

CONFERENCE COMMITTEE REPORT ON H. F. No. 1812

A bill for an act

relating to the financing, organization, and operation of state government; providing for programs in education, early childhood education, higher education, environment and natural resources, energy, agriculture, veterans affairs, military affairs, jobs and economic development activities or programs, transportation, public safety, courts, human rights, judiciary, housing, public health, health department, and human services; modifying certain statutory provisions and laws; providing for certain programs for economic and state affairs; regulating certain activities and practices; regulating abortion funding; fixing and limiting fees; providing for the taxation of certain corporations; authorizing rulemaking, requiring studies and reports; providing civil penalties; making technical corrections; providing for fund transfers; appropriating money or reducing appropriations; amending Minnesota Statutes 2006, sections 3.30, subdivision 1; 3.855, subdivision 3; 3.971, subdivision 2; 10A.071, subdivision 3; 13.32, subdivision 3, by adding a subdivision; 13.461, by adding a subdivision; 13.465, subdivision 8; 13.851, by adding a subdivision; 15A.081, subdivision 8; 15A.0815; 16A.133, subdivision 1; 16B.281, subdivision 3; 16B.282; 16B.283; 16B.284; 16B.287, subdivision 2; 16C.16, subdivision 5; 16E.01, subdivision 3; 16E.03, subdivision 1; 16E.04, subdivision 2; 17.4988, subdivisions 2, 3; 43A.01, subdivision 3; 43A.17, subdivision 9; 84.788, subdivision 3; 84.82, subdivision 2, by adding a subdivision; 84.922, subdivision 2; 84.9256, subdivision 1; 85.011; 85.012, subdivisions 28, 49a; 85.013, subdivision 1; 85.054, subdivision 3, by adding a subdivision; 86B.401, subdivision 2; 88.15, subdivision 2; 89.715; 93.481, by adding a subdivision; 97A.055, subdivision 4b; 97A.141, subdivision 1; 103A.204; 103A.43; 103B.151, subdivision 1; 103G.291, by adding a subdivision; 103G.615, subdivision 2; 116J.423, by adding a subdivision; 116J.8731, subdivision 4; 116L.17, by adding a subdivision; 116U.26; 119A.03, subdivision 1; 120B.131, subdivision 2; 120B.31, as amended; 120B.35, as amended; 120B.36, as amended; 120B.362; 122A.21; 123B.02, subdivision 21; 123B.59, subdivision 1; 123B.62; 124D.04, subdivisions 3, 6, 8, 9; 124D.05, by adding a subdivision; 124D.10, subdivision 20; 124D.385, subdivision 4; 124D.55; 125A.65, by adding a subdivision; 125A.76, by adding a subdivision; 126C.10, subdivision 31, by adding a subdivision; 126C.17, subdivision 9; 126C.21, subdivision 1; 126C.51; 126C.52, subdivision 2, by adding a subdivision; 126C.53; 126C.55; 127A.45, subdivision 16; 136A.101, subdivision 8; 136A.121, subdivision 5; 136F.90, subdivision 1; 141.25, by adding a subdivision; 144.1222, subdivision 1a, by adding subdivisions; 144.1501, subdivision 2; 144.218, subdivision 1; 144.225, subdivision 2; 144.2252; 144.226, subdivision 1; 157.16, as amended; 168.1255, by adding a subdivision; 171.29, subdivision 1; 190.19, subdivision 1, by adding a subdivision; 192.501, by adding subdivisions; 197.585, subdivision 5; 216C.41, subdivision 4;

253B.045, subdivisions 1, 2, by adding a subdivision; 253B.185, subdivision 5; 256.01, by adding a subdivision; 256.741, subdivisions 2, 2a, 3; 256.969, subdivisions 2b, 20; 256B.0571, subdivisions 8, 9; 256B.0621, subdivisions 2, 6, 10; 256B.0917, subdivision 8; 256B.0924, subdivisions 4, 6; 256B.19, subdivision 1d; 256B.431, subdivision 23; 256B.69, subdivisions 5a, 6, by adding subdivisions; 256B.692, by adding a subdivision; 256D.44, subdivisions 2, 5; 256L.12, subdivision 9; 259.89, subdivision 1; 260C.317, subdivision 4; 268.125, subdivisions 1, 2, by adding a subdivision; 290.01, subdivisions 5, 19c, as amended, 19d, as amended, by adding a subdivision; 290.17, subdivision 4; 298.2214, subdivisions 1, 2, as amended; 298.223, subdivision 2; 298.28, subdivisions 9b, 9d, as added; 298.292, subdivision 2, as amended; 298.2961, subdivision 2; 341.21, as amended; 341.23; 341.26; 341.28, as amended; 341.29; 341.30; 341.32, as amended; 341.33; 341.34, subdivision 1; 341.35; 341.37; 349A.02, subdivision 1; 446A.12, subdivision 1; 462A.22, subdivision 1; 473.1565, subdivision 3; 518A.50; 518A.53, subdivision 5; 609.531, subdivision 1; Minnesota Statutes 2007 Supplement, sections 3.922, by adding a subdivision; 10A.01, subdivision 35; 16B.328, by adding a subdivision; 80A.28, subdivision 1; 84.8205, subdivision 1; 103G.291, subdivision 3; 116J.575, subdivision 1a; 116L.17, subdivision 1; 120B.021, subdivision 1; 120B.024; 120B.30; 123B.143, subdivision 1; 124D.531, subdivision 1; 126C.21, subdivision 3; 126C.44; 136A.121, subdivision 7a; 136A.126; 136A.127; 136A.128, by adding a subdivision; 136A.65, subdivisions 1, 3, 5, 6, 7; 136A.66; 136A.67; 136A.69; 136F.02, subdivision 1; 136F.03, subdivision 4; 141.25, subdivision 5; 141.28, subdivision 1; 141.35; 144.4167, by adding a subdivision; 190.19, subdivision 2; 214.04, subdivision 3; 216C.052, subdivision 2; 216C.41, subdivision 3; 253B.185, subdivision 1b; 256.741, subdivision 1; 256B.0625, subdivision 20; 256B.0631, subdivisions 1, 3; 256B.199; 256B.434, subdivision 19; 256B.441, subdivisions 1, 55, 56; 256J.621; 268.047, subdivisions 1, 2; 268.085, subdivisions 3, 9, 16; 268.125, subdivision 3; 298.227; 341.22; 341.25; 341.27; 341.321; 446A.072, subdivisions 3, 5a; 446A.086; Laws 1999, chapter 223, article 2, section 72; Laws 2006, chapter 282, article 2, section 27, subdivision 4; Laws 2007, chapter 45, article 2, section 1; Laws 2007, chapter 54, article 1, section 11; Laws 2007, chapter 57, article 1, section 4, subdivisions 3, 4, 6; Laws 2007, chapter 135, article 1, section 3, subdivisions 2, 3; Laws 2007, chapter 144, article 1, sections 3, subdivisions 2, 18; 5, subdivisions 2, 5; Laws 2007, chapter 146, article 1, section 24, subdivisions 2, 3, 4, 5, 6, 7, 8; article 2, section 46, subdivisions 2, 3, 4, 6, 9, 13; article 3, sections 23, subdivision 2; 24, subdivisions 3, 4, 9; article 4, section 16, subdivisions 2, 3, 6, 8; article 5, section 13, subdivisions 2, 3, 4, 5; article 7, section 4; article 9, section 17, subdivisions 2, 3, 4, 8, 9, 13; Laws 2007, chapter 147, article 2, section 21; article 19, section 3, subdivisions 1, 4; Laws 2007, chapter 148, article 1, sections 7; 12, subdivision 4; Laws 2007, First Special Session chapter 2, article 1, section 11, subdivisions 1, 2, 6; Laws 2008, chapter 152, article 1, section 6, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 5; 13B; 16A; 43A; 115A; 116J; 120B; 121A; 124D; 127A; 136F; 144; 192; 256B; 268; 325F; 341; 446A; repealing Minnesota Statutes 2006, sections 16B.281, subdivisions 2, 4, 5; 16B.285; 84.961, subdivision 4; 85.013, subdivision 21b; 97A.141, subdivision 2; 121A.67; 125A.16; 125A.19; 125A.20; 125A.57; 168.123, subdivision 2a; 256.741, subdivision 15; 256J.24, subdivision 6; 259.83, subdivision 3; 259.89, subdivisions 2, 3, 4, 5; 290.01, subdivision 6b; 298.28, subdivision 9a; 341.31; 645.44, subdivision 19; Minnesota Statutes 2007 Supplement, section 256.969, subdivision 27; Laws 1989, chapter 335, article 1, section 21, subdivision 8, as amended; Laws 2004, chapter 188, section 2; Laws 2006, chapter 263, article 3, section 16; Laws 2007, First Special Session chapter 2, article 1, section 11, subdivisions 3, 4.

May 18, 2008

The Honorable Margaret Anderson Kelliher

Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

We, the undersigned conferees for H. F. No. 1812 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 1812 be further amended as follows:

Delete everything after the enacting clause and insert:

**"ARTICLE 1
SUMMARY
(General Fund Only, After Forecast Adjustments)**

Section 1. **GENERAL FUND SUMMARY.**

The amounts shown in this section summarize general fund direct appropriations, and transfers into the general fund from other funds, made in this act.

	<u>2008</u>	<u>2009</u>	<u>Total</u>
<u>E-12 Education</u>	<u>\$ (1,216,000)</u>	<u>\$ 26,958,000</u>	<u>\$ 25,742,000</u>
<u>Higher Education</u>	<u>(7,150,000)</u>	<u>(14,411,000)</u>	<u>(21,561,000)</u>
<u>Environment and Natural Resources</u>	<u>(328,000)</u>	<u>(2,728,000)</u>	<u>(3,056,000)</u>
<u>Energy</u>	<u>(2,670,000)</u>	<u>(1,436,000)</u>	<u>(4,106,000)</u>
<u>Agriculture</u>	<u>(200,000)</u>	<u>388,000</u>	<u>188,000</u>
<u>Veterans Affairs</u>	<u>-0-</u>	<u>4,145,000</u>	<u>4,145,000</u>
<u>Military Affairs</u>		<u>390,000</u>	<u>390,000</u>
<u>Economic Development</u>	<u>(2,425,000)</u>	<u>1,512,000</u>	<u>(913,000)</u>
<u>Transportation</u>		<u>(255,000)</u>	<u>(255,000)</u>
<u>Public Safety</u>	<u>268,000</u>	<u>(10,490,000)</u>	<u>(10,222,000)</u>
<u>State Government</u>		<u>(1,104,000)</u>	<u>(1,104,000)</u>
<u>Health and Human Services</u>	<u>(46,789,000)</u>	<u>(124,196,000)</u>	<u>(170,985,000)</u>
<u>Subtotal of Appropriations</u>	<u>(60,510,000)</u>	<u>(121,227,000)</u>	<u>(181,737,000)</u>
<u>Transfers In</u>	<u>22,330,000</u>	<u>94,897,000</u>	<u>117,227,000</u>
<u>Total</u>	<u>\$ (82,840,000)</u>	<u>\$ (216,124,000)</u>	<u>\$ (298,964,000)</u>

ARTICLE 2

EARLY CHILDHOOD THROUGH GRADE 12 EDUCATION

Section 1. Minnesota Statutes 2006, section 121A.19, is amended to read:

121A.19 DEVELOPMENTAL SCREENING AID.

Each school year, the state must pay a district for each child or student screened by the district according to the requirements of section 121A.17. The amount of state aid for each child or student screened shall be: (1) ~~\$50~~ \$75 for a child screened at age three; (2) ~~\$40~~ \$50 for a child screened at age four; (3) ~~\$30~~ \$40 for a child screened at age five or six prior to kindergarten; and (4) \$30 for a student screened within 30 days after first enrolling in a public school kindergarten if the student has not previously been screened according to the requirements of section 121A.17. If this amount of aid is insufficient, the district may permanently transfer from the general fund an amount that, when added to the aid, is sufficient. Developmental screening aid shall not be paid for any student who is screened more than 30 days after the first day of attendance at a public school kindergarten, except if a student transfers to another public school kindergarten within 30 days after first enrolling in a Minnesota public school kindergarten program. In this case, if the student has not been screened, the district to which the student transfers may receive developmental screening aid for screening that student when the screening is performed within 30 days of the transfer date.

Sec. 2. Minnesota Statutes 2006, section 122A.21, is amended to read:

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

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

Subd. 2. **Licensure via portfolio.** (a) An eligible candidate may use licensure via portfolio to obtain an initial licensure or to add a licensure field, consistent with the applicable Board of Teaching licensure rules.

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

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

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

Sec. 3. Minnesota Statutes 2007 Supplement, section 123B.54, is amended to read:

123B.54 DEBT SERVICE APPROPRIATION.

(a) ~~\$14,813,000~~ \$14,814,000 in fiscal year 2008, ~~\$11,124,000~~ \$9,109,000 in fiscal year 2009, ~~\$8,866,000~~ \$7,286,000 in fiscal year 2010, and ~~\$6,631,000~~ \$6,878,000 in fiscal year 2011 and later are appropriated from the general fund to the commissioner of education for payment of debt service equalization aid under section 123B.53.

(b) The appropriations in paragraph (a) must be reduced by the amount of any money specifically appropriated for the same purpose in any year from any state fund.

Sec. 4. Minnesota Statutes 2006, section 123B.59, subdivision 1, is amended to read:

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

(1) more than 66 students per grade;

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

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

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

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

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

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

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

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

Sec. 5. Minnesota Statutes 2006, section 123B.62, is amended to read:

123B.62 BONDS FOR CERTAIN CAPITAL FACILITIES.

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

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

(2) the cost of energy modifications;

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

(4) bringing school buildings into compliance with life and safety codes and fire codes; and

(5) modifying buildings and equipment for security.

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

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

plus one of those voting on the question is required to pass a referendum authorized by this section.

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

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

Sec. 6. Minnesota Statutes 2006, section 124D.04, subdivision 3, is amended to read:

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

Sec. 7. Minnesota Statutes 2006, section 124D.04, subdivision 6, is amended to read:

Subd. 6. **Tuition payments.** (a) In each odd-numbered year, before March 1, the commissioner must agree to rates of tuition for Minnesota elementary and secondary pupils attending in other states for the next two fiscal years when the other state agrees to negotiate tuition rates. The commissioner must negotiate equal, reciprocal rates with the designated authority in each state for pupils who reside in an adjoining state and enroll in a Minnesota district. The rates must be at least equal to the tuition specified in section 124D.05, subdivision 1. If the other state does not agree to negotiate a general tuition rate, a Minnesota school district may negotiate a tuition rate with the school district in the other state that sends a pupil to or receives a pupil from the Minnesota school district. The tuition rate for a pupil with a disability must be equal to the actual cost of instruction and services provided. The resident district of a Minnesota pupil attending in another state

under this section must pay the amount of tuition agreed upon in this section to the district of attendance, prorated on the basis of the proportion of the school year attended.

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

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

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

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

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

Sec. 10. **[124D.041] RECIPROCITY WITH ADJOINING STATES.**

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

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

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

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

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

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

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

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

9.12 (b) Any agreement entered into pursuant to this section may specify additional terms
9.13 relating to any student in need of special education and related services pursuant to chapter
9.14 125A. Any additional terms must apply equally to both states.

9.15 Subd. 2. **Pupil accounting.** (a) Any student from an adjoining state enrolled in
9.16 Minnesota pursuant to this section is included in the receiving school district's average
9.17 daily membership and pupil units according to section 126C.05 as if the student were
9.18 a resident of another Minnesota school district attending the receiving school district
9.19 under section 124D.03.

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

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

9.28 (b) Notwithstanding sections 124A.04 and 124A.05, if an agreement is established
9.29 between Minnesota and an adjoining state pursuant to this section, the provisions of this
9.30 section and the agreement shall apply to all enrollment transfers between Minnesota and
9.31 the adjoining state, and provisions of sections 124D.04 and 124D.05 to the contrary,
9.32 including provisions relating to tuition payments, shall not apply.

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

9.35 (d) Notwithstanding paragraph (b), sections 124D.04, subdivision 6, paragraph (b),
9.36 and 124D.05, subdivision 2a, the provisions of this section and the agreement shall not

10.1 apply to: (i) enrollment transfers between Minnesota and a school district in an adjoining
10.2 state enrolling fewer than 150 pupils that is exempted from participation in the program
10.3 under the laws of the adjoining state; or (ii) enrollment transfers between Minnesota and a
10.4 school district in an adjoining state under a board agreement initiated in fiscal year 2009 to
10.5 serve students in grade levels discontinued by the resident district.

10.6 Sec. 11. Minnesota Statutes 2006, section 124D.05, is amended by adding a
10.7 subdivision to read:

10.8 Subd. 2a. **Exception.** Notwithstanding subdivisions 1 and 2, if an agreement
10.9 is reached between the state of Minnesota and an adjoining state pursuant to section
10.10 124D.041, the provisions of section 124D.041 and the agreement shall apply to all
10.11 enrollment transfers between Minnesota and the adjoining state, and provisions of
10.12 subdivisions 1 and 2 to the contrary, including provisions relating to tuition payments,
10.13 shall not apply.

10.14 Sec. 12. Minnesota Statutes 2006, section 124D.118, subdivision 4, is amended to read:

10.15 Subd. 4. **Reimbursement.** In accordance with program guidelines, the
10.16 commissioner shall reimburse each participating public or nonpublic school ~~14~~ 20 cents
10.17 for each half-pint of milk that is served to kindergarten students and is not part of a school
10.18 lunch or breakfast reimbursed under section 124D.111 or 124D.1158.

10.19 Sec. 13. **[124D.141] STATE ADVISORY COUNCIL ON EARLY CHILDHOOD**
10.20 **EDUCATION AND CARE.**

10.21 Subdivision 1. **Membership; Duties.** Two members of the house of representatives,
10.22 one appointed by the speaker and one appointed by the minority leader; and two members
10.23 of the senate appointed by the Subcommittee on Committees of the Committee on Rules
10.24 and Administration, including one member of the minority; and two parents with a
10.25 child under age six, shall be added to the membership of the State Advisory Council on
10.26 Early Education and Care. The council must fulfill the duties required under the federal
10.27 Improving Head Start for School Readiness Act of 2007 as provided in Public Law
10.28 110-134.

10.29 Subd. 2. **Additional duties.** The following duties are added to those assigned
10.30 to the council under federal law:

10.31 (1) make recommendations on the most efficient and effective way to leverage state
10.32 and federal funding streams for early childhood and child care programs;

(2) make recommendations on how to coordinate or colocate early childhood and child care programs in one state Office of Early Learning;

(3) review program evaluations regarding high-quality early childhood programs; and

(4) make recommendations to the governor and legislature, including proposed legislation on how to most effectively create a high quality early childhood system in Minnesota in order to improve the educational outcomes of children so that all children are school-ready by 2020.

Subd. 3. Administration. An amount up to \$12,500 from federal child care and development fund administrative funds and up to \$12,500 from prekindergarten exploratory project funds appropriated under Laws 2007, chapter 147, article 19, section 3, may be used to reimburse the parents on the council and for technical assistance and administrative support of the State Advisory Council on Early Childhood Education and Care. This funding stream is for fiscal year 2009. The council may pursue additional funds from state, federal, and private sources. If additional operational funds are received, the council must reduce the amount of prekindergarten exploratory project funds used in an equal amount.

Sec. 14. Minnesota Statutes 2007 Supplement, section 124D.531, subdivision 1, is amended to read:

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

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

(2) the lesser of:

(i) 1.03; or

(ii) ~~the greater of 1.00 or the ratio of the state total contact hours in the first prior program year to the state total contact hours in the second prior program year~~ the average growth in state total contact hours over the prior 10 program years.

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

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

Sec. 15. Minnesota Statutes 2006, section 124D.55, is amended to read:

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

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

Sec. 16. Minnesota Statutes 2006, section 125A.65, subdivision 4, is amended to read:

Subd. 4. **Unreimbursed costs.** (a) For fiscal year 2006, in addition to the tuition charge allowed in subdivision 3, the academies may charge the child's district of residence for the academy's unreimbursed cost of providing an instructional aide assigned to that child, after deducting the special education aid under section 125A.76, attributable to the child, if that aide is required by the child's individual education plan. Tuition received under this paragraph must be used by the academies to provide the required service.

(b) For fiscal year ~~2007~~ 2008 and later, the special education aid paid to the academies shall be increased by the academy's unreimbursed cost of providing ~~an one~~ to one instructional aide and behavioral management aides assigned to a child, after deducting the special education aid under section 125A.76 attributable to the child, if ~~that~~ the aids are required by the child's individual education plan. Aid received under this paragraph must be used by the academies to provide the required service.

(c) For fiscal year ~~2007~~ 2008 and later, the special education aid paid to the district of the child's residence shall be reduced by the amount paid to the academies for district residents under paragraph (b).

(d) Notwithstanding section 127A.45, subdivision 3, beginning in fiscal year 2008, the commissioner shall make an estimated final adjustment payment to the Minnesota State Academies for general education aid and special education aid for the prior fiscal year by August 15.

13.1 (e) For fiscal year 2007, the academies may retain receipts received through mutual
13.2 agreements with school districts for one to one behavior management aides.

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

13.4 Sec. 17. Minnesota Statutes 2006, section 125A.65, is amended by adding a
13.5 subdivision to read:

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

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

13.12 Sec. 18. Minnesota Statutes 2007 Supplement, section 125A.76, subdivision 2, is
13.13 amended to read:

13.14 Subd. 2. **Special education initial aid.** The special education initial aid equals the
13.15 sum of the following amounts computed using current year data:

13.16 (1) 68 percent of the salary of each essential person employed in the district's
13.17 program for children with a disability during the fiscal year, whether the person is
13.18 employed by one or more districts or a Minnesota correctional facility operating on a
13.19 fee-for-service basis;

13.20 (2) for the Minnesota State Academy for the Deaf or the Minnesota State Academy
13.21 for the Blind, 68 percent of the salary of each one to one instructional and behavior
13.22 management aide assigned to a child attending the academy, ~~if that aide is~~ the aides are
13.23 required by the child's individual education plan;

13.24 (3) for special instruction and services provided to any pupil by contracting with
13.25 public, private, or voluntary agencies other than school districts, in place of special
13.26 instruction and services provided by the district, 52 percent of the difference between
13.27 the amount of the contract and the general education revenue, excluding basic skills
13.28 revenue and alternative teacher compensation revenue, and referendum equalization aid
13.29 attributable to a pupil, calculated using the resident district's average general education
13.30 revenue and referendum equalization aid per adjusted pupil unit for the fraction of the
13.31 school day the pupil receives services under the contract. This includes children who
13.32 are residents of the state, receive services under this subdivision and subdivision 1, and
13.33 are placed in a care and treatment facility by court action in a state that does not have a

reciprocity agreement with the commissioner under section 125A.155 as provided for in section 125A.79, subdivision 8;

(4) for special instruction and services provided to any pupil by contracting for services with public, private, or voluntary agencies other than school districts, that are supplementary to a full educational program provided by the school district, 52 percent of the amount of the contract for that pupil;

(5) for supplies and equipment purchased or rented for use in the instruction of children with a disability, an amount equal to 47 percent of the sum actually expended by the district, or a Minnesota correctional facility operating on a fee-for-service basis, but not to exceed an average of \$47 in any one school year for each child with a disability receiving instruction;

(6) for fiscal years 1997 and later, special education base revenue shall include amounts under clauses (1) to (5) for special education summer programs provided during the base year for that fiscal year;

(7) the cost of providing transportation services for children with disabilities under section 123B.92, subdivision 1, paragraph (b), clause (4); and

(8) the district's transition-disabled program initial aid according to section 124D.454, subdivision 3.

The department shall establish procedures through the uniform financial accounting and reporting system to identify and track all revenues generated from third-party billings as special education revenue at the school district level; include revenue generated from third-party billings as special education revenue in the annual cross-subsidy report; and exclude third-party revenue from calculation of excess cost aid to the districts.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2008.

Sec. 19. Minnesota Statutes 2006, section 125A.76, is amended by adding a subdivision to read:

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

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

15.1 that year and the state total special education aid under subdivision 4 shall be increased
15.2 by the amount of the payment.

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

15.9 Sec. 20. Minnesota Statutes 2006, section 126C.10, subdivision 31, is amended to read:

15.10 Subd. 31. **Transition revenue.** (a) A district's transition allowance equals the
15.11 greater of zero or the product of the ratio of the number of adjusted marginal cost pupil
15.12 units the district would have counted for fiscal year 2004 under Minnesota Statutes 2002
15.13 to the district's adjusted marginal cost pupil units for fiscal year 2004, times the difference
15.14 between: (1) the lesser of the district's general education revenue per adjusted marginal
15.15 cost pupil unit for fiscal year 2003 or the amount of general education revenue the district
15.16 would have received per adjusted marginal cost pupil unit for fiscal year 2004 according
15.17 to Minnesota Statutes 2002, and (2) the district's general education revenue for fiscal year
15.18 2004 excluding transition revenue divided by the number of adjusted marginal cost pupil
15.19 units the district would have counted for fiscal year 2004 under Minnesota Statutes 2002.

