30 outside Minnesota can participate in the technology matchmaking network if one of the
99.31 participating companies is located in Minnesota.

99.32 Subd. 5. **Commercialization assistance.** The office must provide
99.33 commercialization assistance to Minnesota firms that have received a Phase I Small
99.34 Business Innovation Research (SBIR) or a Phase I Small Business Technology Transfer
99.35 (STTR) award and are submitting a Phase II proposal. Local service providers must assist

the applicant with developing and reviewing the required commercialization plan prior to Phase II submission. The office may provide SBIR Phase I proposal technical review.

Subd. 6. **Report.** The commissioner of employment and economic development must report to the committees in the house of representatives and senate having jurisdiction over bioscience and technology issues on the activities of the Office of Science and Technology by June 30 of each year.

Sec. 59. **BIOSCIENCE SUBSIDY.**

Any bioscience or biotechnology project financed in whole or in part by state appropriations or other public subsidies must document how and to what extent the project will provide a benefit to consumers in the form of more affordable pricing of the products or services being publicly subsidized. The documentation must be reported to the committees of the legislature with responsibility for economic development and to committees with responsibility for finance.

Sec. 60. **2009 DISTRIBUTIONS ONLY; TACONITE PRODUCTION TAX.**

(a) For 2007 production, distribution in 2008 only, two cents per taxable ton of the taconite production tax under Minnesota Statutes, chapter 298, must be paid to the Hibbing Economic Development Authority to retire bonds and for economic development purposes.

(b) For 2007 production, distribution in 2008 only, 0.25 cents per taxable ton of the taconite production tax under Minnesota Statutes, chapter 298, must be paid to the St. Louis County school board to study the potential for and impact of consolidation and streamlining the operations of the St. Louis County school district No. 2142.

(c) For 2007 production, distribution in 2008 only, 0.25 cents per taxable ton of the taconite production tax under Minnesota Statutes, chapter 298, must be paid to Grand Rapids, for industrial park work.

(d) For 2007 production, distribution in 2008 only, 0.65 cents per taxable ton of the taconite production tax under Minnesota Statutes, chapter 298, must be paid to Aitkin, for sewer and water for housing projects.

(e) For 2007 production, distribution in 2008 only, 0.5 cents per taxable ton of the taconite production tax under Minnesota Statutes, chapter 298, must be paid to Crosby, for well and water tower infrastructure.

Sec. 61. **REPEALER.**

- 101.1 (a) Minnesota Statutes 2006, section 341.31, and Laws 2004, chapter 188, section
- 101.2 2, are repealed.
- 101.3 (b) Minnesota Statutes 2006, section 298.28, subdivision 9a, is repealed for 2008
- 101.4 production, distributions in 2009 and thereafter.

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