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

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

15.28 Sec. 21. Minnesota Statutes 2006, section 126C.10, is amended by adding a
15.29 subdivision to read:

15.30 Subd. 31c. **Transition for tuition reciprocity revenue.** For the first year that a
15.31 tuition reciprocity agreement with an adjoining state is in effect under section 124D.041
15.32 and later, a school district's transition for tuition reciprocity revenue equals the greater of
15.33 zero or the difference between the sum of the general education revenue and net tuition
15.34 revenue the district would have received for pupils enrolled under section 124D.041 for

16.1 the first year the agreement is in effect if the agreement had not been in effect, and the
16.2 sum of the district's general education revenue and net tuition revenue for the first year
16.3 the agreement is in effect.

16.4 Sec. 22. Minnesota Statutes 2006, section 126C.17, subdivision 9, is amended to read:

16.5 Subd. 9. **Referendum revenue.** (a) The revenue authorized by section 126C.10,
16.6 subdivision 1, may be increased in the amount approved by the voters of the district at a
16.7 referendum called for the purpose. The referendum may be called by the board or shall be
16.8 called by the board upon written petition of qualified voters of the district. The referendum
16.9 must be conducted one or two calendar years before the increased levy authority, if
16.10 approved, first becomes payable. Only one election to approve an increase may be held
16.11 in a calendar year. Unless the referendum is conducted by mail under paragraph (g), the
16.12 referendum must be held on the first Tuesday after the first Monday in November. The
16.13 ballot must state the maximum amount of the increased revenue per resident marginal cost
16.14 pupil unit. The ballot may state a schedule, determined by the board, of increased revenue
16.15 per resident marginal cost pupil unit that differs from year to year over the number of
16.16 years for which the increased revenue is authorized or may state that the amount shall
16.17 increase annually by the rate of inflation. For this purpose, the rate of inflation shall be
16.18 the annual inflationary increase calculated under subdivision 2, paragraph (b). The ballot
16.19 may state that existing referendum levy authority is expiring. In this case, the ballot may
16.20 also compare the proposed levy authority to the existing expiring levy authority, and
16.21 express the proposed increase as the amount, if any, over the expiring referendum levy
16.22 authority. The ballot must designate the specific number of years, not to exceed ten, for
16.23 which the referendum authorization applies. The ballot, including a ballot on the question
16.24 to revoke or reduce the increased revenue amount under paragraph (c), must abbreviate
16.25 the term "per resident marginal cost pupil unit" as "per pupil." The notice required under
16.26 section 275.60 may be modified to read, in cases of renewing existing levies at the same
16.27 amount per pupil as in the previous year:

16.28 "BY VOTING "YES" ON THIS BALLOT QUESTION, YOU ~~MAY BE VOTING~~
16.29 ~~FOR A PROPERTY TAX INCREASE~~ ARE VOTING TO EXTEND AN EXISTING
16.30 PROPERTY TAX REFERENDUM THAT IS SCHEDULED TO EXPIRE."

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

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

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

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

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

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

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

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

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

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

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

Sec. 23. Minnesota Statutes 2006, section 126C.40, subdivision 1, is amended to read:

Subdivision 1. To lease building or land. (a) When an independent or a special school district or a group of independent or special school districts finds it economically advantageous to rent or lease a building or land for any instructional purposes or for school storage or furniture repair, and it determines that the operating capital revenue authorized under section 126C.10, subdivision 13, is insufficient for this purpose, it may apply to the commissioner for permission to make an additional capital expenditure levy for this purpose. An application for permission to levy under this subdivision must contain financial justification for the proposed levy, the terms and conditions of the proposed lease, and a description of the space to be leased and its proposed use.

(b) The criteria for approval of applications to levy under this subdivision must include: the reasonableness of the price, the appropriateness of the space to the proposed activity, the feasibility of transporting pupils to the leased building or land, conformity of the lease to the laws and rules of the state of Minnesota, and the appropriateness of the proposed lease to the space needs and the financial condition of the district. The commissioner must not authorize a levy under this subdivision in an amount greater than the cost to the district of renting or leasing a building or land for approved purposes. The proceeds of this levy must not be used for custodial or other maintenance services. A district may not levy under this subdivision for the purpose of leasing or renting a district-owned building or site to itself.

(c) For agreements finalized after July 1, 1997, a district may not levy under this subdivision for the purpose of leasing: (1) a newly constructed building used primarily for regular kindergarten, elementary, or secondary instruction; or (2) a newly constructed building addition or additions used primarily for regular kindergarten, elementary, or secondary instruction that contains more than 20 percent of the square footage of the previously existing building.

(d) Notwithstanding paragraph (b), a district may levy under this subdivision for the purpose of leasing or renting a district-owned building or site to itself only if the amount is needed by the district to make payments required by a lease purchase agreement, installment purchase agreement, or other deferred payments agreement authorized by law, and the levy meets the requirements of paragraph (c). A levy authorized for a district by the commissioner under this paragraph may be in the amount needed by the district to make payments required by a lease purchase agreement, installment purchase agreement, or other deferred payments agreement authorized by law, provided that any agreement include a provision giving the school districts the right to terminate the agreement annually without penalty.

(e) The total levy under this subdivision for a district for any year must not exceed ~~\$100~~ \$150 times the resident pupil units for the fiscal year to which the levy is attributable.

(f) For agreements for which a review and comment have been submitted to the Department of Education after April 1, 1998, the term "instructional purpose" as used in this subdivision excludes expenditures on stadiums.

(g) The commissioner of education may authorize a school district to exceed the limit in paragraph (e) if the school district petitions the commissioner for approval. The commissioner shall grant approval to a school district to exceed the limit in paragraph (e) for not more than five years if the district meets the following criteria:

(1) the school district has been experiencing pupil enrollment growth in the preceding five years;

(2) the purpose of the increased levy is in the long-term public interest;

(3) the purpose of the increased levy promotes colocation of government services;
and

(4) the purpose of the increased levy is in the long-term interest of the district by avoiding over construction of school facilities.

(h) A school district that is a member of an intermediate school district may include in its authority under this section the costs associated with leases of administrative and classroom space for intermediate school district programs. This authority must not

exceed ~~\$25~~ \$43 times the adjusted marginal cost pupil units of the member districts. This authority is in addition to any other authority authorized under this section.

(i) In addition to the allowable capital levies in paragraph (a), a district that is a member of the "Technology and Information Education Systems" data processing joint board, that finds it economically advantageous to enter into a lease purchase agreement for a building for a group of school districts or special school districts for staff development purposes, may levy for its portion of lease costs attributed to the district within the total levy limit in paragraph (e).

Sec. 24. Minnesota Statutes 2007 Supplement, section 126C.44, is amended to read:

126C.44 SAFE SCHOOLS LEVY.

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

(b) A school district that is a member of an intermediate school district may include in its authority under this section the costs associated with safe schools activities authorized under paragraph (a) for intermediate school district programs. This authority

21.1 must not exceed \$10 times the adjusted marginal cost pupil units of the member districts.
21.2 This authority is in addition to any other authority authorized under this section. Revenue
21.3 raised under this paragraph must be transferred to the intermediate school district.

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

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

21.11 Sec. 25. Minnesota Statutes 2006, section 126C.45, is amended to read:

21.12 **126C.45 ICE ARENA LEVY.**

21.13 (a) Each year, an independent school district operating and maintaining an ice arena,
21.14 may levy for the net operational costs of the ice arena. The levy may not exceed ~~90~~
21.15 ~~percent of~~ the net actual costs of operation of the arena for the previous year. Net actual
21.16 costs are defined as operating costs less any operating revenues.

21.17 (b) Any district operating and maintaining an ice arena must demonstrate to the
21.18 satisfaction of the Office of Monitoring in the department that the district will offer equal
21.19 sports opportunities for male and female students to use its ice arena, particularly in areas
21.20 of access to prime practice time, team support, and providing junior varsity and younger
21.21 level teams for girls' ice sports and ice sports offerings.

21.22 Sec. 26. Minnesota Statutes 2006, section 126C.51, is amended to read:

21.23 **126C.51 APPLICATION OF LIMITING TAX LEGISLATION.**

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

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

21.31 Sec. 27. Minnesota Statutes 2006, section 126C.52, subdivision 2, is amended to read:

21.32 Subd. 2. **Limitations.** The board of any school district may also borrow money
21.33 in the manner and subject to the limitations set forth in sections 126C.50 to 126C.56 in

anticipation of receipt of state aids for schools as defined in Minnesota Statutes and of federal school aids to be distributed by or through the department. The aggregate of such borrowings under this subdivision shall never exceed 75 percent of such aids which are receivable by said school district in the ~~school~~ fiscal year ~~(from July 1 to June 30)~~ in which the money is borrowed, as estimated and certified by the commissioner.

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

Sec. 28. Minnesota Statutes 2006, section 126C.52, is amended by adding a subdivision to read:

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

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

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

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

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

(b) The board of an intermediate school district may, upon receipt of a written resolution by each of its member school districts, pledge the member district's full faith and credit and unlimited taxing powers to repay each member district's pro rata share of any certificates issued or the amount paid by the state under section 126C.55, subdivision 2, plus interest, if the revenues specified in paragraph (a) and any other revenues of the intermediate school district are insufficient to do so.

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

Sec. 29. Minnesota Statutes 2006, section 126C.53, is amended to read:

126C.53 ENABLING RESOLUTION; FORM OF CERTIFICATES OF INDEBTEDNESS.

The board of a school district or intermediate school district may authorize and effect such borrowing, and may issue such certificates of indebtedness upon passage of a resolution specifying the amount and purposes for which it deems such borrowing is necessary. The resolution must be adopted by a vote of at least two-thirds of its members. The board must fix the amount, date, maturity, form, denomination, and other details of the certificates of indebtedness, not inconsistent with this chapter. The board must fix the

23.1 date and place for receipt of bids for the purchase of the certificates when bids are required
23.2 and direct the clerk to give notice of the date and place for bidding.

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

23.4 Sec. 30. Minnesota Statutes 2006, section 126C.55, is amended to read:

23.5 **126C.55 STATE PAYMENT OF DEBT OBLIGATION UPON POTENTIAL**
23.6 **DEFAULT; REPAYMENT; STATE OBLIGATION NOT DEBT.**

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

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

23.12 Subd. 2. **Notifications; payment; appropriation.** (a) If a school district or
23.13 intermediate school district believes that it may be unable to make a principal or interest
23.14 payment on any outstanding debt obligation on the date that payment is due, it must
23.15 notify the commissioner as soon as possible, but not less than 15 working days before the
23.16 date that principal or interest payment is due. The notice must include the name of the
23.17 school district or intermediate school district, an identification of the debt obligation issue
23.18 in question, the date the payment is due, the amount of principal and interest due on the
23.19 payment date, the amount of principal or interest that the school district or intermediate
23.20 school district will be unable to repay on that date, the paying agent for the debt obligation,
23.21 the wire transfer instructions to transfer funds to that paying agent, and an indication as to
23.22 whether a payment is being requested by the school district or intermediate school district
23.23 under this section. If a paying agent becomes aware of a potential default, it shall inform
23.24 the commissioner of that fact. After receipt of a notice which requests a payment under
23.25 this section, after consultation with the school district or intermediate school district and
23.26 the paying agent, and after verification of the accuracy of the information provided, the
23.27 commissioner shall notify the commissioner of finance of the potential default. The notice
23.28 must include a final figure as to the amount due that the school district or intermediate
23.29 school district will be unable to repay on the date due.

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

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

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

Subd. 4. **Pledge of district's full faith and credit.** If, at the request of a school district or intermediate school district, the state has paid part or all of the principal or interest due on a district's debt obligation on a specific date, the pledge of the full faith and credit and unlimited taxing powers of the school district or the member districts of the intermediate district to repay the principal and interest due on those debt obligations shall also, without an election or the requirement of a further authorization, become a pledge of the full faith and credit and unlimited taxing powers of the school district or the member districts of the intermediate district 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. 4a. **Aid reduction for repayment.** (a) Except as provided in this subdivision, the state must reduce the state aid payable to the school district or intermediate school district under this chapter and chapters 122A, 123A, 123B, 124D, 125A, 126C, and 273 by the amount paid by the state under this section on behalf of the district, plus the interest due on it, and the amount reduced must revert from the appropriate account to the state general fund. Payments from the school district endowment fund or any federal aid payments shall not be reduced.

(b) For an intermediate school district, the state aid payable to the intermediate school district must first be reduced, before any reduction is made to the state aids payable to the member districts. If the state aid payable to the intermediate school district is

25.1 not sufficient to repay the state, state aid payable to member districts may be reduced
25.2 proportionately based on the ratio of each member district's adjusted net tax capacity to
25.3 the total adjusted net tax capacity of all member districts.

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

25.11 Subd. 6. **Tax levy for repayment.** (a) With the approval of the commissioner, a
25.12 district may levy in the year the state makes a payment under this section an amount up to
25.13 the amount necessary to provide funds for the repayment of the amount paid by the state
25.14 plus interest through the date of estimated repayment by the district. The proceeds of this
25.15 levy may be used only for this purpose unless they are in excess of the amount actually
25.16 due, in which case the excess shall be used to repay other state payments made under this
25.17 section or shall be deposited in the debt redemption fund of the school district. This levy
25.18 shall be an increase in the levy limits of the district for purposes of section 275.065,
25.19 subdivision 6. The amount of aids to be reduced to repay the state shall be decreased by
25.20 the amount levied. This levy by the district is not eligible for debt service equalization
25.21 under section 123B.53.

25.22 (b) If the state is not repaid in full for a payment made under this section by
25.23 November 30 of the calendar year following the year in which the state makes the
25.24 payment, the commissioner shall require the district to certify a property tax levy in an
25.25 amount up to the amount necessary to provide funds for repayment of the amount paid by
25.26 the state plus interest through the date of estimated repayment by the school district. To
25.27 prevent undue hardship, the commissioner may allow the district to certify the levy over a
25.28 five-year period. The proceeds of the levy may be used only for this purpose unless they
25.29 are in excess of the amount actually due, in which case the excess shall be used to repay
25.30 other state payments made under this section or shall be deposited in the debt redemption
25.31 fund of the district. This levy shall be an increase in the levy limits of the school district
25.32 for purposes of section 275.065, subdivision 6. If the commissioner orders the district
25.33 to levy, the amount of aids reduced to repay the state shall be decreased by the amount
25.34 levied. This levy by the district is not eligible for debt service equalization under section
25.35 123B.53 or any successor provision. A levy under this subdivision must be explained as a
25.36 specific increase at the meeting required under section 275.065, subdivision 6.

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

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

Subd. 8. **Mandatory plan; technical assistance.** If the state makes payments on behalf of a school district or intermediate school district under this section or the district defaults in the payment of principal or interest on an outstanding debt obligation, it must submit a plan to the commissioner for approval specifying the measures it intends to implement to resolve the issues which led to its inability to make the payment and to prevent further defaults. The department must provide technical assistance to the district

in preparing its plan. If the commissioner determines that a district's plan is not adequate, the commissioner shall notify the district that the plan has been disapproved, the reasons for the disapproval, and that the state shall not make future payments under this section for debt obligations issued after the date specified in that notice until its plan is approved. The commissioner may also notify the district that until its plan is approved, other aids due the district will be withheld after a date specified in the notice.

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

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

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

Sec. 31. Minnesota Statutes 2006, section 127A.45, subdivision 16, is amended to read:

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

Sec. 32. Minnesota Statutes 2007 Supplement, section 127A.49, subdivision 2, is amended to read:

Subd. 2. Abatements. Whenever by virtue of chapter 278, sections 270C.86, 375.192, or otherwise, the net tax capacity or referendum market value of any district for any taxable year is changed after the taxes for that year have been spread by the county auditor and the local tax rate as determined by the county auditor based upon the original net tax capacity is applied upon the changed net tax capacities, the county auditor shall, prior to February 1 of each year, certify to the commissioner of education the amount of

28.1 any resulting net revenue loss that accrued to the district during the preceding year. Each
 28.2 year, the commissioner shall pay an abatement adjustment to the district in an amount
 28.3 calculated according to the provisions of this subdivision. This amount shall be deducted
 28.4 from the amount of the levy authorized by section 126C.46. The amount of the abatement
 28.5 adjustment must be the product of:

28.6 (1) the net revenue loss as certified by the county auditor, times

28.7 (2) the ratio of:

28.8 (i) the sum of the amounts of the district's certified levy in the third preceding year
 28.9 according to the following:

28.10 (A) section 123B.57, if the district received health and safety aid according to that
 28.11 section for the second preceding year;

28.12 (B) section 124D.20, if the district received aid for community education programs
 28.13 according to that section for the second preceding year;

28.14 (C) section 124D.135, subdivision 3, if the district received early childhood family
 28.15 education aid according to section 124D.135 for the second preceding year;

28.16 (D) section 126C.17, subdivision 6, if the district received referendum equalization
 28.17 aid according to that section for the second preceding year;

28.18 ~~(E) section 126C.13, if the district received general education aid according to~~
 28.19 ~~section 126C.13, subdivision 4, paragraph (b), clause (1), of that section in the second~~
 28.20 ~~preceding year;~~

28.21 ~~(F)~~ (E) section 126C.10, subdivision 13a, if the district received operating capital aid
 28.22 according to section 126C.10, subdivision 13b, in the second preceding year;

28.23 ~~(G)~~ (F) section 126C.10, subdivision 29, if the district received equity aid according
 28.24 to section 126C.10, subdivision 30, in the second preceding year;

28.25 ~~(H)~~ (G) section 126C.10, subdivision 32, if the district received transition aid
 28.26 according to section 126C.10, subdivision 33, in the second preceding year;

28.27 ~~(I)~~ (H) section 123B.53, subdivision 5, if the district received debt service
 28.28 equalization aid according to section 123B.53, subdivision 6, in the second preceding year;

28.29 ~~(J)~~ (I) section 124D.22, subdivision 3, if the district received school-age care aid
 28.30 according to section 124D.22, subdivision 4, in the second preceding year;

28.31 ~~(K)~~ (J) section 123B.591, subdivision 3, if the district received deferred maintenance
 28.32 aid according to section 123B.591, subdivision 4, in the second preceding year; and

28.33 ~~(L)~~ (K) section 126C.10, subdivision 35, if the district received alternative teacher
 28.34 compensation equalization aid according to section 126C.10, subdivision 36, paragraph
 28.35 (a), in the second preceding year; to

29.1 (ii) the total amount of the district's certified levy in the third preceding December,
29.2 plus or minus auditor's adjustments.

29.3 Sec. 33. Minnesota Statutes 2007 Supplement, section 127A.49, subdivision 3, is
29.4 amended to read:

29.5 Subd. 3. **Excess tax increment.** (a) If a return of excess tax increment is made to a
29.6 district pursuant to sections 469.176, subdivision 2, and 469.177, subdivision 9, or upon
29.7 decertification of a tax increment district, the school district's aid and levy limitations
29.8 must be adjusted for the fiscal year in which the excess tax increment is paid under the
29.9 provisions of this subdivision.

29.10 (b) An amount must be subtracted from the district's aid for the current fiscal year
29.11 equal to the product of:

29.12 (1) the amount of the payment of excess tax increment to the district, times

29.13 (2) the ratio of:

29.14 (i) the sum of the amounts of the district's certified levy for the fiscal year in which
29.15 the excess tax increment is paid according to the following:

29.16 (A) section 123B.57, if the district received health and safety aid according to that
29.17 section for the second preceding year;

29.18 (B) section 124D.20, if the district received aid for community education programs
29.19 according to that section for the second preceding year;

29.20 (C) section 124D.135, subdivision 3, if the district received early childhood family
29.21 education aid according to section 124D.135 for the second preceding year;

29.22 (D) section 126C.17, subdivision 6, if the district received referendum equalization
29.23 aid according to that section for the second preceding year;

29.24 ~~(E) section 126C.13, if the district received general education aid according to~~
29.25 ~~section 126C.13, subdivision 4, paragraph (b), clause (1), of that section in the second~~
29.26 ~~preceding year;~~

29.27 ~~(F)~~ (E) section 126C.10, subdivision 13a, if the district received operating capital aid
29.28 according to section 126C.10, subdivision 13b, in the second preceding year;

29.29 ~~(G)~~ (F) section 126C.10, subdivision 29, if the district received equity aid according
29.30 to section 126C.10, subdivision 30, in the second preceding year;

29.31 ~~(H)~~ (G) section 126C.10, subdivision 32, if the district received transition aid
29.32 according to section 126C.10, subdivision 33, in the second preceding year;

29.33 ~~(I)~~ (H) section 123B.53, subdivision 5, if the district received debt service
29.34 equalization aid according to section 123B.53, subdivision 6, in the second preceding year;

30.1 ~~(I)~~ (I) section 124D.22, subdivision 3, if the district received school-age care aid
 30.2 according to section 124D.22, subdivision 4, in the second preceding year;
 30.3 ~~(K)~~ (J) section 123B.591, subdivision 3, if the district received deferred maintenance
 30.4 aid according to section 123B.591, subdivision 4, in the second preceding year; and
 30.5 ~~(L)~~ (K) section 126C.10, subdivision 35, if the district received alternative teacher
 30.6 compensation equalization aid according to section 126C.10, subdivision 36, paragraph
 30.7 (a), in the second preceding year; to
 30.8 (ii) the total amount of the district's certified levy for the fiscal year, plus or minus
 30.9 auditor's adjustments.

30.10 (c) An amount must be subtracted from the school district's levy limitation for the
 30.11 next levy certified equal to the difference between:

- 30.12 (1) the amount of the distribution of excess increment; and
 30.13 (2) the amount subtracted from aid pursuant to clause (a).

30.14 If the aid and levy reductions required by this subdivision cannot be made to the aid
 30.15 for the fiscal year specified or to the levy specified, the reductions must be made from
 30.16 aid for subsequent fiscal years, and from subsequent levies. The school district must use
 30.17 the payment of excess tax increment to replace the aid and levy revenue reduced under
 30.18 this subdivision.

30.19 (d) This subdivision applies only to the total amount of excess increments received
 30.20 by a district for a calendar year that exceeds \$25,000.

30.21 Sec. 34. Laws 2007, chapter 146, article 2, section 46, subdivision 13, is amended to
 30.22 read:

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

30.27 \$ 6,500,000 2008

30.28 \$ 6,500,000 2009

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

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

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

31.1 Sec. 35. Laws 2007, chapter 146, article 2, section 46, subdivision 14, is amended to
31.2 read:

31.3 Subd. 14. **Collaborative urban educator.** For the collaborative urban educator
31.4 ~~grants under Minnesota Statutes, section 122A.641~~ program:

31.5 \$ 528,000 2008

31.6 \$ 528,000 2009

31.7 \$210,000 each year is for the Southeast Asian teacher program at Concordia
31.8 University, St. Paul; \$159,000 each year is for the collaborative urban educator program at
31.9 the University of St. Thomas; and \$159,000 each year is for the Center for Excellence in
31.10 Urban Teaching at Hamline University. Grant recipients must collaborate with urban and
31.11 nonurban school districts.

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

31.13 Sec. 36. Laws 2007, chapter 146, article 2, section 46, subdivision 20, is amended to
31.14 read:

31.15 Subd. 20. **College-level examination program (CLEP).** For the college-level
31.16 examination program (CLEP) under Minnesota Statutes, section 120B.131:

31.17 ~~1,650,000~~

31.18 \$ 850,000 2008

31.19 ~~1,650,000~~

31.20 \$ 500,000 2009

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

31.22 This is a onetime appropriation.

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

31.24 Sec. 37. Laws 2007, chapter 146, article 3, section 23, subdivision 2, is amended to
31.25 read:

31.26 Subd. 2. **Report.** (a) The task force must submit to the education policy and finance
31.27 committees of the legislature by February 15, ~~2008~~ 2009, a report that identifies and
31.28 clearly and concisely explains each provision in state law or rule that exceeds ~~or expands~~
31.29 ~~upon~~ a minimum federal requirement contained in law or regulation for providing special
31.30 education programs and services to eligible students. The report also must recommend
31.31 which state ~~provisions~~ statutes and rules that exceed ~~or expand upon~~
31.32 requirement may be amended to conform with minimum federal requirements or made

32.1 more effective as determined by a majority of the task force members. The task force must
32.2 recommend rules governing the use of aversive and deprivation procedures by school
32.3 district employees or persons under contract with a school district. The task force expires
32.4 when it submits its report to the legislature.

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

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

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

32.11 Sec. 38. Laws 2007, chapter 146, article 3, section 24, subdivision 9, is amended to
32.12 read:

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

32.15 \$ ~~20,000~~ 40,000 2008

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

32.17 This is a onetime appropriation.

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

32.19 Sec. 39. Laws 2007, chapter 146, article 5, section 11, subdivision 1, is amended to
32.20 read:

32.21 Subdivision 1. **Fiscal year 2007 replacement aid.** Independent School District No.
32.22 2899, Plainview-Elgin-Millville, is eligible for replacement ~~aid~~ revenue to offset its excess
32.23 fund balance penalty for fiscal year 2007. The aid adjustment must be made under Laws
32.24 2007, chapter 146, article 5, section 13, subdivision 5. The levy adjustment of \$6,600
32.25 must be included as part of the district's property taxes for taxes payable in 2009.

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

32.27 Sec. 40. Laws 2007, chapter 146, article 5, section 13, subdivision 3, is amended to
32.28 read:

32.29 Subd. 3. **Traditional school breakfast; kindergarten milk.** For traditional school
32.30 breakfast aid and kindergarten milk under Minnesota Statutes, sections 124D.1158 and
32.31 124D.118:

33.1 ~~5,460,000~~
33.2 \$ 5,583,000 2008
33.3 ~~5,695,000~~
33.4 \$ 6,396,000 2009

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

33.6 Sec. 41. Laws 2007, chapter 146, article 7, section 4, is amended to read:

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

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

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

33.12 \$ 22,169,000 2008
33.13 ~~22,653,000~~
33.14 \$ 21,811,000 2009

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

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

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

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

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

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

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

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

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

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

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

(1) \$50,000 in fiscal year 2009 is for an advisory task force for determining how the educational achievement of low-income students and students of color is impacted by education issues related to rigorous preparation and coursework, educators' professional development, English language learners, special education, GRAD tests, and the use of valid and reliable data on student preparation for postsecondary academic and career opportunities. This amount is not added to the base appropriation for fiscal year 2010 and later. The department shall not expend any funds unless a match of an equal amount of nonstate funds has been received for this purpose.

(m) The base for fiscal year 2010 and later is \$21,761,000.

Sec. 42. Laws 2007, chapter 146, article 9, section 17, subdivision 4, is amended to read:

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

3,159,000
\$ <u>2,624,000</u> 2008
3,330,000
\$ <u>3,592,000</u> 2009

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

The 2009 appropriation includes ~~\$319,000~~ \$259,000 for 2008 and ~~\$3,011,000~~ \$3,333,000 for 2009.

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

Sec. 43. Laws 2007, First Special Session chapter 2, article 1, section 11, subdivision 1, is amended to read:

Subdivision 1. **Total Appropriation** **\$ ~~584,000~~ 148,000**

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

35.1 Sec. 44. Laws 2007, First Special Session chapter 2, article 1, section 11, subdivision
35.2 2, is amended to read:

35.3 Subd. 2. **Independent School District No. 239,**
35.4 **Rushford-Peterson**

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

35.6 The commissioner of education shall pay to
35.7 the school district flood enrollment impact
35.8 aid equal to \$5,394 times the number of
35.9 pupils lost as a result of the floods of August
35.10 2007. The district must provide to the
35.11 commissioner of education documentation
35.12 of the number of pupils in average daily
35.13 membership lost as a result of the flood.

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

35.15 ~~For facilities cleanup, repair, and replacement~~
35.16 ~~costs related to the floods of August 2007 not~~
35.17 ~~covered by the district's insurance settlement~~
35.18 ~~or through Federal Emergency Management~~
35.19 ~~Agency payments. The commissioner of~~
35.20 ~~education may request the school district~~
35.21 ~~to provide necessary information before~~
35.22 ~~awarding a grant.~~

35.23 (c) **Pupil Transportation Aid** 40,000

35.24 For increased costs associated with
35.25 transporting students as a result of the floods
35.26 of August 2007.

35.27 Sec. 45. Laws 2007, First Special Session chapter 2, article 1, section 11, subdivision
35.28 6, is amended to read:

35.29 Subd. 6. **Disaster Relief Facilities Grants to**
35.30 **Other Districts**

~~90,000~~ 14,000

36.1 For facilities cleanup, repair, and replacement
36.2 costs related to the floods of August 2007 not
36.3 covered by the district's insurance settlement
36.4 or through Federal Emergency Management
36.5 Agency payments. The commissioner of
36.6 education may request the school district
36.7 to provide necessary information before
36.8 awarding a grant. School districts not
36.9 included in subdivisions 2 to 5 must be given
36.10 priority in the allocation of this appropriation.

36.11 Sec. 46. **FUND TRANSFERS.**

36.12 Subdivision 1. **Capital account transfers.** Notwithstanding any law to the contrary,
36.13 on June 30, 2008, a school district may transfer money from its reserved for operating
36.14 capital account to its undesignated balance in the general fund. The amount transferred
36.15 by any school district must not exceed \$51 times the district's adjusted marginal cost
36.16 pupil units for fiscal year 2007. This transfer may occur only after the school board has
36.17 adopted a written resolution stating the amount of the transfer and declaring that the
36.18 school district's operating capital needs are being met.

36.19 Subd. 2. **Balaton school district.** Notwithstanding Minnesota Statutes, section
36.20 123B.79 or 123B.80, or subdivision 1, on June 30, 2008, Independent School District No.
36.21 411, Balaton, may transfer up to \$70,000 from its reserved for operating capital account
36.22 to its undesignated general fund balance.

36.23 Subd. 3. **East Central school district.** Notwithstanding Minnesota Statutes, section
36.24 123B.79 or 123B.80, or subdivision 1, on June 30, 2008, Independent School District No.
36.25 2580, East Central, may transfer up to \$300,000 from its reserved for operating capital
36.26 account to its undesignated general fund balance.

36.27 Subd. 4. **Hills-Beaver Creek school district.** (a) Notwithstanding Minnesota
36.28 Statutes, section 123B.79 or 123B.80, on June 30, 2008, Independent School District No.
36.29 671, Hills-Beaver Creek, may transfer up to \$260,000 from its reserved for disabled
36.30 accessibility account to its undesignated general fund balance without making a levy
36.31 reduction.

36.32 (b) Notwithstanding Minnesota Statutes, section 123B.79 or 123B.80, on June
36.33 30, 2008, Independent School District No. 671, Hills-Beaver Creek, may transfer up to

37.1 \$100,000 from its reserved for operating capital account to its undesignated general fund
37.2 balance without making a levy reduction.

37.3 Subd. 5. **Rocori school district.** Notwithstanding Minnesota Statutes, section
37.4 123B.79 or 123B.80, on June 30, 2008, Independent School District No. 750, Rocori,
37.5 may transfer up to \$82,000 from its reserved for disabled accessibility account to its
37.6 undesignated general fund balance without making a levy reduction.

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

37.8 Sec. 47. **ONETIME GENERAL EDUCATION REVENUE INCREASE; FISCAL**
37.9 **YEAR 2009 ONLY.**

37.10 A school district's general education revenue under Minnesota Statutes, section
37.11 126C.10, is increased for fiscal year 2009 only by an amount equal to \$51 times the
37.12 district's adjusted marginal cost pupil units for that year.

37.13 Sec. 48. **PRIORITY FOR NEW ALTERNATIVE COMPENSATION SCHOOL**
37.14 **DISTRICTS AND CHARTER SCHOOLS, FISCAL YEARS 2009 TO 2010.**

37.15 (a) Notwithstanding Minnesota Statutes, sections 122A.413; 122A.414; 122A.415;
37.16 122A.416; and 126C.10, subdivisions 34, 35, and 36, for fiscal years 2009 and 2010 only,
37.17 for school sites, school districts, or charter schools that had not applied as of March 20,
37.18 2008, to participate in the alternative teacher pay program, the Department of Education
37.19 must authorize alternative compensation funding for applicants according to paragraphs
37.20 (b) and (c).

37.21 (b) For fiscal year 2009, the Department of Education shall qualify eligible school
37.22 sites, school districts, and charter schools for alternative compensation revenue in the
37.23 order of receipt of applications received after March 20, 2008, provided that the total
37.24 alternative compensation aid entitlement authorized under this paragraph does not exceed
37.25 \$11,397,000.

37.26 (c) In addition to the amounts authorized in paragraph (b), for fiscal year 2010, the
37.27 Department of Education shall qualify eligible school sites, school districts, and charter
37.28 schools for alternative compensation revenue in the order of receipt of applications
37.29 received after March 20, 2008, provided that the total alternative compensation aid
37.30 entitlement authorized under this paragraph does not exceed \$2,899,000.

37.31 Sec. 49. **VIRGINIA SCHOOL DISTRICT; EMERGENCY REPAIRS.**

37.32 Independent School District No. 701, Virginia, may levy up to \$100,000 for
37.33 emergency facilities repairs. This authority is in addition to any other levy authority

38.1 granted to the district. The levy proceeds received under this section must be recognized
38.2 in fiscal year 2009.

38.3 **EFFECTIVE DATE.** This section is effective for taxes payable in 2009 only.

38.4 Sec. 50. **EQUALIZING FACTORS.**

38.5 The commissioner shall adjust each referendum market value equalizing factor
38.6 established under Minnesota Statutes, chapter 126C, by dividing the equalizing factor by
38.7 the ratio of the statewide referendum market value as calculated using the definition
38.8 of referendum market value that was in effect prior to the 2008 legislative session for
38.9 assessment year 2008 to the statewide referendum market value that is in effect after the
38.10 2008 legislative session for that assessment year.

38.11 **EFFECTIVE DATE.** This section is effective for taxes levied in 2009, payable
38.12 in 2010, and thereafter.

38.13 Sec. 51. **APPROPRIATIONS.**

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

38.17 Subd. 2. **Additional general education revenue.** For additional general education
38.18 aid:

38.19 \$ 26,804,000 2009

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

38.21 This 2009 appropriation includes \$0 for 2008 and \$26,804,000 for 2009.

38.22 Subd. 3. **Independent School District No. 239, Rushford-Peterson.** For school
38.23 district flood enrollment impact aid as a result of the floods of August 2007.

38.24 \$ 158,000 2009

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

38.27 The district must provide to the commissioner of education documentation of
38.28 the additional pupil transportation costs and the number of pupils in average daily
38.29 membership lost as a result of the flood.

38.30 Up to \$40,000 is for increased costs associated with transporting students as a result
38.31 of the floods of August 2007.

39.1 Subd. 4. **Lancaster.** For a grant to Independent School District No. 356, Lancaster,
39.2 to replace the loss of sparsity revenue:

39.3 \$ 100,000 2009

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

39.6 Subd. 5. **Principal's Leadership Institute.** For a grant to the Principal's Leadership
39.7 Institute under Minnesota Statutes, section 122A.74:

39.8 \$ 275,000 2009

39.9 This is a onetime appropriation.

39.10 Subd. 6. **Board of Teaching; licensure by portfolio.** For the Board of Teaching

39.11 for licensure by portfolio:

39.12 \$ 17,000 2009

39.13 This appropriation is from the educator licensure portfolio account of the special
39.14 revenue fund.

39.15 Subd. 7. **Minnesota Humanities Commission.** For a grant to the Minnesota
39.16 Humanities Commission.

39.17 \$ 275,000 2009

39.18 This is a onetime appropriation.

39.19 **Sec. 52. REPEALER.**

39.20 (a) Minnesota Statutes 2006, section 126C.21, subdivision 1, is repealed for revenue
39.21 for fiscal year 2010 and later.

39.22 (b) Minnesota Statutes 2006, section 127A.45, subdivision 7a, is repealed.

39.23 (c) Laws 2007, First Special Session chapter 2, article 1, section 11, subdivisions 3,
39.24 and 4, are repealed.

ARTICLE 3

EDUCATION FORECAST ADJUSTMENTS

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

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

40.1 ~~5,618,342,000~~

40.2 \$ 5,600,647,000 2008

40.3 ~~5,618,342,000~~

40.4 \$ 5,649,098,000 2009

40.5 The 2008 appropriation includes ~~\$531,733,000~~ \$536,251,000 for 2007 and

40.6 ~~\$5,073,250,000~~ \$5,064,396,000 for 2008.

40.7 The 2009 appropriation includes ~~\$546,314,000~~ \$543,752,000 for 2008 and

40.8 ~~\$5,072,028,000~~ \$5,105,346,000 for 2009.

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

40.10 Subd. 3. **Referendum tax base replacement aid.** For referendum tax base

40.11 replacement aid under Minnesota Statutes, section 126C.17, subdivision 7a:

40.12 \$ ~~870,000~~ 861,000 2008

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

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

40.15 Subd. 4. **Enrollment options transportation.** For transportation of pupils attending

40.16 postsecondary institutions under Minnesota Statutes, section 124D.09, or for transportation

40.17 of pupils attending nonresident districts under Minnesota Statutes, section 124D.03:

40.18 \$ ~~95,000~~ 48,000 2008

40.19 \$ ~~97,000~~ 50,000 2009

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

40.21 Subd. 5. **Abatement revenue.** For abatement aid under Minnesota Statutes, section

40.22 127A.49:

40.23 ~~1,343,000~~

40.24 \$ 1,333,000 2008

40.25 ~~1,347,000~~

40.26 \$ 1,629,000 2009

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

40.28 for 2008.

41.1 The 2009 appropriation includes ~~\$140,000~~ \$139,000 for 2008 and ~~\$1,207,000~~
41.2 \$1,490,000 for 2009.

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

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

41.6 \$ ~~565,000~~ 240,000 2008

41.7 \$ ~~212,000~~ 339,000 2009

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

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

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

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

41.14 ~~16,290,000~~

41.15 \$ 15,601,000 2008

41.16 ~~16,620,000~~

41.17 \$ 16,608,000 2009

41.18 The 2008 appropriation includes ~~\$1,606,000~~ \$1,214,000 for 2007 and ~~\$14,684,000~~
41.19 \$14,387,000 for 2008.

41.20 The 2009 appropriation includes ~~\$1,631,000~~ \$1,598,000 for 2008 and ~~\$14,989,000~~
41.21 \$15,010,000 for 2009.

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

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

41.25 ~~21,551,000~~

41.26 \$ 20,755,000 2008

41.27 ~~21,392,000~~

41.28 \$ 21,007,000 2009

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

42.1 The 2009 appropriation includes ~~\$2,158,000~~ \$2,070,000 for 2008 and ~~\$19,234,000~~
42.2 \$18,937,000 for 2009.

42.3 **B. EDUCATION EXCELLENCE**

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

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

42.7 ~~31,875,000~~
42.8 \$ 32,817,000 2008
42.9 ~~36,193,000~~
42.10 \$ 37,527,000 2009

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

42.13 The 2009 appropriation includes ~~\$3,229,000~~ \$3,333,000 for 2008 and ~~\$32,964,000~~
42.14 \$34,194,000 for 2009.

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

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

42.18 ~~1,896,000~~
42.19 \$ 1,801,000 2008
42.20 ~~2,161,000~~
42.21 \$ 1,987,000 2009

42.22 The 2008 appropriation includes ~~\$241,000~~ \$239,000 for 2007 and ~~\$1,655,000~~
42.23 \$1,562,000 for 2008.

42.24 The 2009 appropriation includes ~~\$183,000~~ \$173,000 for 2008 and ~~\$1,978,000~~
42.25 \$1,814,000 for 2009.

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

42.28 Subd. 4. **Integration aid.** For integration aid under Minnesota Statutes, section
42.29 124D.86, subdivision 5:

43.1 ~~61,769,000~~

43.2 \$ 59,036,000 2008

43.3 ~~61,000,000~~

43.4 \$ 62,448,000 2009

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

43.7 The 2009 appropriation includes ~~\$6,216,000~~ \$5,912,000 for 2008 and ~~\$54,784,000~~
43.8 \$56,536,000 for 2009.

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

43.11 Subd. 6. **Interdistrict desegregation or integration transportation grants.** For
43.12 interdistrict desegregation or integration transportation grants under Minnesota Statutes,
43.13 section 124D.87:

43.14 ~~9,639,000~~

43.15 \$ 9,901,000 2008

43.16 ~~11,567,000~~

43.17 \$ 11,881,000 2009

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

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

43.22 ~~2,238,000~~

43.23 \$ 2,207,000 2008

43.24 ~~2,422,000~~

43.25 \$ 2,392,000 2009

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

43.28 The 2009 appropriation includes ~~\$226,000~~ \$222,000 for 2008 and ~~\$2,196,000~~
43.29 \$2,170,000 for 2009.

43.30 **C. SPECIAL PROGRAMS**

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

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

44.6 ~~1,538,000~~
44.7 \$ 2,086,000 2008

44.8 ~~1,729,000~~
44.9 \$ 2,282,000 2009

44.10 If the appropriation for either year is insufficient, the appropriation for the other
44.11 year is available.

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

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

44.16 \$ ~~254,000~~ 207,000 2008

44.17 \$ ~~284,000~~ 227,000 2009

44.18 The 2008 appropriation includes \$22,000 for 2007 and ~~\$232,000~~ \$185,000 for 2008.

44.19 The 2009 appropriation includes ~~\$25,000~~ \$20,000 for 2008 and ~~\$259,000~~ \$207,000
44.20 for 2009.

44.21 D. FACILITIES AND TECHNOLOGY

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

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

44.26 \$ ~~190,000~~ 254,000 2008

44.27 \$ ~~179,000~~ 103,000 2009

44.28 The 2008 appropriation includes \$20,000 for 2007 and ~~\$170,000~~ \$234,000 for 2008.

44.29 The 2009 appropriation includes ~~\$18,000~~ \$26,000 for 2008 and ~~\$161,000~~ \$77,000
44.30 for 2009.

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

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

45.5 ~~14,813,000~~
45.6 \$ 14,814,000 2008
45.7 ~~11,124,000~~
45.8 \$ 9,109,000 2009

45.9 The 2008 appropriation includes ~~\$1,767,000~~ \$1,766,000 for 2007 and ~~\$13,046,000~~
45.10 \$13,048,000 for 2008.

45.11 The 2009 appropriation includes ~~\$1,450,000~~ \$1,449,000 for 2008 and ~~\$9,674,000~~
45.12 \$7,660,000 for 2009.

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

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

45.17 ~~3,290,000~~
45.18 \$ 3,232,000 2008
45.19 ~~2,667,000~~
45.20 \$ 2,627,000 2009

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

45.22 The 2009 appropriation includes ~~\$365,000~~ \$359,000 for 2008 and ~~\$2,302,000~~
45.23 \$2,268,000 for 2009.

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

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

45.28 ~~38,145,000~~
45.29 \$ 38,236,000 2008
45.30 ~~52,676,000~~
45.31 \$ 52,454,000 2009

47.1 Sec. 22. Laws 2007, chapter 146, article 9, section 17, subdivision 3, is amended to
47.2 read:

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

47.5 ~~9,995,000~~
47.6 \$ 9,987,000 2008
47.7 \$ 10,095,000 2009

47.8 The 2008 appropriation includes ~~\$909,000~~ \$901,000 for 2007 and \$9,086,000 for
47.9 2008.

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

47.11 Sec. 23. Laws 2007, chapter 146, article 9, section 17, subdivision 8, is amended to
47.12 read:

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

47.15 ~~1,307,000~~
47.16 \$ 1,299,000 2008
47.17 \$ ~~816,000~~ 796,000 2009

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

47.20 The 2009 appropriation includes ~~\$123,000~~ \$122,000 for 2008 and ~~\$693,000~~
47.21 \$674,000 for 2009.

47.22 Sec. 24. Laws 2007, chapter 146, article 9, section 17, subdivision 9, is amended to
47.23 read:

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

47.26 \$ ~~710,000~~ 709,000 2008
47.27 \$ 710,000 2009

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

47.29 The 2009 appropriation includes \$71,000 for 2008 and \$639,000 for 2009.

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

Sec. 25. Laws 2007, chapter 146, article 9, section 17, subdivision 13, is amended to read:

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

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

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

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

ARTICLE 4
HIGHER EDUCATION

Section 1. **SUMMARY OF APPROPRIATIONS.**

The amounts shown in this section summarize direct appropriations from the general fund made in this article.

	<u>2008</u>	<u>2009</u>	<u>Total</u>
<u>Minnesota Office of Higher Education</u>			
<u>\$</u> <u>-0-</u>	<u>\$</u> <u>(1,381,000)</u>	<u>\$</u> <u>(1,381,000)</u>	
<u>Board of Trustees of the Minnesota State Colleges and Universities</u>			
<u>(1,000,000)</u>	<u>(6,880,000)</u>	<u>(7,880,000)</u>	
<u>Board of Regents of the University of Minnesota</u>			
<u>(6,150,000)</u>	<u>(6,150,000)</u>	<u>(12,300,000)</u>	
<u>Total</u>	<u>\$</u> <u>(7,150,000)</u>	<u>\$</u> <u>(14,411,000)</u>	<u>\$</u> <u>(21,561,000)</u>

Sec. 2. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2007, chapter 144, article 1, to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2008" and "2009" used in this article mean that the addition to or subtraction from the appropriations listed under them are available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2008, are effective the day following final enactment. "The first year" is fiscal year 2008. "The second year" is fiscal year 2009. "The biennium" is fiscal years 2008 and 2009.

APPROPRIATIONS
Available for the Year
Ending June 30
2008 2009

Sec. 3. MINNESOTA OFFICE OF HIGHER
EDUCATION

Subdivision 1. Total Appropriation **\$** **-0-** **\$** **(1,381,000)**

The amounts that must be reduced for each purpose are specified in the following subdivisions.

Subd. 2. Interstate Tuition Reciprocity **-0-** **(250,000)**

Subd. 3. Minnesota College Savings Plan **-0-** **(1,020,000)**

The budget base for the Minnesota college savings plan for fiscal year 2010 is \$1,020,000.

Subd. 4. Agency Administration **-0-** **(111,000)**

Subd. 5. Cancellation

By June 30, 2009, the commissioner of finance shall cancel to the general fund \$90,000 of the appropriation in Laws 2005, chapter 107, article 1, section 2, subdivision

50.1 12, to upgrade computer program application
50.2 software related to state grant awards.

50.3 Subd. 6. **Transfers In**

50.4 The commissioner of finance must transfer
50.5 \$18,000 to the general fund from the
50.6 technology carryforward account in the
50.7 special revenue fund by June 30, 2008.

50.8 The commissioner of finance must transfer
50.9 \$100,000 to the general fund from the private
50.10 institutions regulation accounts in the special
50.11 revenue fund by June 30, 2009.

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

50.15 Subdivision 1. **Total Appropriation** \$ (1,000,000) \$ (6,880,000)

50.16 The amounts that must be reduced or
50.17 added for each purpose are specified in the
50.18 following subdivisions.

50.19 Subd. 2. **General Reduction** (1,000,000) (7,600,000)

50.20 Of this reduction, \$5,000,000 is from
50.21 the appropriations for technology and
50.22 \$1,000,000 is from the central reserves.

50.23 The remainder is from the Office of the
50.24 Chancellor budget.

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

51.1 The Board of Trustees of the Minnesota State
51.2 Colleges and Universities must reallocate
51.3 \$9,000,000 of state appropriations to reduce
51.4 student tuition increases to two percent
51.5 at state colleges and three percent at state
51.6 universities and must not increase student
51.7 fees beyond the amount that is currently
51.8 planned for the next academic year.

51.9 The legislature intends that by reducing
51.10 tuition increases, the student's share of
51.11 educational costs are decreased and the
51.12 state's share of educational costs are
51.13 increased, consistent with the funding policy
51.14 in Minnesota Statutes, section 135A.01. The
51.15 legislature's goal is to begin progress over the
51.16 next eight years to achieve a two-thirds state
51.17 share of educational costs and a one-third
51.18 student share as specified in Minnesota
51.19 Statutes, section 135A.01.

51.20 From the appropriation in Laws 2007, chapter
51.21 144, article 1, section 4, subdivision 1, the
51.22 Board of Trustees shall allocate funding to
51.23 campuses that lost revenue as a result of the
51.24 decision in this law to eliminate nonresident
51.25 undergraduate tuition at specified campuses.

51.26 Subd. 3. **Power of You Program**

51.27 This appropriation is for the continuation of
51.28 the power of you program at Metropolitan
51.29 State University, Minneapolis Community
51.30 and Technical College, and St. Paul College
51.31 under Minnesota Statutes, section 136F.19.

51.32 The board of trustees shall allocate the
51.33 power of you funds to Metropolitan State

-0- 600,000

52.1	<u>University, Minneapolis Community and</u>		
52.2	<u>Technical College, and St. Paul College.</u>		
52.3	<u>The funds must be used for financial aid</u>		
52.4	<u>for eligible students. This appropriation is</u>		
52.5	<u>available to the extent it is matched with an</u>		
52.6	<u>equal amount of nonstate money.</u>		
52.7	<u>This is a onetime appropriation.</u>		
52.8	<u>Subd. 4. Teachers of Diverse Backgrounds</u>		
52.9	<u>Financial Aid Pilot Program</u>	<u>-0-</u>	<u>120,000</u>
52.10	<u>For a teachers of diverse backgrounds</u>		
52.11	<u>financial aid pilot program, to be</u>		
52.12	<u>implemented by (1) Winona State University</u>		
52.13	<u>in partnership with the Rochester school</u>		
52.14	<u>district and (2) St. Cloud State University</u>		
52.15	<u>in partnership with the Robbinsdale school</u>		
52.16	<u>district, to increase the diversity of teachers</u>		
52.17	<u>in school districts with a significant</u>		
52.18	<u>concentration of minority students and attain</u>		
52.19	<u>the state's interest in enhancing the academic</u>		
52.20	<u>achievement of diverse student populations.</u>		
52.21	<u>A student is eligible to receive a grant</u>		
52.22	<u>under this subdivision if the student has a</u>		
52.23	<u>demonstrated interest and knowledge of</u>		
52.24	<u>diverse cultures. A preference must be given</u>		
52.25	<u>to a student whose parents did not attend</u>		
52.26	<u>college.</u>		
52.27	<u>Grants shall be made to eligible students</u>		
52.28	<u>for the student's junior and senior years in a</u>		
52.29	<u>teacher preparation program. Priority shall</u>		
52.30	<u>be given to students who are eligible for a</u>		
52.31	<u>Pell grant or a state grant under Minnesota</u>		
52.32	<u>Statutes, section 136A.121. Applications</u>		
52.33	<u>must be submitted in the form and manner</u>		
52.34	<u>and with the information required by</u>		

53.1 Winona State University and St. Cloud State
53.2 University.

53.3 Within the limits of the appropriation,
53.4 a student may receive a grant of up to
53.5 \$5,000 each year for a maximum of two
53.6 academic years or the equivalent if the
53.7 student continues to make satisfactory
53.8 progress, as defined by the institution, toward
53.9 a baccalaureate degree in education.

53.10 This is a onetime appropriation.

53.11 Subd. 5. **System Base Reduced**

53.12 The system base is reduced by \$7,700,000
53.13 each year in fiscal years 2010 and 2011.

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

53.16 Subdivision 1. **Total Appropriation** \$ (6,150,000) \$ (6,150,000)

53.17 The amounts that must be reduced or
53.18 added for each purpose are specified in the
53.19 following subdivisions.

53.20 Subd. 2. **General Reduction** (6,150,000) (6,150,000)

53.21 Subd. 3. **Restriction on Tuition Increase**

53.22 The Board of Regents must not increase
53.23 student tuition or fees beyond the amount
53.24 currently planned for the 2008-2009
53.25 academic year.

53.26 Subd. 4. **System Base Reduced**

53.27 The system base is reduced by \$8,700,000
53.28 in fiscal year 2010 and \$8,700,000 in fiscal
53.29 year 2011.

53.30 Sec. 6. 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. 7. 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

55.1 miscellaneous expense allowance under this subdivision does not carry forward into a
55.2 subsequent biennium. ~~This subdivision expires June 30, 2009.~~

55.3 Sec. 8. **[136F.19] POWER OF YOU PROGRAM.**

55.4 Subdivision 1. **Establishment.** The board shall establish and operate through
55.5 each campus a power of you program at Metropolitan State University, Minneapolis
55.6 Community and Technical College, and St. Paul College. The program shall, to the
55.7 extent of available funding, make grants to eligible students. Each campus shall develop
55.8 partnerships with high schools and school districts as part of the program. The board may
55.9 accept and expend private funding for the program.

55.10 Subd. 2. **Grants.** A campus shall establish procedures to select recipients of grants.
55.11 A grant award shall be equal to the amount remaining after deducting the student's Pell
55.12 grant award and state grant award from the institution's tuition and mandatory fee charges.

55.13 Subd. 3. **Eligible students.** A student is eligible to receive a grant under this section
55.14 if the student:

- 55.15 (1) is a graduate from a public Minneapolis or St. Paul high school;
55.16 (2) is enrolled full time immediately after graduation;
55.17 (3) was a participant in a power of you program as a high school student; and
55.18 (4) is eligible for a Pell grant or a state grant under section 136A.121.

55.19 Subd. 4. **Information.** The institutions implementing the power of you program
55.20 shall disseminate information to all MnSCU institutions about their experience in
55.21 implementing the program.

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

55.23 Sec. 9. Minnesota Statutes 2006, section 136G.11, subdivision 1, is amended to read:

55.24 Subdivision 1. **Matching grant qualification.** By ~~June 30~~ July 1 of each year, a
55.25 state matching grant must be added to each account established under the program if
55.26 the following conditions are met:

- 55.27 (1) the contributor applies, in writing in a form prescribed by the director, for a
55.28 matching grant;
55.29 (2) a minimum contribution of \$200 was made during the preceding calendar year;
55.30 (3) the beneficiary's family meets Minnesota college savings plan residency
55.31 requirements; and
55.32 (4) the family income of the beneficiary did not exceed \$80,000.

EFFECTIVE DATE. This section is effective July 1, 2008, for payments due July 1, 2009, and thereafter.

Sec. 10. Minnesota Statutes 2006, section 299A.45, subdivision 1, is amended to read:

Subdivision 1. **Eligibility.** ~~Following certification~~ A person is eligible to receive educational benefits under this section if the person:

(1) is certified under section 299A.44 and in compliance with this section and rules of the commissioner of public safety and the Minnesota Office of Higher Education;

(2) is enrolled in an undergraduate degree or certificate program after June 30, 1990, at an eligible Minnesota institution as provided in section 136A.101, subdivision 4;

(3) has not receive a baccalaureate degree or been enrolled full time for ten semesters or the equivalent, except that a student who withdraws from enrollment for active military service is entitled to an additional semester or the equivalent of eligibility; and

(4) is related in one of the following ways to a public safety officer killed in the line of duty on or after January 1, 1973:

(i) as a dependent ~~children~~ child less than 23 years of age and the;

(ii) as a surviving spouse of a public safety officer killed in the line of duty on or after January 1, 1973, are eligible to receive educational benefits under this section.

~~To qualify for an award, they must be enrolled in undergraduate degree or certificate programs after June 30, 1990, at an eligible Minnesota institution as provided in section~~

~~136A.101, subdivision 4. A student who withdraws from enrollment for active military service is entitled to an additional semester or the equivalent of grant eligibility. Persons~~

~~who have received a baccalaureate degree or have been enrolled full time or the equivalent of ten semesters or the equivalent, whichever occurs first, are no longer eligible.; or~~

(iii) as a dependent child less than 30 years of age who has served on active military duty 181 consecutive days or more and has been honorably discharged or released to the dependent child's reserve or National Guard unit.

Sec. 11. 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

57.1 each year for students in four-year programs,
57.2 and for students in two-year programs, is
57.3 \$6,114 in the first year and \$5,808 in the
57.4 second year.

57.5 This appropriation sets the living and
57.6 miscellaneous expense allowance at \$5,900
57.7 ~~each~~ the first year and \$6,200 the second
57.8 year.

57.9 Sec. 12. Laws 2007, chapter 144, article 1, section 5, subdivision 5, is amended to read:

57.10 Subd. 5. **University of Minnesota and Mayo**

57.11 **Foundation Partnership** 25,000,000 -0-

57.12 For the direct and indirect expenses of the
57.13 collaborative research partnership between
57.14 the University of Minnesota and the Mayo
57.15 Foundation for research in biotechnology
57.16 and medical genomics. For fiscal years 2010
57.17 and 2011, the base shall be \$8,000,000 in
57.18 each year. This appropriation is available
57.19 until expended. An annual report on the
57.20 expenditure of these funds must be submitted
57.21 to the governor, the chair of the house
57.22 bioscience and emerging technologies
57.23 committee, and the chairs of the senate and
57.24 house committees responsible for higher
57.25 education and economic development by
57.26 June 30 of each fiscal year. At a minimum,
57.27 the report must include information on
57.28 the number of patents, disclosures, and
57.29 licensing agreements; the amount generated
57.30 in royalties and how the royalty money is
57.31 spent; and the number of companies created,
57.32 where they are located, how many jobs are
57.33 created, and the amount of venture capital
57.34 raised.

ARTICLE 5

ENVIRONMENT AND NATURAL RESOURCES

Section 1. SUMMARY OF APPROPRIATIONS.

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

	<u>2008</u>	<u>2009</u>	<u>Total</u>
<u>General</u>	\$ (328,000)	\$ (2,728,000)	\$ (3,056,000)
<u>Environmental</u>	-0-	134,000	134,000
<u>Natural Resources</u>	50,000	2,523,000	2,573,000
<u>Game and Fish</u>	123,000	631,000	754,000
<u>Total</u>	\$ (155,000)	\$ 560,000	\$ 405,000

Sec. 2. APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2007, chapter 57, article 1, to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2008" and "2009" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2008, are effective the day following final enactment.

APPROPRIATIONS
Available for the Year
Ending June 30
2008 2009

Sec. 3. POLLUTION CONTROL AGENCY \$ -0- \$ (469,000)

Appropriations by Fund

<u>General</u>	-0-	(603,000)
<u>Environmental Fund</u>	-0-	134,000

\$623,000 is a reduction in 2009. The commissioner shall make the reduction to

59.1 administrative activities in a way to minimize
59.2 the effect to program operations.

59.3 \$134,000 in 2009 is appropriated from the
59.4 environmental fund for the development
59.5 and adoption of rules to regulate emission
59.6 standards of motor vehicles sold in this state
59.7 as authorized under the federal Clean Air
59.8 Act, United States Code, title 42, section
59.9 7507. The base for fiscal years 2010 and
59.10 2011 is \$114,000.

59.11 \$20,000 in 2009 is appropriated from the
59.12 general fund for the following purposes:

59.13 (1) the development of recommendations
59.14 for establishing a comprehensive product
59.15 stewardship approach to reducing
59.16 environmental and health risks posed by
59.17 the use or disposal of products. These
59.18 recommendations shall be submitted to
59.19 the chairs and ranking minority members
59.20 of the senate and house committees with
59.21 jurisdiction over environmental policy
59.22 and environmental finance by January
59.23 15, 2009. The recommendations shall
59.24 include, at a minimum: a set of criteria to
59.25 be used to evaluate products proposed for
59.26 product stewardship solutions; a process for
59.27 designating products for product stewardship
59.28 solutions and the role the legislature would
59.29 play in that process; typical components
59.30 of product stewardship plans; options to
59.31 facilitate the creation of industry-managed
59.32 stewardship management organizations;
59.33 methods to identify and monitor progress
59.34 toward stewardship performance goals for
59.35 specific products; and strategies to implement

60.1 the use of standards, certifications, and
60.2 eco-labels to promote environmentally
60.3 preferable products. To the extent possible,
60.4 the recommendations must be consistent
60.5 with existing product stewardship programs
60.6 in North America. In developing the
60.7 recommendations, the commissioner must
60.8 consult with manufacturers, retailers,
60.9 recyclers, environmental advocacy
60.10 organizations, local units of government, and
60.11 other interested parties;

60.12 (2) a report to be submitted by December
60.13 1, 2008, to the chairs and ranking minority
60.14 members of the senate and house committees
60.15 with primary jurisdiction over solid waste
60.16 policy, analyzing the availability of collection
60.17 and processing capacity in the seven-county
60.18 metropolitan area for the recycling of
60.19 construction and demolition waste. The
60.20 report must recommend a percentage of the
60.21 total weight of construction and demolition
60.22 waste generated in the seven-county
60.23 metropolitan area that represents an
60.24 achievable but aggressive recycling goal that
60.25 can be reached in 2012 and must include an
60.26 analysis of the economic and environmental
60.27 costs and benefits of reaching that goal; and

60.28 (3) a report to be submitted by January 1,
60.29 2009, to the chairs and ranking minority
60.30 members of the senate and house committees
60.31 with primary jurisdiction over solid waste
60.32 policy, that recommends options for
60.33 achieving the following goals by 2020: an
60.34 increase in county recycling rates to 60
60.35 percent of the weight of total solid waste
60.36 generation; and the diversion, prior to

61.1 delivery to landfills and waste-to-energy
61.2 plants, and recycling and reuse of an amount
61.3 of source-separated compostable materials
61.4 equal to 15 percent of total solid waste
61.5 generation. The commissioner must obtain
61.6 input from counties inside and outside the
61.7 seven-county metropolitan area, recycling
61.8 and composting facilities, waste haulers,
61.9 environmental organizations, and other
61.10 interested parties in preparing the report.
61.11 The report must also contain estimates of
61.12 the economic costs of implementing the
61.13 strategies. This is a onetime appropriation.

61.14 Sec. 4. NATURAL RESOURCES

61.15	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>(155,000)</u>	<u>\$</u>	<u>594,000</u>
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61.16	<u>Appropriations by Fund</u>				
61.17	<u>General</u>	<u>(328,000)</u>	<u>(2,260,000)</u>		
61.18	<u>Natural Resources</u>	<u>50,000</u>	<u>2,223,000</u>		
61.19	<u>Game and Fish</u>	<u>123,000</u>	<u>631,000</u>		

61.20 The appropriation additions or reductions
61.21 for each purpose are shown in the following
61.22 subdivisions.

61.23	<u>Subd. 2. Lands and Minerals</u>	<u>-0-</u>	<u>(225,000)</u>
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61.24	<u>Appropriations by Fund</u>				
61.25	<u>General</u>	<u>-0-</u>	<u>(425,000)</u>		
61.26	<u>Natural Resources</u>	<u>-0-</u>	<u>200,000</u>		

61.27 \$200,000 in 2009 is a general reduction in
61.28 lands and minerals administration.
61.29 \$124,000 in 2009 is a reduction from the
61.30 appropriation for iron ore cooperative
61.31 agreements.

62.1	<u>\$101,000 in 2009 is a reduction from the</u>		
62.2	<u>appropriation for minerals diversification.</u>		
62.3	<u>\$200,000 in 2009 is appropriated from the</u>		
62.4	<u>natural resources fund for the administration</u>		
62.5	<u>and monitoring of permits to mine</u>		
62.6	<u>ferrous metals under Minnesota Statutes,</u>		
62.7	<u>section 93.481. By January 15, 2009,</u>		
62.8	<u>the commissioner shall report to the</u>		
62.9	<u>legislature and the chairs of the senate and</u>		
62.10	<u>house committees with jurisdiction over</u>		
62.11	<u>environment and natural resources finance</u>		
62.12	<u>on the establishment of a permit to mine</u>		
62.13	<u>application fee schedule that is based on</u>		
62.14	<u>the actual costs of issuing and monitoring</u>		
62.15	<u>individual permits and any necessary</u>		
62.16	<u>legislation needed to cover the costs of</u>		
62.17	<u>issuing and monitoring the permits for the</u>		
62.18	<u>next biennium.</u>		
62.19	<u>Subd. 3. Water Resource Management</u>	<u>(98,000)</u>	<u>10,000</u>
62.20	<u>Appropriations by Fund</u>		
62.21	<u>General</u>	<u>(98,000)</u>	<u>(90,000)</u>
62.22	<u>Natural Resources</u>	<u>-0-</u>	<u>100,000</u>
62.23	<u>\$38,000 is a reduction in 2009 attributable to</u>		
62.24	<u>the modification of reporting requirements</u>		
62.25	<u>under Minnesota Statutes, section 103A.43.</u>		
62.26	<u>By January 15, 2009, the Mississippi</u>		
62.27	<u>Headwaters Board, established under</u>		
62.28	<u>Minnesota Statutes, section 103F.367, shall</u>		
62.29	<u>submit a report to the chairs of the senate</u>		
62.30	<u>and house committees and divisions with</u>		
62.31	<u>jurisdiction over the environment and natural</u>		
62.32	<u>resources on how the board will meet its</u>		
62.33	<u>responsibility to protect and enhance the</u>		
62.34	<u>Mississippi River and related shoreland as</u>		

63.1 required by Minnesota Statutes, section
 63.2 103F.367. In preparing the report, the
 63.3 Mississippi Headwaters Board shall hold two
 63.4 public input meetings in the area.

63.5 \$100,000 in 2009 is from the water recreation
 63.6 account in the natural resources fund for
 63.7 rulemaking on structures in public waters.

63.8 This is a onetime appropriation.

63.9 \$22,000 in 2009 is a reduction from the
 63.10 appropriation for ring dikes under Minnesota
 63.11 Statutes, section 103F.161.

63.12 \$30,000 is a reduction in 2009 from the
 63.13 appropriation for grants associated with the
 63.14 implementation of the Red River mediation
 63.15 agreement.

63.16 \$98,000 is a reduction in 2008 from a
 63.17 onetime appropriation for impaired waters.

63.18 Subd. 4. **Forest Management**

63.19 \$53,000 in 2009 is for the Forest Resources
 63.20 Council to conduct a study of options and
 63.21 make recommendations to the legislature
 63.22 for addressing the fragmentation and
 63.23 parcelization of large blocks of private
 63.24 forest land in the state. This is a onetime
 63.25 appropriation.

63.26 \$197,000 in 2009 is for a grant to the
 63.27 University of Minnesota for the Interagency
 63.28 Information Cooperative to develop a
 63.29 common forest inventory format describing
 63.30 key attributes of Minnesota's public forest
 63.31 land base, growth models for managed forest
 63.32 stands, a forest wildlife habitat model format,
 63.33 and an information database on the state's
 63.34 family forest ownership.

-0-	<u>250,000</u>
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64.1	<u>Subd. 5. Parks and Recreation Management</u>	<u>50,000</u>	<u>-0-</u>
64.2	<u>Appropriations by Fund</u>		
64.3	<u>General</u>	<u>-0-</u>	<u>(220,000)</u>
64.4	<u>Natural Resources</u>	<u>50,000</u>	<u>220,000</u>
64.5	<u>\$220,000 in 2009 is a reduction for parks and</u>		
64.6	<u>recreation management.</u>		
64.7	<u>\$220,000 in 2009 is from the state parks</u>		
64.8	<u>account in the natural resources fund to</u>		
64.9	<u>fund state park operations, maintenance,</u>		
64.10	<u>resource management, educational services,</u>		
64.11	<u>and associated support costs.</u>		
64.12	<u>\$50,000 in 2008 from the natural resources</u>		
64.13	<u>fund is for grants to local units of government</u>		
64.14	<u>for up to 75 percent of the cost of meeting</u>		
64.15	<u>the equipment requirements for public</u>		
64.16	<u>pools under Minnesota Statutes, section</u>		
64.17	<u>144.1222, subdivision 1d, paragraph (a), if</u>		
64.18	<u>enacted. The maximum grant is \$10,000</u>		
64.19	<u>per pool upgraded. Priority shall be given</u>		
64.20	<u>to local government applicants seeking</u>		
64.21	<u>assistance in installing a secondary suction</u>		
64.22	<u>or drainage outlet for the public pool where</u>		
64.23	<u>a fee is not charged for use of the pool.</u>		
64.24	<u>The commissioner shall consult with the</u>		
64.25	<u>commissioner of health in awarding the</u>		
64.26	<u>grants. Of this amount, notwithstanding</u>		
64.27	<u>the restrictions under Minnesota Statutes,</u>		
64.28	<u>section 297A.94, \$25,000 is from the revenue</u>		
64.29	<u>deposited in the natural resources fund</u>		
64.30	<u>under Minnesota Statutes, section 297A.94,</u>		
64.31	<u>paragraph (e), clause (3), and \$25,000 is</u>		
64.32	<u>from the revenue deposited in the natural</u>		
64.33	<u>resources fund under Minnesota Statutes,</u>		

65.1	<u>section 297A.94, paragraph (e), clause</u>		
65.2	<u>(4). This is a onetime appropriation and is</u>		
65.3	<u>available until June 30, 2009.</u>		
65.4	<u>Subd. 6. Trails and Waterways Management</u>	<u>-0-</u>	<u>1,085,000</u>
65.5	<u>Appropriations by Fund</u>		
65.6	<u>General</u>	<u>-0-</u>	<u>(50,000)</u>
65.7	<u>Natural Resources</u>	<u>-0-</u>	<u>1,135,000</u>
65.8	<u>Beginning in 2009, \$300,000 each year is</u>		
65.9	<u>from the all-terrain vehicle account in the</u>		
65.10	<u>natural resources fund for monitoring and</u>		
65.11	<u>maintenance of newly designated trails.</u>		
65.12	<u>\$700,000 in 2009 is from the natural</u>		
65.13	<u>resources fund for the development of</u>		
65.14	<u>the Virginia site and connecting trails</u>		
65.15	<u>for the Iron Range Off-Highway Vehicle</u>		
65.16	<u>Recreation Area. Of this amount, \$400,000</u>		
65.17	<u>is from the all-terrain vehicle account,</u>		
65.18	<u>\$75,000 is from the off-highway motorcycle</u>		
65.19	<u>account, \$125,000 is from the off-road</u>		
65.20	<u>vehicle account, and \$100,000 is from</u>		
65.21	<u>the snowmobile trails and enforcement</u>		
65.22	<u>account. \$300,000 is from federal money</u>		
65.23	<u>allocated for motorized recreation. This is</u>		
65.24	<u>a onetime appropriation. The appropriation</u>		
65.25	<u>is available until expended for the design</u>		
65.26	<u>and development of an underpass for</u>		
65.27	<u>off-highway vehicles on Highway 135 in the</u>		
65.28	<u>city of Gilbert. None of these funds may be</u>		
65.29	<u>expended until all property as identified in</u>		
65.30	<u>the master plan has been acquired. This is a</u>		
65.31	<u>onetime appropriation.</u>		
65.32	<u>\$100,000 in 2009 is from the all-terrain</u>		
65.33	<u>vehicle account in the natural resources</u>		
65.34	<u>fund for a grant to the city of Hoyt Lakes to</u>		

66.1	<u>convert the Moose Trail snowmobile trail</u>		
66.2	<u>to a dual usage trail, so that it may also</u>		
66.3	<u>be used as an Off-Highway Vehicle trail</u>		
66.4	<u>connecting the city of Biwabik to the Iron</u>		
66.5	<u>Range Off-Highway Vehicle Recreation</u>		
66.6	<u>Area. This is a onetime appropriation.</u>		
66.7	<u>\$50,000 in 2009 is a reduction from the</u>		
66.8	<u>appropriation for nonmotorized trails.</u>		
66.9	<u>\$35,000 in 2009 is from the all-terrain</u>		
66.10	<u>vehicle account in the natural resources fund</u>		
66.11	<u>for all-terrain vehicle grants-in-aid.</u>		
66.12	<u>Subd. 7. Fish and Wildlife Management</u>	<u>123,000</u>	<u>119,000</u>
66.13	<u>Appropriations by Fund</u>		
66.14	<u>General</u>	<u>-0-</u>	<u>(427,000)</u>
66.15	<u>Game and Fish</u>	<u>123,000</u>	<u>546,000</u>
66.16	<u>\$329,000 in 2009 is a reduction for fish and</u>		
66.17	<u>wildlife management.</u>		
66.18	<u>\$46,000 in 2009 is a reduction in the</u>		
66.19	<u>appropriation for the Minnesota Shooting</u>		
66.20	<u>Sports Education Center.</u>		
66.21	<u>\$52,000 in 2009 is a reduction for licensing.</u>		
66.22	<u>\$123,000 in 2008 and \$246,000 in 2009 are</u>		
66.23	<u>from the game and fish fund to implement</u>		
66.24	<u>fish virus surveillance, prepare infrastructure</u>		
66.25	<u>to handle possible outbreaks, and implement</u>		
66.26	<u>control procedures for highest risk waters</u>		
66.27	<u>and fish production operations. This is a</u>		
66.28	<u>onetime appropriation.</u>		
66.29	<u>Notwithstanding Minnesota Statutes, section</u>		
66.30	<u>297A.94, paragraph (e), \$300,000 in 2009</u>		
66.31	<u>is from the second year appropriation in</u>		
66.32	<u>Laws 2007, chapter 57, article 1, section 4,</u>		

67.1	<u>subdivision 7, from the heritage enhancement</u>		
67.2	<u>account in the game and fish fund to</u>		
67.3	<u>study, predesign, and design shooting sports</u>		
67.4	<u>facilities at the Vermillion Highlands Wildlife</u>		
67.5	<u>Management Area authorized by Laws 2007,</u>		
67.6	<u>chapter 57, article 1, section 168. This is</u>		
67.7	<u>available onetime only and is available until</u>		
67.8	<u>expended.</u>		
67.9	<u>\$300,000 in 2009 is appropriated from the</u>		
67.10	<u>game and fish fund for only activities that</u>		
67.11	<u>improve, enhance, or protect fish and wildlife</u>		
67.12	<u>resources. This is a onetime appropriation.</u>		
67.13	<u>Subd. 8. Ecological Services</u>	<u>(230,000)</u>	<u>-0-</u>
67.14	<u>\$230,000 in 2008 is a reduction from the</u>		
67.15	<u>appropriation for impaired waters.</u>		
67.16	<u>By June 30, 2008, the commissioner of</u>		
67.17	<u>finance shall transfer \$594,000 from the</u>		
67.18	<u>water recreation account in the natural</u>		
67.19	<u>resources fund to the invasive species</u>		
67.20	<u>account in the natural resources fund for</u>		
67.21	<u>invasive species-related expenses.</u>		
67.22	<u>Subd. 9. Enforcement</u>	<u>-0-</u>	<u>110,000</u>
67.23	<u>Appropriations by Fund</u>		
67.24	<u>General</u>	<u>-0-</u>	<u>(543,000)</u>
67.25	<u>Natural Resources</u>	<u>-0-</u>	<u>568,000</u>
67.26	<u>Game and Fish</u>	<u>-0-</u>	<u>85,000</u>
67.27	<u>\$543,000 in 2009 is a reduction in</u>		
67.28	<u>enforcement operations. \$75,000 of</u>		
67.29	<u>this reduction is for conservation officer</u>		
67.30	<u>recruiting and \$85,000 of this reduction is</u>		
67.31	<u>for advanced hunter education.</u>		

68.1 \$383,000 in 2009 is from the water recreation
68.2 account in the natural resources fund for
68.3 enforcement operations.

68.4 \$185,000 in 2009 is from the all-terrain
68.5 vehicle account in the natural resources
68.6 fund for grants to county law enforcement
68.7 agencies for all-terrain vehicle enforcement
68.8 and public education activities based on
68.9 all-terrain vehicle use in the county.

68.10 \$85,000 in 2009 is from the game and fish
68.11 fund for advanced hunter education.

68.12 Subd. 10. Operations Support -0- (755,000)

68.13 \$755,000 is a reduction to the department's
68.14 administration costs in fiscal year 2009. The
68.15 commissioner shall make these reductions
68.16 throughout the agency through reduction
68.17 in travel, administrative costs, and vacancy
68.18 management.

68.19 The department's administration base is
68.20 reduced by \$255,000 in fiscal years 2010 and
68.21 2011.

68.22 Sec. 5. BOARD OF WATER AND SOIL
68.23 RESOURCES \$ -0- \$ 235,000

68.24 \$200,000 in 2009 is a reduction from the
68.25 appropriation for county cooperative weed
68.26 management programs.

68.27 \$47,000 is a reduction in 2009 from the
68.28 appropriation for cost-sharing contracts to
68.29 establish native buffers. This is a onetime
68.30 reduction.

69.1 \$68,000 in 2009 is a reduction from the
69.2 appropriation for the drainage assistance
69.3 program.

69.4 \$450,000 in 2009 is for implementing
69.5 rehabilitation, erosion, and sediment control
69.6 projects in the area included in DR-1717.
69.7 Funds appropriated or transferred and
69.8 waivers previously authorized to the board
69.9 for DR-1717 flood relief and recovery as
69.10 provided in Laws 2007, First Special Session
69.11 chapter 2, are available and applicable until
69.12 June 30, 2010. The board may use money
69.13 from this appropriation to implement federal
69.14 funding for projects in the area. The base
69.15 for 2010 is \$275,000 and the base for 2011
69.16 is \$0. This appropriation is available until
69.17 expended.

69.18 \$100,000 in 2009 is for a grant to the Star
69.19 Lake Board established in new Minnesota
69.20 Statutes, section 103B.702. The board may
69.21 use up to ten percent of the appropriation for
69.22 administration and initial meeting of the Star
69.23 Lake Board. This is a onetime appropriation.

69.24 To the extent possible prairie restorations
69.25 paid for in whole or in part by appropriations
69.26 to the board must be made using best
69.27 management practices for native prairie
69.28 restoration as defined in Minnesota Statutes,
69.29 section 84.02, subdivision 2.

69.30	Sec. 6. <u>METROPOLITAN COUNCIL</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>200,000</u>
69.31	<u>Appropriations by Fund</u>				
69.32	<u>General</u>	<u>-0-</u>			<u>(100,000)</u>
69.33	<u>Natural Resources</u>	<u>-0-</u>			<u>300,000</u>

70.1 \$300,000 in fiscal year 2009 is reduced
70.2 from money appropriated from the general
70.3 fund for metropolitan area regional parks
70.4 maintenance and operations under Laws
70.5 2007, chapter 57, article 1, section 6. This is
70.6 a onetime reduction.

70.7 \$300,000 in fiscal year 2009 is appropriated
70.8 from the natural resources fund for
70.9 metropolitan area regional parks
70.10 maintenance and operations. This is a
70.11 onetime appropriation from the revenue
70.12 deposited in the natural resources fund
70.13 under Minnesota Statutes, section 297A.94,
70.14 paragraph (e), clause (3).

70.15 \$200,000 in 2009 is for a grant to the
70.16 city of St. Paul. This appropriation is in
70.17 addition to and for the same purposes as the
70.18 appropriation for a grant to the city of St.
70.19 Paul for Como Zoo in Laws 2006, chapter
70.20 258, section 17, subdivision 8. This is a
70.21 onetime appropriation and is available until
70.22 expended.

70.23 Sec. 7. **TRANSFERS IN**

70.24 By June 30, 2009, the commissioner
70.25 of finance shall transfer any remaining
70.26 unappropriated balance, estimated to be
70.27 \$103,000, from the Minnesota future
70.28 resources fund to the general fund.

70.29 By June 30, 2008, the commissioner of
70.30 finance shall transfer \$1,400,000 from
70.31 the balance in the stream protection and
70.32 improvement fund to the general fund.

70.33 Sec. 8. Minnesota Statutes 2006, section 17.4988, subdivision 2, is amended to read:

71.1 Subd. 2. **Aquatic farming license.** (a) The annual fee for an aquatic farming license
71.2 is \$210 for the base license. The commissioner must establish an additional fee based
71.3 on the acreage of the operation.

71.4 (b) The aquatic farming license may contain endorsements for the rights and
71.5 privileges of the following licenses under the game and fish laws. The endorsement must
71.6 be made upon payment of the license fee prescribed in section 97A.475 for the following
71.7 licenses:

71.8 (1) minnow dealer license;

71.9 (2) minnow retailer license for sale of minnows as bait;

71.10 (3) minnow exporting license;

71.11 (4) aquatic farm vehicle endorsement, which includes a minnow dealer vehicle
71.12 license, a minnow retailer vehicle license, an exporting minnow vehicle license, and a
71.13 fish vendor license;

71.14 (5) sucker egg taking license; and

71.15 (6) game fish packers license.

71.16 Sec. 9. Minnesota Statutes 2006, section 17.4988, subdivision 3, is amended to read:

71.17 Subd. 3. **Inspection fees.** ~~The fees for the following inspections are:~~ The
71.18 commissioner may, by written order published in the State Register, establish fees for
71.19 the services listed in clauses (1) to (3). The fees must be set in an amount that does not
71.20 recover significantly more or less than the cost of providing the service. The fees are not
71.21 subject to the rulemaking provisions of chapter 14 and section 14.386 does not apply. The
71.22 services covered under this provision include:

71.23 (1) initial inspection of each water to be licensed, ~~\$50~~;

71.24 (2) fish health inspection and certification, ~~\$60 plus \$150 per lot thereafter~~ including
71.25 initial tissue sample collection, basic fish health assessment, viral pathogen testing, and
71.26 bacteriological testing; and

71.27 (3) initial inspection for containment and quarantine facility inspections, ~~\$100~~.

71.28 Sec. 10. **[85.53] PARKS AND TRAILS FUND.**

71.29 The parks and trails fund is established in the Minnesota Constitution, article XI,
71.30 section 15. All money earned by the parks and trails fund must be credited to the fund.

71.31 **EFFECTIVE DATE.** This section is effective July 1, 2009, if the constitutional
71.32 amendment proposed in Laws 2008, chapter 151, is adopted by the voters.

Sec. 11. Minnesota Statutes 2006, section 93.481, is amended by adding a subdivision to read:

Subd. 7. **Mining administration account.** The mining administration account is established as an account in the natural resources fund. Ferrous mining administrative fees charged to owners, operators, or managers of mines shall be credited to the account and may be appropriated to the commissioner to cover the costs of providing and monitoring permits to mine ferrous metals under this section.

Sec. 12. **[94.3495] EXPEDITED EXCHANGES OF LAND INVOLVING THE STATE AND GOVERNMENTAL SUBDIVISIONS OF THE STATE.**

Subdivision 1. **Purpose and scope.** (a) The purpose of this section is to expedite the exchange of public land ownership. Consolidation of public land reduces management costs and aids in the reduction of forest fragmentation.

(b) This section applies to exchanges of land between the state and a governmental subdivision of the state. For land exchanges under this section, sections 94.342 to 94.347 apply only to the extent specified in this section.

Subd. 2. **Classes of land; definitions.** The classes of public land that may be involved in an expedited exchange under this section are:

(1) Class 1 land, which for the purpose of this section is Class A land as defined in section 94.342, subdivision 1, except for:

(i) school trust land as defined in section 92.025; and

(ii) university land granted to the state by acts of Congress;

(2) Class 2 land, which for the purpose of this section is Class B land as defined in section 94.342, subdivision 2; and

(3) Class 3 land, which for the purpose of this section is all land owned in fee by a governmental subdivision of the state.

Subd. 3. **Valuation of land.** (a) In an exchange of Class 1 land for Class 2 or 3 land, the value of all the land shall be determined by the commissioner of natural resources. In an exchange of Class 2 land for Class 3 land, the value of all the land shall be determined by the county board of the county in which the land lies. To determine the value of the land, the parties to the exchange may cause the land to be appraised, utilize the valuation process provided under section 84.0272, subdivision 3, or obtain a market analysis from a qualified real estate broker. Merchantable timber value must be determined and considered in finalizing valuation of the lands.

(b) All lands exchanged under this section shall be exchanged only for lands of at least substantially equal value. For the purposes of this subdivision, "substantially equal value" has the meaning given under section 94.343, subdivision 3, paragraph (b). No payment is due either party if the lands are of substantially equal value but are not of the same value.

Subd. 4. **Title.** Title to the land must be examined to the extent necessary for the parties to determine that the title is good, with any encumbrances identified. The parties to the exchange may utilize title insurance to aid in the determination.

Subd. 5. **Approval by Land Exchange Board.** All expedited land exchanges under this section, and the terms and conditions of the exchanges, require the unanimous approval of the Land Exchange Board.

Subd. 6. **Conveyance.** (a) Conveyance of Class 1 land given in exchange shall be made by deed executed by the commissioner of natural resources in the name of the state. Conveyance of Class 2 land given in exchange shall be by a deed executed by the commissioner of revenue in the name of the state. Conveyance of Class 3 land shall be by a deed executed by the governing body in the name of the governing authority.

(b) If Class 1 land is given in exchange for Class 2 or 3 land, the deed to the Class 2 or 3 land shall first be delivered to the commissioner of natural resources. Following the recording of the deed, the commissioner of natural resources shall deliver the deed conveying the Class 1 land.

(c) If Class 2 land is given in exchange for Class 3 land, the deed to the Class 3 land shall first be delivered to the county auditor. Following the recording of the deed, the commissioner of revenue shall deliver the deed conveying the Class 2 land.

(d) All deeds shall be recorded or registered in the county in which the lands lie.

Subd. 7. **Reversionary interest; mineral and water power rights and other reservations.** (a) All deeds conveying land given in an expedited land exchange under this section shall include a reverter that provides that title to the land automatically reverts to the conveying governmental unit if:

(1) the receiving governmental unit sells, exchanges, or otherwise transfers title of the land within 40 years of the date of the deed conveying ownership; and

(2) there is no prior written approval for the transfer from the conveying governmental unit. The authority for granting approval is the commissioner of natural resources for former Class 1 land, the county board for former Class 2 land, and the governing body for former Class 3 land.

74.1 (b) Class 1 land given in exchange is subject to the reservation provisions of section
74.2 94.343, subdivision 4. Class 2 land given in exchange is subject to the reservation
74.3 provisions of section 94.344, subdivision 4. County fee land given in exchange is subject
74.4 to the reservation provisions of section 373.01, subdivision 1, paragraph (g).

74.5 Subd. 8. **Land status.** Land received in exchange for Class 1 land is subject to the
74.6 same trust, if any, and otherwise has the same status as the land given in exchange. Land
74.7 received in exchange for Class 2 land is subject to a trust in favor of the governmental
74.8 subdivision wherein it lies and all laws relating to tax-forfeited land. Land received in
74.9 exchange for Class 3 land has the same status as the land given in exchange.

74.10 Sec. 13. Minnesota Statutes 2006, section 97A.475, subdivision 29, is amended to read:

74.11 Subd. 29. **Private fish hatcheries.** The fees for the following licenses to be issued
74.12 to residents and nonresidents are:

74.13 (1) for a private fish hatchery, with annual sales under \$200, \$70;

74.14 (2) for a private fish hatchery, with annual sales of \$200 or more, \$210 for the
74.15 base license. The commissioner must establish an additional fee based on the acreage of
74.16 the operation; and

74.17 (3) to take sucker eggs from public waters for a private fish hatchery, \$400, plus
74.18 \$6 for each quart in excess of 100 quarts.

74.19 Sec. 14. Minnesota Statutes 2006, section 103A.204, is amended to read:

74.20 **103A.204 GROUNDWATER POLICY.**

74.21 (a) The responsibility for the protection of groundwater in Minnesota is vested
74.22 in a multiagency approach to management. The following is a list of agencies and the
74.23 groundwater protection areas for which the agencies are primarily responsible; the list is
74.24 not intended to restrict the areas of responsibility to only those specified:

74.25 (1) Environmental Quality Board: ~~creation of a water resources committee to~~
74.26 ~~coordinate~~ coordination of state groundwater protection programs ~~and a biennial~~
74.27 ~~groundwater policy report beginning in 1994 that includes, for the 1994 report, the~~
74.28 ~~findings in the groundwater protection report coordinated by the Pollution Control Agency~~
74.29 ~~for the Environmental Protection Agency;~~

74.30 (2) Pollution Control Agency: water quality monitoring and reporting and the
74.31 development of best management practices and regulatory mechanisms for protection of
74.32 groundwater from nonagricultural chemical contaminants;

74.33 (3) Department of Agriculture: sustainable agriculture, integrated pest management,
74.34 water quality monitoring, and the development of best management practices and

75.1 regulatory mechanisms for protection of groundwater from agricultural chemical
75.2 contaminants;

75.3 (4) Board of Water and Soil Resources: reporting on groundwater education and
75.4 outreach with local government officials, local water planning and management, and
75.5 local cost share programs;

75.6 (5) Department of Natural Resources: water quantity monitoring and regulation,
75.7 sensitivity mapping, and development of a plan for the use of integrated pest management
75.8 and sustainable agriculture on state-owned lands; and

75.9 (6) Department of Health: regulation of wells and borings, and the development of
75.10 health risk limits under section 103H.201.

75.11 (b) The Environmental Quality Board shall ~~through its Water Resources Committee~~
75.12 ~~coordinate with representatives of all agencies~~ prepare a report on policy issues related to
75.13 its responsibilities listed in paragraph (a), citizens, and other interested groups to prepare
75.14 a biennial report every even-numbered year as part of its duties described in sections
75.15 103A.43 and 103B.151 and include these reports with the assessments in section 103A.43
75.16 and the "Minnesota Water Plan" in section 103B.151.

75.17 Sec. 15. Minnesota Statutes 2006, section 103A.43, is amended to read:

75.18 **103A.43 WATER ASSESSMENTS AND REPORTS.**

75.19 (a) The Environmental Quality Board shall ~~evaluate and~~ consolidate the assessments
75.20 required in paragraphs (b) and (c) with the policy report in section 103A.204 and submit a
75.21 single report to the house of representatives and senate committees with jurisdiction
75.22 over the environment, natural resources, and agriculture and the Legislative-Citizen
75.23 Commission on Minnesota Resources ~~on statewide water research needs and~~
75.24 ~~recommended priorities for addressing these needs. Local water research needs may also~~
75.25 ~~be included~~ by September 15, 2010, and every five years thereafter.

75.26 (b) The Environmental Quality Board shall ~~work with the~~ Pollution Control Agency
75.27 and the Department of Agriculture ~~to coordinate~~ shall provide a biennial assessment and
75.28 analysis of water quality, groundwater degradation trends, and efforts to reduce, prevent,
75.29 minimize, and eliminate degradation of water. The assessment and analysis must include
75.30 an analysis of relevant monitoring data.

75.31 (c) The Environmental Quality Board shall ~~work with the~~ Department of Natural
75.32 Resources ~~to coordinate~~ shall provide an assessment and analysis of the quantity of surface
75.33 and ground water in the state and the availability of water to meet the state's needs.

75.34 (d) The Environmental Quality Board shall ~~coordinate and submit a report on water~~
75.35 ~~policy including the analyses in paragraphs (a) to (c) to the house of representatives~~

~~and senate committees with jurisdiction over the environment, natural resources,
and agriculture and the Legislative-Citizen Commission on Minnesota Resources by
September 15 of each even-numbered year. The report may include the groundwater
policy report in section 103A.204.~~

Sec. 16. Minnesota Statutes 2006, section 103B.151, subdivision 1, is amended to read:

Subdivision 1. **Water planning.** The Environmental Quality Board shall:

(1) coordinate public water resource management and regulation activities among
the state agencies having jurisdiction in the area;

(2) ~~initiate, coordinate, and continue to develop~~ comprehensive long-range water
resources planning in furtherance of ~~the plan prepared by~~ the Environmental Quality
Board's ~~Water Resources Committee entitled~~ "Minnesota Water Plan," published in
January 1991, by September 15, 2000, and each ten-year interval afterwards;

(3) coordinate water planning activities of local, regional, and federal bodies with
state water planning and integrate these plans with state strategies;

(4) coordinate development of state water policy recommendations and priorities,
and a recommended program for funding identified needs, including priorities for
implementing the state water resources monitoring plan;

(5) administer federal water resources planning with multiagency interests;

(6) ensure that groundwater quality monitoring and related data is provided and
integrated into the Minnesota land management information system according to
published data compatibility guidelines. Costs of integrating the data in accordance with
data compatibility standards must be borne by the agency generating the data;

(7) coordinate the development and evaluation of water information and education
materials and resources; and

(8) coordinate the dissemination of water information and education through
existing delivery systems.

Sec. 17. **[103B.701] STAR LAKES.**

Subdivision 1. **Definition.** For the purposes of this section, the term "lake
association" means an association organized for the purpose of addressing issues on a
specific lake or river, a lake improvement district, or a lake conservation district.

Subd. 2. **Application.** (a) A lake association may apply to the Star Lake Board for
designation as a star lake or river. The applicant must include a copy of a star lake or
river management plan for the lake or river.

(b) After review of the application, the Star Lake Board shall determine whether designation as a star lake or river will be granted. The designation as a star lake or river becomes effective the day following designation by the board. The board shall publish the decision on a star lake or river designation in the State Register, including the effective date of the designation.

(c) The star lake or river designation is effective until the earlier of:

(1) five years after the date of designation; or

(2) when the Star Lake Board finds that the lake association is not fulfilling the requirements of this section or of the star lake or river management plan submitted.

(d) Within six months before the expiration date of the designation as a star lake or river, a lake association may apply to continue the star lake or river designation under this section.

Subd. 3. Eligibility. A lake association applying for designation as a star lake or river must:

(1) develop and update a star lake or river management plan as provided in subdivision 4;

(2) maintain a membership or participation of at least 50 percent of the private shoreland owners;

(3) participate in a water quality monitoring program under section 115.06, subdivision 4, or other programs meeting Pollution Control Agency standards; and

(4) meet at least annually to review the plan and notify appropriate state agencies and local government units in the development and monitoring of the star lake or river management plan.

Subd. 4. Star lake or river management plan. (a) A star lake or river management plan must contain a baseline of the current condition of the lake or river based on scientific information and plans for addressing the following issues:

(1) increases in native vegetation in the littoral area of the lake or river, where appropriate;

(2) increases in native vegetation on the shoreline areas of the lake or river, where appropriate;

(3) prevention, reduction, or elimination of aquatic invasive species in the lake or river;

(4) increasing or maintaining a healthy diverse fishery that is appropriate for the lake or river;

(5) how the association will work with state agencies and local government units to identify water pollution sources and impairments;

(6) how the association will assist state and local programs to generate data needed by state agencies and local government units in an appropriate format;

(7) promoting compliance with adopted shoreland zoning standards and shoreland best management practices;

(8) how the lake association will assure its involvement in public input opportunities for various local comprehensive and project-specific planning and zoning processes;

(9) education and recognition opportunities for shoreland owners and other entities that conduct activities affecting the quality of the lake or river; and

(10) other activities that will coordinate with or enhance other state and local water management efforts.

(b) The star lake or river management plan shall be updated within five years of adoption by the lake association.

Subd. 5. **State resources.** State agencies may consider star lake or river designation in determining the allocation of financial and staff resources.

Sec. 18. **[103B.702] STAR LAKE BOARD.**

Subdivision 1. **Establishment.** (a) The Star Lake Board shall be established as a nonprofit corporation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The Star Lake Board shall promote and designate star lakes and rivers in Minnesota under section 103B.701.

(b) The board must work with private and public entities to leverage the resources available to achieve and sustain the designation of Minnesota star lakes or rivers. The board may assist lake associations with finding appropriate technical and financial assistance and make recommendations to state agencies and local government units regarding the manner in which technical or financial assistance can be most effectively delivered. To the extent that money is available, the board may secure, provide, or recommend financial assistance to meet specific needs of lake associations, for:

(1) completing a star lake or river management plan when the lake association does not have an existing management plan and the association is committed to the goals of a plan, as specified in section 103B.701, subdivision 4; and

(2) addressing specific issues of the lake or river to achieve or maintain the goals of the lake or river management plan for lake associations that have achieved a star lake or river designation.

(c) The board shall consist of:

79.1 (1) three public members appointed by the speaker of the house, with one member
79.2 representing county governments, one member representing city governments, and one
79.3 member representing an organization that promotes clean lakes and rivers;

79.4 (2) three public members appointed by the senate Subcommittee on Committees
79.5 of the Committee on Rules and Administration, with one member representing county
79.6 governments, one member representing city governments, and one member representing
79.7 an organization that promotes clean lakes and rivers;

79.8 (3) five members, chosen by the other board members with regard to obtaining
79.9 representation from a variety of types of lakes and rivers within the state, who are from
79.10 lake associations representing designated star lakes or rivers, or until July 1, 2011, are
79.11 eligible to achieve star lake or river designation;

79.12 (4) one member designated by the commissioner of natural resources;

79.13 (5) one member designated by the commissioner of the Pollution Control Agency;

79.14 (6) one member designated by the chair of the Board of Water and Soil Resources;
79.15 and

79.16 (7) one member designated by the Indian Affairs Council.

79.17 (d) By January 15 of each odd-numbered year, the board shall submit a report to the
79.18 chairs and ranking minority members of the legislative committees and divisions with
79.19 jurisdiction over environment policy and finance on the activities for which money has
79.20 been or will be spent for the current biennium, the applications for designation, and the
79.21 star lakes or rivers designated by the board.

79.22 (e) Public members appointed by the speaker of the house and the senate
79.23 Subcommittee on Committees of the Committee on Rules and Administration serve at
79.24 the pleasure of the appointing authority.

79.25 Subd. 2. **Conflict of interest.** A board member may not participate in or vote on a
79.26 decision of the board relating to an organization in which the member has either a direct
79.27 or indirect personal financial interest. While serving on the Star Lake Board, a member
79.28 shall avoid any potential conflict of interest.

79.29 Subd. 3. **Staff; contracts.** The board may hire staff or enter into contracts to carry
79.30 out the activities of the board.

79.31 Subd. 4. **Bylaws.** The board shall adopt bylaws necessary for the conduct of the
79.32 business of the board consistent with this section. The corporation must publish bylaws
79.33 and amendments to the bylaws in the State Register.

79.34 Subd. 5. **Place of business.** The board shall locate and maintain the board's place of
79.35 business within the state.

80.1 Subd. 6. **Chair.** The board shall annually elect from among its members a chair and
80.2 other officers necessary for the performance of its duties.

80.3 Subd. 7. **Meetings.** The board shall meet at least twice each year and may hold
80.4 additional meetings upon giving notice in accordance with the bylaws of the board. Board
80.5 meetings are subject to chapter 13D.

80.6 Subd. 8. **Funds.** The board may accept and use gifts, grants, or contributions from
80.7 any source. Unless otherwise restricted by the terms of a gift or bequest, the board may
80.8 sell, exchange, or otherwise dispose of and invest or reinvest the money, securities, or other
80.9 property given or bequested to it. The principal of these funds, the income from them, and
80.10 all other revenues received by the board from any nonstate source must be placed in the
80.11 depositories the board determines and is subject to expenditure for the board's purposes.

80.12 Subd. 9. **Accounts; audits.** The board may establish funds and accounts necessary
80.13 to carry out its responsibilities. The board shall provide for and pay the cost of an
80.14 independent audit of its official books and records by the legislative auditor subject to
80.15 sections 3.971 and 3.972. A copy of this audit shall be filed with the secretary of state.

80.16 Sec. 19. Minnesota Statutes 2006, section 103G.271, subdivision 6, is amended to read:

80.17 Subd. 6. **Water use permit processing fee.** (a) Except as described in paragraphs
80.18 (b) to (f), a water use permit processing fee must be prescribed by the commissioner in
80.19 accordance with the schedule of fees in this subdivision for each water use permit in force
80.20 at any time during the year. The schedule is as follows, with the stated fee in each clause
80.21 applied to the total amount appropriated:

80.22 (1) ~~\$101~~ \$140 for amounts not exceeding 50,000,000 gallons per year;

80.23 (2) ~~\$3~~ \$3.50 per 1,000,000 gallons for amounts greater than 50,000,000 gallons
80.24 but less than 100,000,000 gallons per year;

80.25 (3) ~~\$3.50~~ \$4 per 1,000,000 gallons for amounts greater than 100,000,000 gallons
80.26 but less than 150,000,000 gallons per year;

80.27 (4) ~~\$4~~ \$4.50 per 1,000,000 gallons for amounts greater than 150,000,000 gallons
80.28 but less than 200,000,000 gallons per year;

80.29 (5) ~~\$4.50~~ \$5 per 1,000,000 gallons for amounts greater than 200,000,000 gallons
80.30 but less than 250,000,000 gallons per year;

80.31 (6) ~~\$5~~ \$5.50 per 1,000,000 gallons for amounts greater than 250,000,000 gallons
80.32 but less than 300,000,000 gallons per year;

80.33 (7) ~~\$5.50~~ \$6 per 1,000,000 gallons for amounts greater than 300,000,000 gallons
80.34 but less than 350,000,000 gallons per year;

81.1 (8) ~~\$6~~ \$6.50 per 1,000,000 gallons for amounts greater than 350,000,000 gallons
81.2 but less than 400,000,000 gallons per year;

81.3 (9) ~~\$6.50~~ \$7 per 1,000,000 gallons for amounts greater than 400,000,000 gallons
81.4 but less than 450,000,000 gallons per year;

81.5 (10) ~~\$7~~ \$7.50 per 1,000,000 gallons for amounts greater than 450,000,000 gallons
81.6 but less than 500,000,000 gallons per year; and

81.7 (11) ~~\$7.50~~ \$8 per 1,000,000 gallons for amounts greater than 500,000,000 gallons
81.8 per year.

81.9 (b) For once-through cooling systems, a water use processing fee must be prescribed
81.10 by the commissioner in accordance with the following schedule of fees for each water use
81.11 permit in force at any time during the year:

81.12 (1) for nonprofit corporations and school districts, ~~\$150~~ \$200 per 1,000,000 gallons;
81.13 and

81.14 (2) for all other users, ~~\$300~~ \$420 per 1,000,000 gallons.

81.15 (c) The fee is payable based on the amount of water appropriated during the year
81.16 and, except as provided in paragraph (f), the minimum fee is \$100.

81.17 (d) For water use processing fees other than once-through cooling systems:

81.18 (1) the fee for a city of the first class may not exceed \$250,000 per year;

81.19 (2) the fee for other entities for any permitted use may not exceed:

81.20 (i) \$50,000 per year for an entity holding three or fewer permits;

81.21 (ii) \$75,000 per year for an entity holding four or five permits;

81.22 (iii) \$250,000 per year for an entity holding more than five permits;

81.23 (3) the fee for agricultural irrigation may not exceed \$750 per year;

81.24 (4) the fee for a municipality that furnishes electric service and cogenerates steam
81.25 for home heating may not exceed \$10,000 for its permit for water use related to the
81.26 cogeneration of electricity and steam; and

81.27 (5) no fee is required for a project involving the appropriation of surface water to
81.28 prevent flood damage or to remove flood waters during a period of flooding, as determined
81.29 by the commissioner.

81.30 (e) Failure to pay the fee is sufficient cause for revoking a permit. A penalty of two
81.31 percent per month calculated from the original due date must be imposed on the unpaid
81.32 balance of fees remaining 30 days after the sending of a second notice of fees due. A fee
81.33 may not be imposed on an agency, as defined in section 16B.01, subdivision 2, or federal
81.34 governmental agency holding a water appropriation permit.

81.35 (f) The minimum water use processing fee for a permit issued for irrigation of
81.36 agricultural land is \$20 for years in which:

82.1 (1) there is no appropriation of water under the permit; or
82.2 (2) the permit is suspended for more than seven consecutive days between May 1
82.3 and October 1.

82.4 (g) A surcharge of \$20 per million gallons in addition to the fee prescribed in
82.5 paragraph (a) shall be applied to the volume of water used in each of the months of June,
82.6 July, and August that exceeds the volume of water used in January for municipal water
82.7 use, irrigation of golf courses, and landscape irrigation. The surcharge for municipalities
82.8 with more than one permit shall be determined based on the total appropriations from all
82.9 permits that supply a common distribution system.

82.10 Sec. 20. Minnesota Statutes 2007 Supplement, section 103G.291, subdivision 3,
82.11 is amended to read:

82.12 Subd. 3. **Water supply plans; demand reduction.** (a) Every public water supplier
82.13 serving more than 1,000 people must submit a water supply plan to the commissioner
82.14 for approval by January 1, 1996. In accordance with guidelines developed by the
82.15 commissioner, the plan must address projected demands, adequacy of the water supply
82.16 system and planned improvements, existing and future water sources, natural resource
82.17 impacts or limitations, emergency preparedness, water conservation, supply and demand
82.18 reduction measures, and allocation priorities that are consistent with section 103G.261.
82.19 Public water suppliers must update their plan and, upon notification, submit it to the
82.20 commissioner for approval every ten years.

82.21 (b) The water supply plan in paragraph (a) is required for all communities in the
82.22 metropolitan area, as defined in section 473.121, with a municipal water supply system
82.23 and is a required element of the local comprehensive plan required under section 473.859.
82.24 Water supply plans or updates submitted after December 31, 2008, must be consistent
82.25 with the metropolitan area master water supply plan required under section 473.1565,
82.26 subdivision 1, paragraph (a), clause (2).

82.27 (c) Public water suppliers serving more than 1,000 people must employ water
82.28 use demand reduction measures, including a conservation rate structure, as defined in
82.29 subdivision 4, paragraph (a), unless exempted under subdivision 4, paragraph (c), before
82.30 requesting approval from the commissioner of health under section 144.383, paragraph
82.31 (a), to construct a public water supply well or requesting an increase in the authorized
82.32 volume of appropriation. Demand reduction measures must include evaluation of
82.33 conservation rate structures and a public education program that may include a toilet
82.34 and showerhead retrofit program.

(d) Public water suppliers serving more than 1,000 people must submit records that indicate the number of connections and amount of use by customer category and volume of water unaccounted for with the annual report of water use required under section 103G.281, subdivision 3.

(e) For the purposes of this ~~subdivision~~ section, "public water supplier" means an entity that owns, manages, or operates a public water supply, as defined in section 144.382, subdivision 4.

Sec. 21. Minnesota Statutes 2006, section 103G.291, is amended by adding a subdivision to read:

Subd. 4. Conservation rate structure required. (a) For the purposes of this section, "conservation rate structure" means a rate structure that encourages conservation and may include increasing block rates, seasonal rates, time of use rates, individualized goal rates, or excess use rates. The rate structure must consider each residential unit as an individual user in multiple-family dwellings.

(b) To encourage conservation, a public water supplier serving more than 1,000 people in the metropolitan area, as defined in section 473.121, subdivision 2, shall use a conservation rate structure by January 1, 2010. All remaining public water suppliers serving more than 1,000 people shall use a conservation rate structure by January 1, 2013.

(c) A public water supplier without the proper measuring equipment to track the amount of water used by its users, as of the effective date of this act, is exempt from this subdivision and the conservation rate structure requirement under subdivision 3, paragraph (c).

Sec. 22. Minnesota Statutes 2006, section 103G.615, subdivision 2, is amended to read:

Subd. 2. Fees. (a) The commissioner shall establish a fee schedule for permits to control or harvest aquatic plants other than wild rice. The fees must be set by rule, and section 16A.1283 does not apply, but the rule must not take effect until 45 legislative days after it has been reported to the legislature. The fees ~~may not exceed \$750 per permit~~ shall be based upon the cost of receiving, processing, analyzing, and issuing the permit, and additional costs incurred after the application to inspect and monitor the activities authorized by the permit, and enforce aquatic plant management rules and permit requirements.

(b) ~~The~~ A fee for a permit for the control of rooted aquatic vegetation ~~is \$35~~ for each contiguous parcel of shoreline owned by an owner may be charged. This fee may not

84.1 be charged for permits issued in connection with purple loosestrife control or lakewide
84.2 Eurasian water milfoil control programs.

84.3 (c) A fee may not be charged to the state or a federal governmental agency applying
84.4 for a permit.

84.5 (d) The money received for the permits under this subdivision shall be deposited in
84.6 the treasury and credited to the water recreation account.

84.7 Sec. 23. **[114D.50] CLEAN WATER FUND.**

84.8 The clean water fund is established in the Minnesota Constitution, article XI, section
84.9 15. All money earned by the fund must be credited to the fund.

84.10 **EFFECTIVE DATE.** This section is effective July 1, 2009, if the constitutional
84.11 amendment proposed in Laws 2008, chapter 151, is adopted by the voters.

84.12 Sec. 24. Minnesota Statutes 2006, section 116.07, subdivision 4, is amended to read:

84.13 Subd. 4. **Rules and standards.** Pursuant and subject to the provisions of chapter 14,
84.14 and the provisions hereof, the Pollution Control Agency may adopt, amend and rescind
84.15 rules and standards having the force of law relating to any purpose within the provisions
84.16 of Laws 1967, chapter 882, for the prevention, abatement, or control of air pollution.
84.17 Any such rule or standard may be of general application throughout the state, or may be
84.18 limited as to times, places, circumstances, or conditions in order to make due allowance
84.19 for variations therein. Without limitation, rules or standards may relate to sources or
84.20 emissions of air contamination or air pollution, to the quality or composition of such
84.21 emissions, or to the quality of or composition of the ambient air or outdoor atmosphere or
84.22 to any other matter relevant to the prevention, abatement, or control of air pollution.

84.23 Pursuant and subject to the provisions of chapter 14, and the provisions hereof, the
84.24 Pollution Control Agency may adopt, amend, and rescind rules and standards having the
84.25 force of law relating to any purpose within the provisions of Laws 1969, chapter 1046,
84.26 for the collection, transportation, storage, processing, and disposal of solid waste and the
84.27 prevention, abatement, or control of water, air, and land pollution which may be related
84.28 thereto, and the deposit in or on land of any other material that may tend to cause pollution.
84.29 The agency shall adopt such rules and standards for sewage sludge, addressing the intrinsic
84.30 suitability of land, the volume and rate of application of sewage sludge of various degrees
84.31 of intrinsic hazard, design of facilities, and operation of facilities and sites. Any such rule
84.32 or standard may be of general application throughout the state or may be limited as to
84.33 times, places, circumstances, or conditions in order to make due allowance for variations
84.34 therein. Without limitation, rules or standards may relate to collection, transportation,

85.1 processing, disposal, equipment, location, procedures, methods, systems or techniques
85.2 or to any other matter relevant to the prevention, abatement or control of water, air, and
85.3 land pollution which may be advised through the control of collection, transportation,
85.4 processing, and disposal of solid waste and sewage sludge, and the deposit in or on land of
85.5 any other material that may tend to cause pollution. By January 1, 1983, the rules for the
85.6 management of sewage sludge shall include an analysis of the sewage sludge determined
85.7 by the commissioner of agriculture to be necessary to meet the soil amendment labeling
85.8 requirements of section 18C.215. The rules for the disposal of solid waste shall include
85.9 site-specific criteria to prohibit solid waste disposal based on the area's sensitivity to
85.10 groundwater contamination, including site-specific testing. The rules shall also include
85.11 modifications to financial assurance requirements under subdivision 4h that ensure the
85.12 state is protected from financial responsibility for future groundwater contamination. Until
85.13 the rules are modified to include site-specific criteria to prohibit areas from solid waste
85.14 disposal due to groundwater contamination sensitivity, as required under this section, the
85.15 agency shall not issue a permit for a new solid waste disposal facility, except for:

85.16 (1) the reissuance of a permit for a land disposal facility operating as of March
85.17 1, 2008;

85.18 (2) a permit to expand a land disposal facility operating as of March 1, 2008, beyond
85.19 its permitted boundaries, including expansion on land that is not contiguous to, but is
85.20 located within 600 yards of, the land disposal facility's permitted boundaries;

85.21 (3) a permit to modify the type of waste accepted at a land disposal facility operating
85.22 as of March 1, 2008;

85.23 (4) a permit to locate a disposal facility that accepts only construction debris as
85.24 defined in section 115A.03, subdivision 7;

85.25 (5) a permit to locate a disposal facility that:

85.26 (i) accepts boiler ash from an electric energy power plant that has wet scrubbed units
85.27 or has units that have been converted from wet scrubbed units to dry scrubbed units as
85.28 those terms are defined in section 216B.68;

85.29 (ii) is on land that was owned on May 1, 2008, by the utility operating the electric
85.30 energy power plant; and

85.31 (iii) is located within three miles of the existing ash disposal facility for the power
85.32 plant; or

85.33 (6) a permit to locate a new solid waste disposal facility for ferrous metallic minerals
85.34 regulated under Minnesota Rules, chapter 6130, or for nonferrous metallic minerals
85.35 regulated under Minnesota Rules, chapter 6132.

Pursuant and subject to the provisions of chapter 14, and the provisions hereof, the Pollution Control Agency may adopt, amend and rescind rules and standards having the force of law relating to any purpose within the provisions of Laws 1971, chapter 727, for the prevention, abatement, or control of noise pollution. Any such rule or standard may be of general application throughout the state, or may be limited as to times, places, circumstances or conditions in order to make due allowances for variations therein. Without limitation, rules or standards may relate to sources or emissions of noise or noise pollution, to the quality or composition of noises in the natural environment, or to any other matter relevant to the prevention, abatement, or control of noise pollution.

As to any matters subject to this chapter, local units of government may set emission regulations with respect to stationary sources which are more stringent than those set by the Pollution Control Agency.

Pursuant to chapter 14, the Pollution Control Agency may adopt, amend, and rescind rules and standards having the force of law relating to any purpose within the provisions of this chapter for generators of hazardous waste, the management, identification, labeling, classification, storage, collection, treatment, transportation, processing, and disposal of hazardous waste and the location of hazardous waste facilities. A rule or standard may be of general application throughout the state or may be limited as to time, places, circumstances, or conditions. In implementing its hazardous waste rules, the Pollution Control Agency shall give high priority to providing planning and technical assistance to hazardous waste generators. The agency shall assist generators in investigating the availability and feasibility of both interim and long-term hazardous waste management methods. The methods shall include waste reduction, waste separation, waste processing, resource recovery, and temporary storage.

The Pollution Control Agency shall give highest priority in the consideration of permits to authorize disposal of diseased shade trees by open burning at designated sites to evidence concerning economic costs of transportation and disposal of diseased shade trees by alternative methods.

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

Sec. 25. **[129D.17] ARTS AND CULTURAL HERITAGE FUND.**

The arts and cultural heritage fund is established in the Minnesota Constitution, article XI, section 15. All money earned by the fund must be credited to the fund.

EFFECTIVE DATE. This section is effective July 1, 2009, if the constitutional amendment proposed in Laws 2008, chapter 151, is adopted by the voters.

88.1 88.12. If the appropriation for either
88.2 year is insufficient to cover all costs of
88.3 presuppression and suppression, the amount
88.4 necessary to pay for these costs during the
88.5 biennium is appropriated from the general
88.6 fund.

88.7 By November 15 of each year, the
88.8 commissioner of natural resources shall
88.9 submit a report to the chairs of the house
88.10 and senate committees and divisions having
88.11 jurisdiction over environment and natural
88.12 resources finance, identifying all firefighting
88.13 costs incurred and reimbursements received
88.14 in the prior fiscal year. These appropriations
88.15 may not be transferred. Any reimbursement
88.16 of firefighting expenditures made to the
88.17 commissioner from any source other than
88.18 federal mobilizations shall be deposited into
88.19 the general fund.

88.20 \$17,983,000 the first year and \$18,293,000
88.21 the second year are from the forest
88.22 management investment account in the
88.23 natural resources fund for only the purposes
88.24 specified in Minnesota Statutes, section
88.25 89.039, subdivision 2.

88.26 Of this amount:

88.27 (1) \$750,000 each year is for additional staff
88.28 to enhance timber sales;

88.29 (2) \$1,000,000 each year is for forest
88.30 improvements;

88.31 (3) \$1,100,000 each year is for forest road
88.32 maintenance;

88.33 (4) \$600,000 each year is for the ecological
88.34 classification system on state forest lands;

89.1 (5) \$350,000 each year is for the prevention
89.2 of invasive species on state forest lands; and

89.3 (6) \$400,000 each year is for the re-inventory
89.4 of state forest lands.

89.5 Money for forest road maintenance is
89.6 onetime.

89.7 \$780,000 the first year and \$780,000 the
89.8 second year are for the Forest Resources
89.9 Council for implementation of the
89.10 Sustainable Forest Resources Act.

89.11 \$40,000 the first year is for the Forest
89.12 Resources Council to provide a grant to
89.13 the University of Minnesota to prepare a
89.14 statewide plan to address the fragmentation
89.15 and parcelization of large blocks of forest
89.16 land in the state.

89.17 \$200,000 in fiscal year 2008 is for a grant
89.18 to the Forest Resources Research Advisory
89.19 Committee to provide direction on research
89.20 topics recommended by the governor's task
89.21 force on the competitiveness of Minnesota's
89.22 primary forest products industry.

89.23 \$350,000 the first year and \$350,000 the
89.24 second year are for the FORIST timber
89.25 management information system, other
89.26 information systems, and for increased
89.27 forestry management. The amount in the
89.28 second year is also available in the first year.

89.29 \$257,000 the first year and \$264,000 the
89.30 second year are from the game and fish
89.31 fund to implement ecological classification
89.32 systems (ECS) standards on forested
89.33 landscapes. This appropriation is from
89.34 revenue deposited in the game and fish fund

90.1 under Minnesota Statutes, section 297A.94,
90.2 paragraph (e), clause (1).

90.3 \$110,000 the first year is to develop and
90.4 implement a statewide information and
90.5 education campaign regarding the statewide
90.6 ban on the transport, storage, or use of
90.7 nonapproved firewood on state-administered
90.8 lands.

90.9 \$1,500,000 the first year is from the forest
90.10 management investment account in the
90.11 natural resources fund for the purposes of
90.12 section 158. This is a onetime appropriation.

90.13 \$75,000 the first year is to the Forest
90.14 Resources Council for a task force on
90.15 forest protection and \$75,000 the second
90.16 year is appropriated to the commissioner
90.17 for grants to cities, counties, townships,
90.18 special recreation areas, and park and
90.19 recreation boards in cities of the first class
90.20 for the identification, removal, disposal, and
90.21 replacement of dead or dying shade trees
90.22 lost to forest pests or disease. For purposes
90.23 of this section, "shade tree" means a woody
90.24 perennial grown primarily for aesthetic or
90.25 environmental purposes with minimal to
90.26 residual timber value. The commissioner
90.27 shall consult with municipalities; park and
90.28 recreation boards in cities of the first class;
90.29 nonprofit organizations; and other interested
90.30 parties in developing eligibility criteria. *
90.31 **(The preceding text beginning "\$75,000**
90.32 **the first year" was indicated as vetoed by**
90.33 **the governor.)**

90.34 \$200,000 in fiscal year 2008 is for a grant
90.35 to the Natural Resources Research Institute

91.1 for silvicultural research to improve the
91.2 quality and quantity of timber fiber. The
91.3 appropriation must be matched in the amount
91.4 of \$200,000 in cash or in-kind contributions
91.5 from the forest products industry members of
91.6 the Minnesota Forest Productivity Research
91.7 Cooperative.

91.8 \$1,000,000 the first year and \$1,000,000
91.9 the second year are to support additional
91.10 ~~technical and cost-share assistance to~~
91.11 ~~nonindustrial private forest (NIPF)~~
91.12 ~~landowners~~ forest management activities.

91.13 The base appropriation in fiscal year 2010
91.14 and later is \$500,000.

91.15 \$200,000 the first year and \$200,000 the
91.16 second year are to ~~address escalating~~
91.17 ~~land asset management demands, such as~~
91.18 ~~boundary disputes, access easements, and~~
91.19 ~~sale, exchange, and acquisition of forest~~
91.20 ~~lands~~ support additional forest management
91.21 activities.

91.22 Sec. 29. Laws 2007, chapter 57, article 1, section 4, subdivision 6, is amended to read:

91.23	Subd. 6. Trails and Waterways Management	30,257,000	30,492,000
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91.24 Appropriations by Fund

91.25	General	2,538,000	2,568,000
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91.26	Natural Resources	25,600,000	25,730,000
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91.27	Game and Fish	2,119,000	2,194,000
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91.28 \$8,424,000 the first year and \$8,424,000
91.29 the second year are from the snowmobile
91.30 trails and enforcement account in the natural
91.31 resources fund for snowmobile grants-in-aid.

91.32 The additional money under this item may
91.33 be used for new grant-in-aid trails. Any

92.1 unencumbered balance does not cancel at the
92.2 end of the first year and is available for the
92.3 second year.

92.4 \$1,175,000 the first year and \$1,325,000 the
92.5 second year are from the natural resources
92.6 fund for off-highway vehicle grants-in-aid.
92.7 Of this amount, \$825,000 the first year and
92.8 \$1,075,000 the second year are from the
92.9 all-terrain vehicle account; \$150,000 each
92.10 year is from the off-highway motorcycle
92.11 account; and \$200,000 the first year and
92.12 \$100,000 the second year are from the
92.13 off-road vehicle account. Any unencumbered
92.14 balance does not cancel at the end of the first
92.15 year and is available for the second year.

92.16 \$261,000 the first year and \$261,000 the
92.17 second year are from the water recreation
92.18 account in the natural resources fund for a
92.19 safe harbor program on Lake Superior.

92.20 \$742,000 the first year and \$760,000
92.21 the second year are from the natural
92.22 resources fund for state trail operations
92.23 and maintenance. The money may be used
92.24 for trail maintenance, signage, mapping,
92.25 interpretation, native prairie restoration
92.26 using best management practices, and
92.27 maintenance of nonmotorized forest trails.
92.28 This appropriation is from the revenue
92.29 deposited in the natural resources fund
92.30 under Minnesota Statutes, section 297A.94,
92.31 paragraph (e), clause (2).

92.32 \$655,000 the first year and \$655,000 the
92.33 second year are from the natural resources
92.34 fund for trail grants to local units of
92.35 government on land to be maintained for

93.1 at least 20 years for the purposes of the
93.2 grant. This appropriation is from the revenue
93.3 deposited in the natural resources fund
93.4 under Minnesota Statutes, section 297A.94,
93.5 paragraph (e), clause (4). Any unencumbered
93.6 balance does not cancel at the end of the
93.7 first year and is available for the second
93.8 year. In addition, if a project financed under
93.9 this program receives a federal grant award,
93.10 the availability of the financing from this
93.11 paragraph for that project is extended to
93.12 equal the period of the federal grant.

93.13 \$150,000 the first year and \$150,000 the
93.14 second year are from the all-terrain vehicle
93.15 account for two all-terrain vehicle trail
93.16 specialists to assist and consult with on
93.17 all-terrain vehicle grant-in-aid education and
93.18 training for sustainable trail development and
93.19 maintenance, as well as providing training
93.20 for public and private sector trail monitoring.
93.21 The specialists may assist in the evaluation
93.22 of grant-in-aid trail proposals, but not in the
93.23 promotion of new trails.

93.24 \$1,965,000 the first year and \$2,040,000
93.25 the second year are from the game and fish
93.26 fund for expenditures on water access sites
93.27 according to the requirements of the federal
93.28 sport and fish restoration program.

93.29 Money appropriated under Laws 2005, First
93.30 Special Session chapter 1, article 2, section
93.31 11, subdivision 6, paragraph (h), for the Paul
93.32 Bunyan State Trail connection is available
93.33 until June 30, 2008.

94.1 \$400,000 each year is for operation and
94.2 maintenance of nonmotorized trails within
94.3 state forests. This is a onetime appropriation.

94.4 \$75,000 each year is for additional wild and
94.5 scenic rivers program activities.

94.6 \$120,000 the first year is from the
94.7 water recreation account in the natural
94.8 resources fund to cooperate with local
94.9 units of government in marking routes and
94.10 designating river accesses and campsites
94.11 under Minnesota Statutes, section 85.32.
94.12 This is a onetime appropriation and available
94.13 until spent.

94.14 The appropriation in Laws 2005, First
94.15 Special Session chapter 1, article 2, section
94.16 3, subdivision 6, from the lottery in lieu
94.17 account in the natural resources fund for
94.18 trail grants to local units of government, is
94.19 available until June 30, 2009.

94.20 Sec. 30. **MINING ADMINISTRATIVE FEE.**

94.21 (a) Until a new application fee schedule is adopted for permits to mine or process
94.22 taconite according to the report submitted by the commissioner of natural resources under
94.23 this article, the commissioner shall charge the administrative fees established in paragraph
94.24 (b), payable to the commissioner by June 30 of each year, beginning in 2008.

94.25 (b) A company that manages a taconite mining or taconite processing operation
94.26 shall pay:

94.27 (1) \$90,000 if the total production of the company's combined operations in the state
94.28 had an annual production of 10,000,000 or more tons of taconite pellets or iron nuggets
94.29 during the previous calendar year;

94.30 (2) \$10,000 if the total production of the company's combined operations in the state
94.31 had an annual production of less than 10,000,000 tons of taconite pellets or iron nuggets
94.32 during the previous calendar year; and

94.33 (3) \$3,333 if the mining operation is permitted to mine, but had no annual production
94.34 of taconite pellets or iron nuggets during the previous calendar year.

95.1 **EFFECTIVE DATE.** This section is effective the day following final enactment
95.2 and applies to companies that manage a taconite mining or taconite processing operation
95.3 holding or applying for a permit to mine under Minnesota Statutes, section 93.481, during
95.4 the 2007 calendar year.

95.5 Sec. 31. **DEPARTMENT OF NATURAL RESOURCES RULEMAKING**
95.6 **REQUIRED; STRUCTURES IN PUBLIC WATERS.**

95.7 By January 15, 2010, the commissioner of natural resources shall update rules
95.8 on structures that are allowed in public waters and the permit requirements for those
95.9 structures under Minnesota Rules, chapter 6115. The Department of Natural Resources
95.10 general permit no. 2008-0401 expires on the effective date of the updated rules.

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

95.12 Sec. 32. **FIRST MEETING; DEADLINE FOR APPOINTMENTS.**

95.13 The appointing authorities named in Minnesota Statutes, section 103B.702, must
95.14 complete their appointments to the Star Lake Board by January 15, 2009, with the
95.15 exception of the appointments required under Minnesota Statutes, section 103B.702,
95.16 subdivision 1, paragraph (c), clause (3), which must be completed within 30 days of the
95.17 first meeting of the board. The board member designated by the Board of Water and Soil
95.18 Resources must convene the first meeting of the board no later than February 15, 2009.

95.19 Sec. 33. **SOLID WASTE DISPOSAL RULES REPORT; LEGISLATIVE**
95.20 **REVIEW.**

95.21 By January 15, 2010, the Pollution Control Agency shall report to the senate and
95.22 house of representatives environment policy and finance committees and divisions on
95.23 proposed rules, under Minnesota Statutes, section 116.07, subdivision 4, to prohibit the
95.24 disposal of solid waste in specific areas due to the sensitivity of the area to groundwater
95.25 contamination.

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

95.27 Sec. 34. **INDUSTRIAL AND CONSTRUCTION AND DEMOLITION**
95.28 **LANDFILL WORKING GROUP.**

95.29 The commissioner of the Pollution Control Agency shall, by July 15, 2008, convene
95.30 a working group to develop, evaluate, and recommend policies and legislation regarding
95.31 the management of industrial solid waste and construction and demolition debris in land
95.32 disposal facilities. The commissioner shall appoint members of the working group,
95.33 including representatives from counties, state agencies, private landfill owners, waste

haulers, environmental organizations, and other interested parties to serve on the working group. The Pollution Control Agency shall serve as staff to the working group. The working group shall submit a report of its findings and recommendations to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over environmental policy and environmental finance by January 15, 2009.

ARTICLE 6
ENERGY, COMMERCE, UTILITIES

Section 1. SUMMARY OF APPROPRIATIONS.

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

		<u>2008</u>		<u>2009</u>		<u>Total</u>
<u>General</u>	\$	(2,670,000)	\$	(1,436,000)	\$	(4,106,000)

Sec. 2. APPROPRIATIONS.

The dollar amounts in the columns under "APPROPRIATIONS" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2007, chapter 57, or other law to the specified agencies. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2008" and "2009" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively. "The first year" is fiscal year 2008. "The second year" is fiscal year 2009. "The biennium" is fiscal years 2008 and 2009. Appropriations for the fiscal year ending June 30, 2008, are effective the day following final enactment.

APPROPRIATIONS
Available for the Year
Ending June 30
2008 2009

Sec. 3. COMMERCE

<u>Subdivision 1. Total Appropriation</u>	\$	(2,670,000)	\$	(1,436,000)
<u>Subd. 2. Administration</u>		-0-		84,000

97.1 \$46,000 in the second year is a base reduction
 97.2 to the administration program and the Office
 97.3 of Energy Security.

97.4 \$130,000 in the second year is a base increase
 97.5 for staffing to enhance unclaimed property
 97.6 compliance.

97.7 Subd. 3. **Market Assurance** (270,000) (270,000)

97.8 This is a base reduction to the do not call
 97.9 program.

97.10 Subd. 4. **Energy and Telecommunications** (2,400,000) (1,250,000)

97.11 \$200,000 in the first year is for the solar
 97.12 rebate program. Equipment used to heat hot
 97.13 water at a residential property for domestic
 97.14 use, not including equipment used for a hot
 97.15 tub or swimming pool, is eligible for the
 97.16 solar rebate program. This is a onetime
 97.17 appropriation and is available until spent.

97.18 Of the amounts appropriated from the
 97.19 special revenue fund in the second year
 97.20 to the commissioner of commerce for
 97.21 renewable energy research under Laws 2007,
 97.22 chapter 57, article 2, section 3, subdivision
 97.23 6, clause (7), \$500,000 must be used to
 97.24 support the algae-to-biofuels research project
 97.25 at the University of Minnesota and the
 97.26 Metropolitan Council.

97.27 Money appropriated from the special revenue
 97.28 fund for renewable energy research under
 97.29 Laws 2007, chapter 57, article 2, section 3,
 97.30 subdivision 6, clause (7), may be used for a
 97.31 grant to a cellulosic ethanol facility using
 97.32 paper mill sludge.

98.1 Of the assessment amount authorized under
98.2 Minnesota Statutes, section 216B.241,
98.3 subdivision 1e, up to \$200,000 in the second
98.4 year shall be used for the required report
98.5 and activities of the Green Jobs Task Force
98.6 established in this article. This is a onetime
98.7 appropriation.

98.8 Of the amounts appropriated in the second
98.9 year to the commissioner of commerce from
98.10 the special revenue fund for environmentally
98.11 friendly automotive technology projects
98.12 under Laws 2007, chapter 57, article 2,
98.13 section 3, subdivision 6, clause (4), up to
98.14 \$200,000 is for the green economy report and
98.15 the statewide action plan and other activities
98.16 of the Green Jobs Task Force established in
98.17 this article, of which no more than \$50,000
98.18 may be spent for the green economy report;
98.19 \$100,000 is for the city of St. Paul for a
98.20 site evaluation of the Ford manufacturing
98.21 plant and for workforce development and
98.22 skills assessment of the Ford employees;
98.23 and \$250,000 is for activities and research
98.24 for the Green Manufacturing Initiative
98.25 by a statewide organization dedicated to
98.26 furthering the green economy and its fiscal
98.27 agent.

98.28 \$1,250,000 is a reduction from the fiscal
98.29 year 2009 appropriation for E-85 cost share
98.30 grants. The base for the grant program in
98.31 fiscal year 2010 is \$1,000,000. The base for
98.32 fiscal year 2011 is \$0.

98.33 \$2,600,000 is a reduction from the fiscal year
98.34 2008 appropriation for renewable hydrogen
98.35 initiative grants.

99.1 Subd. 5. Transfers

99.2 (a) Insurance Fraud Prevention Account

99.3 Prior to July 31, 2008, the commissioner of
99.4 finance shall transfer \$1,500,000 from the
99.5 unexpended balance of the insurance fraud
99.6 prevention account established in Minnesota
99.7 Statutes, section 45.0135, to the general fund.

99.8 After June 15, 2009, and prior to June 30,
99.9 2009, the commissioner of finance shall
99.10 transfer \$1,500,000 from the unexpended
99.11 balance of the insurance fraud prevention
99.12 account established in Minnesota Statutes,
99.13 section 45.0135, to the general fund.

99.14 (b) Real Estate Education, Research and
99.15 Recovery Fund

99.16 Prior to July 31, 2008, the commissioner
99.17 of finance shall transfer \$850,000 from
99.18 the unexpended balance of the real estate
99.19 education, research and recovery fund
99.20 established in Minnesota Statutes, section
99.21 82.43, to the general fund.

99.22 (c) Consumer Education Account

99.23 Prior to July 31, 2008, the commissioner
99.24 of finance shall transfer \$100,000 from
99.25 the unexpended balance of the consumer
99.26 education account established under
99.27 Minnesota Statutes, section 58.10, to the
99.28 general fund.

99.29 (d) Automobile Theft Prevention Account

99.30 Prior to July 31, 2008, the commissioner
99.31 of finance shall transfer \$230,000 from the
99.32 unexpended balance of the automobile theft

100.1 prevention account established in Minnesota
100.2 Statutes, section 168A.40, to the general
100.3 fund.

100.4 **(e) Assigned Risk Plan**

100.5 By June 30, 2009, the commissioner of
100.6 finance shall transfer \$10,000,000 in assets of
100.7 the workers' compensation assigned risk plan
100.8 created under Minnesota Statutes, section
100.9 79.252, to the general fund.

100.10 Sec. 4. **PUBLIC UTILITIES COMMISSION**

100.11 Prior to July 31, 2008, the commissioner
100.12 of finance shall transfer \$4,000,000 from
100.13 the telephone assistance fund established in
100.14 Minnesota Statutes, section 237.701, to the
100.15 general fund.

100.16 Sec. 5. Minnesota Statutes 2007 Supplement, section 80A.65, subdivision 1, is
100.17 amended to read:

100.18 Subdivision 1. **Registration or notice filing fee.** (a) There shall be a filing fee of
100.19 \$100 for every application for registration or notice filing. There shall be an additional fee
100.20 of one-tenth of one percent of the maximum aggregate offering price at which the securities
100.21 are to be offered in this state, and the maximum combined fees shall not exceed \$300.

100.22 (b) When an application for registration is withdrawn before the effective date
100.23 or a preeffective stop order is entered under section 80A.54, all but the \$100 filing fee
100.24 shall be returned. If an application to register securities is denied, the total of all fees
100.25 received shall be retained.

100.26 (c) Where a filing is made in connection with a federal covered security under
100.27 section 18(b)(2) of the Securities Act of 1933, there is a fee of \$100 for every initial filing.
100.28 If the filing is made in connection with redeemable securities issued by an open end
100.29 management company or unit investment trust, as defined in the Investment Company Act
100.30 of 1940, there is an additional annual fee of 1/20 of one percent of the maximum aggregate
100.31 offering price at which the securities are to be offered in this state during the notice filing
100.32 period. The fee must be paid at the time of the initial filing and thereafter in connection
100.33 with each renewal no later than July 1 of each year and must be sufficient to cover the

shares the issuer expects to sell in this state over the next 12 months. If during a current notice filing the issuer determines it is likely to sell shares in excess of the shares for which fees have been paid to the administrator, the issuer shall submit an amended notice filing to the administrator under section 80A.50, together with a fee of 1/20 of one percent of the maximum aggregate offering price of the additional shares. Shares for which a fee has been paid, but which have not been sold at the time of expiration of the notice filing, may not be sold unless an additional fee to cover the shares has been paid to the administrator as provided in this section and section 80A.50. If the filing is made in connection with redeemable securities issued by such a company or trust, there is no maximum fee for securities filings made according to this paragraph. If the filing is made in connection with any other federal covered security under Section 18(b)(2) of the Securities Act of 1933, there is an additional fee of one-tenth of one percent of the maximum aggregate offering price at which the securities are to be offered in this state, and the combined fees shall not exceed \$300. ~~Beginning with fiscal year 2001 and continuing each fiscal year thereafter, as of the last day of each fiscal year, the administrator shall determine the total amount of all fees that were collected under this paragraph in connection with any filings made for that fiscal year for securities of an open-end investment company on behalf of a security that is a federal covered security pursuant to section 18(b)(2) of the Securities Act of 1933. To the extent the total fees collected by the administrator in connection with these filings exceed \$25,600,000 in a fiscal year, the administrator shall refund, on a pro rata basis, to all persons who paid any fees for that fiscal year, the amount of fees collected by the administrator in excess of \$25,600,000. No individual refund is required of amounts of \$100 or less for a fiscal year.~~

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

Sec. 6. Minnesota Statutes 2007 Supplement, section 216C.41, subdivision 3, is amended to read:

Subd. 3. **Eligibility window.** Payments may be made under this section only for:

(a) electricity generated from:

(1) a qualified hydroelectric facility that is operational and generating electricity before December 31, ~~2009~~ 2011;

(2) a qualified wind energy conversion facility that is operational and generating electricity before January 1, 2008; or

(3) a qualified on-farm biogas recovery facility from July 1, 2001, through December 31, 2017; and

102.1 (b) gas generated from a qualified on-farm biogas recovery facility from July 1,
102.2 2007, through December 31, 2017.

102.3 Sec. 7. Minnesota Statutes 2006, section 216C.41, subdivision 4, is amended to read:

102.4 Subd. 4. **Payment period.** (a) A facility may receive payments under this section for
102.5 a ten-year period. No payment under this section may be made for electricity generated:

102.6 (1) by a qualified hydroelectric facility after December 31, ~~2019~~ 2021;

102.7 (2) by a qualified wind energy conversion facility after December 31, 2018; or

102.8 (3) by a qualified on-farm biogas recovery facility after December 31, 2015.

102.9 (b) The payment period begins and runs consecutively from the date the facility
102.10 begins generating electricity or, in the case of refurbishment of a hydropower facility, after
102.11 substantial repairs to the hydropower facility dam funded by the incentive payments are
102.12 initiated.

102.13 Sec. 8. Minnesota Statutes 2006, section 325E.313, is amended to read:

102.14 **325E.313 NO-CALL LIST.**

102.15 Subdivision 1. **Establishment of list.** The commissioner shall establish and
102.16 maintain a list of telephone numbers of residential subscribers who object to receiving
102.17 telephone solicitations. The commissioner may fulfill the requirements of this subdivision
102.18 by contracting with an agent for the establishment and maintenance of the list. The list
102.19 must be established by January 1, 2003.

102.20 Subd. 2. **Operation and maintenance of list.** (a) Each local exchange company
102.21 must inform its residential subscribers of the opportunity to provide notification to
102.22 the commissioner or its contractor that the subscriber objects to receiving telephone
102.23 solicitations. The notification must be made in the manner prescribed by the commissioner.

102.24 (b) Any residential subscriber may contact the commissioner or the commissioner's
102.25 agent and give notice, in the manner prescribed by the commissioner, that the subscriber
102.26 objects to receiving telephone solicitations. The commissioner shall add the telephone
102.27 number of any subscriber who gives notice of objection to the list maintained pursuant to
102.28 subdivision 1 within 90 days of the date the notice is received.

102.29 ~~(c) Any notice given by a subscriber under this subdivision shall be effective for~~
102.30 ~~four years unless revoked by the subscriber. Any subsequent notices given by the same~~
102.31 ~~subscriber related to a different telephone number are separate from the original notice.~~

102.32 ~~(d)~~ (c) The commissioner shall allow consumers to give notice under this subdivision
102.33 by mail or electronically.

~~(e)~~ (d) The commissioner shall establish the procedures by which a person wishing to make telephone solicitations may obtain access to the list. Those procedures shall, to the extent practicable, allow for access to paper or electronic copies of the list.

Subd. 3. **Use of federal list.** If, pursuant to United States Code, title 15, section 6102(a), the Federal Trade Commission establishes a national list of telephone numbers of subscribers who object to receiving telephone solicitations, the commissioner ~~shall include subscribers who live in Minnesota and are included in the national list in the list established under this section. The commissioner shall also transmit to the Federal Trade Commission the telephone numbers included on the no-call list established under this section and shall request that they be included in the national list~~ may consider the Federal Trade Commission as its agent for the establishment and maintenance of a list.

Sec. 9. Minnesota Statutes 2006, section 325E.314, is amended to read:

325E.314 FEES; ACQUISITION AND USE OF LIST.

~~(a) A person or entity desiring to make telephone solicitations shall pay a fee, payable to the commissioner, for access to, or for paper or electronic copies of, the list established under section 325E.313. The fee shall not exceed \$125 for each acquisition of the list. The fee shall not exceed \$90 in fiscal year 2004, and the fee shall not exceed \$75 in fiscal year 2005 and thereafter.~~

~~(b)~~ (a) A caller who makes a telephone solicitation to the telephone line of any residential subscriber must, at the time of the call, have obtained access to a current version of the list at least once in the 90 days prior to the call. A caller who complies with this requirement is not liable for any violation of section 325E.312 relating to a solicitation made to a subscriber during the first 30 days after the caller first obtained a copy of the list including that subscriber's telephone number that has not been superseded by a later list obtained by the caller that does not include the subscriber's telephone number.

~~(e)~~ (b) If the Federal Trade Commission establishes a national do-not-call list as described in section 325E.313, subdivision 3 ~~2~~, a person or entity who is required by law to obtain a copy of the national list ~~is not required to purchase or retain a copy of the list established by the commissioner, unless the Federal Trade Commission fails to incorporate the Minnesota names transmitted by the commissioner~~ may meet its requirement through proof of purchase of the Minnesota numbers from the federal list.

Sec. 10. Minnesota Statutes 2006, section 609.531, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For the purpose of sections 609.531 to 609.5318, the following terms have the meanings given them.

104.1 (a) "Conveyance device" means a device used for transportation and includes, but
104.2 is not limited to, a motor vehicle, trailer, snowmobile, airplane, and vessel and any
104.3 equipment attached to it. The term "conveyance device" does not include property which
104.4 is, in fact, itself stolen or taken in violation of the law.

104.5 (b) "Weapon used" means a dangerous weapon as defined under section 609.02,
104.6 subdivision 6, that the actor used or had in possession in furtherance of a crime.

104.7 (c) "Property" means property as defined in section 609.52, subdivision 1, clause (1).

104.8 (d) "Contraband" means property which is illegal to possess under Minnesota law.

104.9 (e) "Appropriate agency" means the Bureau of Criminal Apprehension, the
104.10 Department of Commerce Division of Insurance Fraud Prevention, the Minnesota Division
104.11 of Driver and Vehicle Services, the Minnesota State Patrol, a county sheriff's department,
104.12 the Three Rivers Park District park rangers, the Department of Natural Resources Division
104.13 of Enforcement, the University of Minnesota Police Department, the Department of
104.14 Corrections' Fugitive Apprehension Unit, or a city or airport police department.

104.15 (f) "Designated offense" includes:

104.16 (1) for weapons used: any violation of this chapter, chapter 152, or chapter 624;

104.17 (2) for driver's license or identification card transactions: any violation of section
104.18 171.22; and

104.19 (3) for all other purposes: a felony violation of, or a felony-level attempt or
104.20 conspiracy to violate, section 325E.17; 325E.18; 609.185; 609.19; 609.195; 609.21;
104.21 609.221; 609.222; 609.223; 609.2231; 609.24; 609.245; 609.25; 609.255; 609.282;
104.22 609.283; 609.322; 609.342, subdivision 1, clauses (a) to (f); 609.343, subdivision 1,
104.23 clauses (a) to (f); 609.344, subdivision 1, clauses (a) to (e), and (h) to (j); 609.345,
104.24 subdivision 1, clauses (a) to (e), and (h) to (j); 609.352; 609.42; 609.425; 609.466;
104.25 609.485; 609.487; 609.52; 609.525; 609.527; 609.528; 609.53; 609.54; 609.551; 609.561;
104.26 609.562; 609.563; 609.582; 609.59; 609.595; 609.611; 609.631; 609.66, subdivision 1e;
104.27 609.671, subdivisions 3, 4, 5, 8, and 12; 609.687; 609.821; 609.825; 609.86; 609.88;
104.28 609.89; 609.893; 609.895; 617.246; 617.247; or a gross misdemeanor or felony violation
104.29 of section 609.891 or 624.7181; or any violation of section 609.324.

104.30 (g) "Controlled substance" has the meaning given in section 152.01, subdivision 4.

104.31 Sec. 11. **GREEN ECONOMY REPORT.**

104.32 (a) Each state agency, other than the Iron Range Resources and Rehabilitation
104.33 Board or the Office of the Commissioner of Iron Range Resources and Rehabilitation,
104.34 that administers a loan or grant program must assess those programs to determine
104.35 their potential to advance or promote the growth of the green economy, as defined in

Minnesota Statutes, section 116J.437. An agency must report on its determination to the commissioner of commerce by September 15, 2008.

(b) If a program is determined to have significant potential, the agency must develop a plan to integrate program elements appropriate to that program to advance or promote the growth of the green economy in this state. An agency must report on its plan to the commissioner of commerce by November 15, 2008.

(c) The commissioner of commerce, in consultation with the commissioner of employment and economic development, must develop guidelines to be followed by state agencies in complying with this section.

(d) By January 15, 2009, the commissioner of commerce, in consultation with the commissioner of employment and economic development, must submit a report containing the plans developed under paragraph (b), and any recommended implementing legislation, to the chairs and ranking minority members of the senate and house committees with primary jurisdiction over energy, environmental and economic development policy, and finance.

(e) The commissioner of commerce may contract for services to fulfill the commissioner's duties under this section.

Sec. 12. **GREEN JOBS TASK FORCE.**

Subdivision 1. **Task force.** (a) A Green Jobs Task Force is created to advise and assist the governor and legislature regarding activities to advance the state's economy, and to develop a statewide action plan as provided under subdivision 2. The task force shall be appointed no later than June 30, 2008, and consist of:

(1) three members of the house of representatives, including one member of the minority party appointed by the speaker;

(2) three members of the senate appointed by the Subcommittee on Committees of the Committee on Rules and Administration, including one member of the minority;

(3) seven representatives from state agencies and institutions appointed by the governor, including one member from the Office of Energy Security, one member from the Department of Employment and Economic Development, one member from the Job Skills Partnership Board, one member from the University of Minnesota, one member from Minnesota State Colleges and Universities, one member from the Pollution Control Agency, and one member from the Department of Natural Resources;

(4) three public members appointed by the governor, including one member representing the manufacturing industry, one member representing a statewide

organization dedicated to commerce, and one member representing the Agricultural Utilization Research Institute;

(5) four public members appointed by the speaker of the house of representatives, including one member representing labor, one member representing a statewide environmental organization, one member representing financial institutions or venture capital, and one member from a local economic development authority from greater Minnesota; and

(6) four public members appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration, including one member from a local economic development authority from the metropolitan area, one member from a statewide organization dedicated to furthering the green economy, one member from a firm currently engaged in green manufacturing, and one local workforce development representative from an area that has experienced significant manufacturing job loss.

(b) The commissioner of commerce, in cooperation with the commissioner of employment and economic development, shall provide staff support to the task force. The task force may accept outside resources to help support its efforts.

(c) Each of the legislative appointing authorities must name a cochair of the task force from the legislative members appointed by that authority.

(d) Public members of the task force must be compensated as provided in Minnesota Statutes, section 15.059, subdivision 3.

Subd. 2. **Duties.** (a) By January 15, 2009, the task force shall develop and present to the legislature under Minnesota Statutes, section 3.195, and to the governor a statewide action plan to optimize the growth of the green economy. For the purpose of this section, "green economy" has the meaning given it by new Minnesota Statutes, section 116J.437, if enacted.

(b) The plan must include necessary draft legislation and budget requests and may include administrative actions of governmental entities, collaborative actions, and actions of individuals and individual organizations. The plan must be developed following the analysis described in this paragraph and must be based on the analysis. The analysis must include:

(1) a market analysis of the business opportunities and needs created by the laws enumerated in paragraph (a), including local, state, national, and international markets;

(2) an analysis of the labor force needs related to the market analysis opportunities identified in clause (1), including educational, training, and retraining needs; and

(3) an inventory of the current labor and business assets available to respond to the opportunities identified in clause (1) and the labor needs identified in clause (2).

The task force shall contract for the analysis required by this paragraph.

Subd. 3. **Expiration.** The task force expires June 30, 2009.

ARTICLE 7
AGRICULTURE

Section 1. **SUMMARY OF APPROPRIATIONS.**

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

	<u>2008</u>	<u>2009</u>	<u>Total</u>
<u>General</u>	\$ <u>(200,000)</u>	\$ <u>388,000</u>	\$ <u>188,000</u>

Sec. 2. **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 45, article 1, to the agencies and for the purposes specified in this article. The appropriations are from the general fund or another named fund and are available for the fiscal years indicated for each purpose. The figures "2008" and "2009" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2008, are effective the day following final enactment.

APPROPRIATIONS
Available for the Year
Ending June 30
2008 2009

Sec. 3. AGRICULTURE	\$	<u>(200,000)</u>	\$	<u>388,000</u>
\$302,000 is a reduction in 2009. The				
commissioner shall make a reduction of				
\$100,000 from agricultural marketing,				
\$100,000 shall come from efficiencies gained				
by the merger of the Agriculture Resources				
Management and Development Division and				
the Agriculture Finance Division, and the				

108.1 remainder shall come from a reduction in
108.2 administrative services in Saint Paul.

108.3 \$1,000,000 in 2009 is for the livestock
108.4 investment grant program in new Minnesota
108.5 Statutes, section 17.118, if enacted. The
108.6 commissioner may use up to 4-1/2 percent
108.7 of this appropriation for costs incurred to
108.8 administer the program. This is a onetime
108.9 appropriation and is available until spent.

108.10 The \$200,000 appropriation in Laws 2007,
108.11 chapter 45, article 1, section 3, subdivision
108.12 4, for a grant to the Elk River Economic
108.13 Development Authority for a bioenergy
108.14 project is canceled to the general fund.

108.15 \$310,000 is a reduction in 2009 of the
108.16 appropriation for ethanol producer payments
108.17 in Laws 2007, chapter 45, article 1, section
108.18 3, subdivision 4. This reduction is onetime.

108.19 By January 15, 2009, the commissioner shall
108.20 report to the house and senate committees
108.21 with jurisdiction over agriculture finance
108.22 a proposal for paying unpaid claimants of
108.23 an entity no longer producing ethanol on a
108.24 commercial scale at the location for which it
108.25 qualified for producer payments.

108.26 Sec. 4. **BOARD OF ANIMAL HEALTH.**

108.27 Notwithstanding Minnesota Statutes, section
108.28 35.085, the Board of Animal Health shall
108.29 make a onetime grant of up to \$12,000 to
108.30 a beef cattle producer from the \$100,000
108.31 appropriation for reimbursements in Laws
108.32 2007, chapter 45, article 1, section 4. The
108.33 eligible beef cattle producer is located
108.34 outside of a bovine tuberculosis containment

109.1 area and purchased certified tuberculosis-free
109.2 cattle yet sustained financial losses beyond
109.3 the producer's control due to restrictions
109.4 imposed by the Board of Animal Health that
109.5 effectively denied the producer the ability
109.6 to sell the tuberculosis-free cattle during
109.7 favorable market conditions.

109.8 Sec. 5. Minnesota Statutes 2006, section 41A.09, subdivision 3a, is amended to read:

109.9 Subd. 3a. **Ethanol producer payments.** (a) The commissioner shall make cash
109.10 payments to producers of ethanol located in the state that have begun production at a
109.11 specific location by June 30, 2000. For the purpose of this subdivision, an entity that holds
109.12 a controlling interest in more than one ethanol plant is considered a single producer.
109.13 The amount of the payment for each producer's annual production, except as provided
109.14 in paragraph (c), is 20 cents per gallon for each gallon of ethanol produced at a specific
109.15 location on or before June 30, 2000, or ten years after the start of production, whichever is
109.16 later. Annually, within 90 days of the end of its fiscal year, an ethanol producer receiving
109.17 payments under this subdivision must file a disclosure statement on a form provided by
109.18 the commissioner. The initial disclosure statement must include a summary description
109.19 of the organization of the business structure of the claimant, a listing of the percentages
109.20 of ownership by any person or other entity with an ownership interest of five percent or
109.21 greater, and a copy of its annual audited financial statements, including the auditor's report
109.22 and footnotes. The disclosure statement must include information demonstrating what
109.23 percentage of the entity receiving payments under this section is owned by farmers or
109.24 other entities eligible to farm or own agricultural land in Minnesota under the provisions
109.25 of section 500.24. Subsequent annual reports must reflect noncumulative changes in
109.26 ownership of ten percent or more of the entity. The report need not disclose the identity of
109.27 the persons or entities eligible to farm or own agricultural land with ownership interests,
109.28 individuals residing within 30 miles of the plant, or of any other entity with less than
109.29 ten percent ownership interest, but the claimant must retain information within its files
109.30 confirming the accuracy of the data provided. This data must be made available to the
109.31 commissioner upon request. Not later than the 15th day of February in each year the
109.32 commissioner shall deliver to the chairs of the standing committees of the senate and the
109.33 house of representatives that deal with agricultural policy and agricultural finance issues
109.34 an annual report summarizing aggregated data from plants receiving payments under this
109.35 section during the preceding calendar year. Audited financial statements and notes and

110.1 disclosure statements submitted to the commissioner are nonpublic data under section
110.2 13.02, subdivision 9. Notwithstanding the provisions of chapter 13 relating to nonpublic
110.3 data, summaries of the submitted audited financial reports and notes and disclosure
110.4 statements will be contained in the report to the committee chairs and will be public data.

110.5 (b) No payments shall be made for ethanol production that occurs after June 30,
110.6 2010. A producer of ethanol shall not transfer the producer's eligibility for payments
110.7 under this section to an ethanol plant at a different location.

110.8 (c) If the level of production at an ethanol plant increases due to an increase in the
110.9 production capacity of the plant, the payment under paragraph (a) applies to the additional
110.10 increment of production until ten years after the increased production began. Once a
110.11 plant's production capacity reaches 15,000,000 gallons per year, no additional increment
110.12 will qualify for the payment.

110.13 (d) Total payments under paragraphs (a) and (c) to a producer in a fiscal year may
110.14 not exceed \$3,000,000.

110.15 (e) By the last day of October, January, April, and July, each producer shall file a
110.16 claim for payment for ethanol production during the preceding three calendar months.
110.17 A producer that files a claim under this subdivision shall include a statement of the
110.18 producer's total ethanol production in Minnesota during the quarter covered by the claim.
110.19 For each claim and statement of total ethanol production filed under this subdivision,
110.20 the volume of ethanol production must be examined by an independent certified public
110.21 accountant in accordance with standards established by the American Institute of Certified
110.22 Public Accountants.

110.23 (f) Payments shall be made November 15, February 15, May 15, and August 15. A
110.24 separate payment shall be made for each claim filed. Except as provided in paragraph (g),
110.25 the total quarterly payment to a producer under this paragraph may not exceed \$750,000.

110.26 (g) Notwithstanding the quarterly payment limits of paragraph (f), the commissioner
110.27 shall make an additional payment in the fourth quarter of each fiscal year to ethanol
110.28 producers for the lesser of: (1) 20 cents per gallon of production in the fourth quarter of the
110.29 year that is greater than 3,750,000 gallons; or (2) the total amount of payments lost during
110.30 the first three quarters of the fiscal year due to plant outages, repair, or major maintenance.
110.31 Total payments to an ethanol producer in a fiscal year, including any payment under this
110.32 paragraph, must not exceed the total amount the producer is eligible to receive based on
110.33 the producer's approved production capacity. The provisions of this paragraph apply only
110.34 to production losses that occur in quarters beginning after December 31, 1999.

110.35 (h) The commissioner shall reimburse ethanol producers for any deficiency in
110.36 payments during earlier quarters if the deficiency occurred because of unallotment or

because appropriated money was insufficient to make timely payments in the full amount provided in paragraph (a). Notwithstanding the quarterly or annual payment limitations in this subdivision, the commissioner shall begin making payments for earlier deficiencies in each fiscal year that appropriations for ethanol payments exceed the amount required to make eligible scheduled payments. Payments for earlier deficiencies must continue until the deficiencies for each producer are paid in full, except the commissioner shall not make a deficiency payment to an entity that no longer produces ethanol on a commercial scale at the location for which the entity qualified for producer payments, or to an assignee of the entity.

(i) The commissioner may make direct payments to producers of rural economic infrastructure with any amount of the annual appropriation for ethanol producer payments and rural economic infrastructure that is in excess of the amount required to make scheduled ethanol producer payments and deficiency payments under paragraphs (a) to (h).

Sec. 6. Laws 2007, chapter 45, article 1, section 3, subdivision 4, is amended to read:

Subd. 4. **Bioenergy and Value-Added**

Agricultural Products	19,918,000	15,168,000
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\$15,168,000 the first year and \$15,168,000 the second year are for ethanol producer payments under Minnesota Statutes, section 41A.09. If the total amount for which all producers are eligible in a quarter exceeds the amount available for payments, the commissioner shall make payments on a pro rata basis. If the appropriation exceeds the total amount for which all producers are eligible in a fiscal year for scheduled payments and for deficiencies in payments during previous fiscal years, the balance in the appropriation is available to the commissioner for value-added agricultural programs including the value-added agricultural product processing and marketing grant program under Minnesota Statutes, section 17.101, subdivision 5. The appropriation remains available until spent.

112.1 \$3,000,000 the first year is for grants to
112.2 bioenergy projects. The NextGen Energy
112.3 Board shall make recommendations to
112.4 the commissioner on grants for owners of
112.5 Minnesota facilities producing bioenergy,
112.6 organizations that provide for on-station,
112.7 on-farm field scale research and outreach to
112.8 develop and test the agronomic and economic
112.9 requirements of diverse stands of prairie
112.10 plants and other perennials for bioenergy
112.11 systems, or certain nongovernmental
112.12 entities. For the purposes of this paragraph,
112.13 "bioenergy" includes transportation fuels
112.14 derived from cellulosic material as well as
112.15 the generation of energy for commercial heat,
112.16 industrial process heat, or electrical power
112.17 from cellulosic material via gasification
112.18 or other processes. The board must give
112.19 priority to a bioenergy facility that is at
112.20 least 60 percent owned and controlled by
112.21 farmers, as defined in Minnesota Statutes,
112.22 section 500.24, subdivision 2, paragraph (n),
112.23 or natural persons residing in the county or
112.24 counties contiguous to where the facility is
112.25 located. Grants are limited to 50 percent of
112.26 the cost of research, technical assistance, or
112.27 equipment related to bioenergy production
112.28 or ~~\$500,000~~ \$1,000,000, whichever is less.
112.29 Grants to nongovernmental entities for the
112.30 development of business plans and structures
112.31 related to community ownership of eligible
112.32 bioenergy facilities together may not exceed
112.33 \$150,000. The board shall make a good
112.34 faith effort to select projects that have
112.35 merit and when taken together represent a
112.36 variety of bioenergy technologies, biomass

113.1 feedstocks, and geographic regions of the
113.2 state. Projects must have a qualified engineer
113.3 certification on the technology and fuel
113.4 source. Grantees shall provide reports at
113.5 the request of the commissioner and must
113.6 actively participate in the Agricultural
113.7 Utilization Research Institute's Renewable
113.8 Energy Roundtable. No later than February
113.9 1, 2009, the commissioner shall report on
113.10 the projects funded under this appropriation
113.11 to the house and senate committees with
113.12 jurisdiction over agriculture finance. The
113.13 commissioner's costs in administering the
113.14 program may be paid from the appropriation.

113.15 \$350,000 the first year is for grants to
113.16 the Minnesota Institute for Sustainable
113.17 Agriculture at the University of Minnesota
113.18 to provide funds for on-station and on-farm
113.19 field scale research and outreach to develop
113.20 and test the agronomic and economic
113.21 requirements of diverse stands of prairie
113.22 plants and other perennials for bioenergy
113.23 systems including, but not limited to,
113.24 multiple species selection and establishment,
113.25 ecological management between planting
113.26 and harvest, harvest technologies, financial
113.27 and agronomic risk management, farmer
113.28 goal setting and adoption of technologies,
113.29 integration of wildlife habitat into
113.30 management approaches, evaluation of
113.31 carbon and other benefits, and robust policies
113.32 needed to induce farmer conversion on
113.33 marginal lands.* **(The preceding text**
113.34 **beginning "\$350,000 the first year" was**
113.35 **indicated as vetoed by the governor.)**

114.1 \$200,000 the first year is for a grant to the
114.2 Minnesota Turf Seed Council for basic
114.3 and applied agronomic research on native
114.4 plants, including plant breeding, nutrient
114.5 management, pest management, disease
114.6 management, yield, and viability. The grant
114.7 recipient may subcontract with a qualified
114.8 third party for some or all of the basic
114.9 or applied research. The grant recipient
114.10 must actively participate in the Agricultural
114.11 Utilization Research Institute's Renewable
114.12 Energy Roundtable and no later than
114.13 February 1, 2009, must report to the house
114.14 and senate committees with jurisdiction
114.15 over agriculture finance. This is a onetime
114.16 appropriation and is available until spent.

114.17 \$200,000 the first year is for a grant to a joint
114.18 venture combined heat and power energy
114.19 facility located in Scott or LeSueur County
114.20 for the creation of a centrally located biomass
114.21 fuel supply depot with the capability of
114.22 unloading, processing, testing, scaling, and
114.23 storing renewable biomass fuels. The grant
114.24 must be matched by at least \$3 of nonstate
114.25 funds for every \$1 of state funds. The grant
114.26 recipient must actively participate in the
114.27 Agricultural Utilization Research Institute's
114.28 Renewable Energy Roundtable and no
114.29 later than February 1, 2009, must report
114.30 to the house and senate committees with
114.31 jurisdiction over agriculture finance. This is
114.32 a onetime appropriation and is available until
114.33 spent.

114.34 \$300,000 the first year is for a grant to the
114.35 Bois Forte Band of Chippewa for a feasibility
114.36 study of a renewable energy biofuels

115.1 demonstration facility on the Bois Forte
115.2 Reservation in St. Louis and Koochiching
115.3 Counties. The grant shall be used by the Bois
115.4 Forte Band to conduct a detailed feasibility
115.5 study of the economic and technical viability
115.6 of developing a multistream renewable
115.7 energy biofuels demonstration facility
115.8 on Bois Forte Reservation land to utilize
115.9 existing forest resources, woody biomass,
115.10 and cellulosic material to produce biofuels or
115.11 bioenergy. The grant recipient must actively
115.12 participate in the Agricultural Utilization
115.13 Research Institute's Renewable Energy
115.14 Roundtable and no later than February 1,
115.15 2009, must report to the house and senate
115.16 committees with jurisdiction over agriculture
115.17 finance. This is a onetime appropriation and
115.18 is available until spent.

115.19 \$300,000 the first year is for a grant to
115.20 the White Earth Band of Chippewa for a
115.21 feasibility study of a renewable energy
115.22 biofuels production, research, and production
115.23 facility on the White Earth Reservation in
115.24 Mahnomen County. The grant must be used
115.25 by the White Earth Band and the University
115.26 of Minnesota to conduct a detailed feasibility
115.27 study of the economic and technical viability
115.28 of (1) developing a multistream renewable
115.29 energy biofuels demonstration facility on
115.30 White Earth Reservation land to utilize
115.31 existing forest resources, woody biomass,
115.32 and cellulosic material to produce biofuels or
115.33 bioenergy, and (2) developing, harvesting,
115.34 and marketing native prairie plants and seeds
115.35 for bioenergy production. The grant recipient
115.36 must actively participate in the Agricultural

116.1 Utilization Research Institute's Renewable
116.2 Energy Roundtable and no later than
116.3 February 1, 2009, must report to the house
116.4 and senate committees with jurisdiction
116.5 over agriculture finance. This is a onetime
116.6 appropriation and is available until spent.

116.7 \$200,000 the first year is for a grant to the Elk
116.8 River Economic Development Authority for
116.9 upfront engineering and a feasibility study
116.10 of the Elk River renewable fuels facility.
116.11 The facility must use a plasma gasification
116.12 process to convert primarily cellulosic
116.13 material, but may also use plastics and other
116.14 components from municipal solid waste, as
116.15 feedstock for the production of methanol
116.16 for use in biodiesel production facilities.
116.17 Any unencumbered balance in fiscal year
116.18 2008 does not cancel but is available for
116.19 fiscal year 2009. Notwithstanding Minnesota
116.20 Statutes, section 16A.285, the agency must
116.21 not transfer this appropriation. The grant
116.22 recipient must actively participate in the
116.23 Agricultural Utilization Research Institute's
116.24 Renewable Energy Roundtable and no
116.25 later than February 1, 2009, must report
116.26 to the house and senate committees with
116.27 jurisdiction over agriculture finance. This is
116.28 a onetime appropriation and is available until
116.29 spent.

116.30 \$200,000 the first year is for a grant to
116.31 Chisago County to conduct a detailed
116.32 feasibility study of the economic and
116.33 technical viability of developing a
116.34 multistream renewable energy biofuels
116.35 demonstration facility in Chisago, Isanti,
116.36 or Pine County to utilize existing forest

resources, woody biomass, and cellulosic material to produce biofuels or bioenergy. Chisago County may expend funds to Isanti and Pine Counties and the University of Minnesota for any costs incurred as part of the study. The feasibility study must consider the capacity of: (1) the seed bank at Wild River State Park to expand the existing prairie grass, woody biomass, and cellulosic material resources in Chisago, Isanti, and Pine Counties; (2) willing and interested landowners in Chisago, Isanti, and Pine Counties to grow cellulosic materials; and (3) the Minnesota Conservation Corps, the sentence to serve program, and other existing workforce programs in east central Minnesota to contribute labor to these efforts. The grant recipient must actively participate in the Agricultural Utilization Research Institute's Renewable Energy Roundtable and no later than February 1, 2009, must report to the house and senate committees with jurisdiction over agriculture finance. This is a onetime appropriation and is available until spent.

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

ARTICLE 8
VETERANS AFFAIRS

Section 1. **SUMMARY OF APPROPRIATIONS.**

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

	<u>2008</u>		<u>2009</u>		<u>Total</u>
<u>General</u>	\$	<u>-0-</u>	\$	<u>4,145,000</u>	\$ <u>4,145,000</u>
<u>Special Revenue</u>		<u>-0-</u>		<u>(338,000)</u>	<u>(338,000)</u>

Sec. 2. 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 45, article 2, to the agencies and for the purposes specified in this article. The appropriations are from the general fund or another named fund and are available for the fiscal years indicated for each purpose. The figures "2008" and "2009" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2008, are effective the day following final enactment.

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

Sec. 3. VETERANS AFFAIRS

Subdivision 1. <u>Total Appropriation</u>	\$	<u>-0-</u>	\$	<u>3,807,000</u>
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The appropriation additions or reductions for each purpose are shown in the following paragraphs.

\$500,000 in 2009 is added to the base for grants to counties for veterans service offices as provided under Laws 2007, chapter 45, article 2, section 1, paragraph (b). This is a onetime appropriation.

\$2,500,000 in 2009 is for state soldiers assistance under Minnesota Statutes, section 197.05. Of this amount, \$1,500,000 is added to the base for this activity. This appropriation is available until spent. The appropriation for state soldiers assistance for 2009 in Laws 2007, chapter 45, article 2, section 1, is available in 2008 if the appropriation for 2008 is insufficient.

119.1 \$500,000 in 2009 is for casework services for
119.2 veterans. The commissioner, in consultation
119.3 with the Department of Administration,
119.4 shall use the request for proposal process in
119.5 Minnesota Statutes, chapter 16C, to solicit
119.6 bids for the provision of these services.
119.7 The casework services provided should be
119.8 community-based, available statewide, and
119.9 include in-home counseling.

119.10 \$220,000 in 2009 is added to the base for
119.11 operations of the LinkVET telephone line
119.12 service for veterans.

119.13 For purposes of efficiency, the commissioner
119.14 must combine the services available through
119.15 the toll-free higher education call center
119.16 for veterans with those available through
119.17 LinkVET.

119.18 \$250,000 in 2009 is for a grant to the
119.19 Minnesota Assistance Council for Veterans
119.20 for their work in helping veterans and their
119.21 families affected by homelessness.

119.22 \$250,000 in 2009 is for the Veterans Claims
119.23 Office for outreach and training to improve
119.24 services and benefits to veterans. This
119.25 appropriation includes money to add veterans
119.26 service officer/coordinator positions,
119.27 including one to assist female veterans.

119.28 \$25,000 in 2009 is to develop a pilot program
119.29 for peer-to-peer counseling among combat
119.30 veterans. This is a onetime appropriation.

119.31 \$338,000 is a reduction in 2009 from the
119.32 special revenue fund appropriation from the
119.33 account established in Minnesota Statutes,
119.34 section 190.19.

120.1 \$200,000 in 2009 is a onetime appropriation
120.2 for:

120.3 (1) an intergovernmental and veterans
120.4 strategic planning study for the Minnesota
120.5 veterans homes, with special emphasis
120.6 on exploring alternative models for the
120.7 Minneapolis veterans home;

120.8 (2) a study of the feasibility of partnering
120.9 for home-based services for veterans with
120.10 nongovernmental, nonprofit, or faith-based
120.11 social service and health care delivery
120.12 organizations, as a means of enabling
120.13 veterans to live more independently, as an
120.14 alternative to the projected sharply increasing
120.15 needs for domiciliary and skilled nursing
120.16 beds in state veterans homes. This is a
120.17 onetime appropriation; and

120.18 (3) designing a treatment program for
120.19 veterans with traumatic brain injuries within
120.20 the state veterans homes.

120.21 \$300,000 is a reduction in 2009 for
120.22 the Veterans Homes Board. The base
120.23 appropriation for fiscal years 2010 and 2011
120.24 is reduced by \$300,000 in each year. This
120.25 reduction is made possible by the enhanced
120.26 efficiency in administration of the homes
120.27 associated with the transfer of governing
120.28 authority from the Veterans Homes Board to
120.29 the commissioner of veterans affairs.

120.30 **Subd. 2. Report to the Legislature**

120.31 By January 15, 2009, the commissioner shall
120.32 report to the chairs and ranking minority
120.33 members of the legislative committees and
120.34 divisions with jurisdiction over veterans

121.1 affairs policy and finance regarding activities
121.2 and expenditures in programs receiving an
121.3 appropriation in this article.

121.4 Sec. 4. Minnesota Statutes 2006, section 168.1255, is amended by adding a subdivision

121.5 to read:

121.6 Subd. 6. World War II memorial donation match account. Money remaining
121.7 in the World War II memorial donation match account after the state share of the
121.8 construction costs of the World War II memorial has been paid in full is appropriated to the
121.9 commissioner of veterans affairs for services and programs for veterans and their families.

121.10 Sec. 5. Minnesota Statutes 2006, section 190.19, subdivision 1, is amended to read:

121.11 Subdivision 1. **Establishment.** The Minnesota "Support Our Troops" account is
121.12 established in the special revenue fund. The account shall consist of contributions from
121.13 private sources and appropriations. Money in the account is appropriated in equal shares
121.14 to the Department of Military Affairs and the Department of Veterans Affairs.

121.15 **EFFECTIVE DATE.** Notwithstanding Laws 2007, chapter 45, article 2, section
121.16 1, and article 3, section 2, subdivision 3, this section is effective for distribution of the
121.17 Minnesota "Support Our Troops" account the day following final enactment.

121.18 Sec. 6. Minnesota Statutes 2006, section 190.19, is amended by adding a subdivision
121.19 to read:

121.20 Subd. 2a. **Uses; veterans.** Money appropriated to the Department of Veterans

121.21 Affairs from the Minnesota "Support Our Troops" account may be used for:

121.22 (1) grants to veterans service organizations; and

121.23 (2) outreach to underserved veterans.

121.24 Sec. 7. Laws 2007, chapter 144, article 1, section 7, is amended to read:

121.25 **Sec. 7. DEPARTMENT OF VETERANS**

121.26	AFFAIRS.	\$	6,000,000	\$	6,000,000
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121.27 For grants to eligible veterans or the eligible
121.28 spouses and children of veterans as provided
121.29 under Minnesota Statutes, section 197.791.

121.30 If the appropriation in this subdivision for

122.1 either year is insufficient, the appropriation
122.2 for the other year is available for it.

122.3 Of this appropriation, no more than ~~three~~
122.4 ~~percent~~ \$100,000 each year may be used for
122.5 the administrative costs of operating this
122.6 program.

122.7 On June 1, 2009, the commissioner of finance
122.8 must determine the amount needed to fully
122.9 fund the grant program under Minnesota
122.10 Statutes, section 197.791, and must adjust the
122.11 appropriations in this section to the amount
122.12 needed to provide grants for all eligible
122.13 veterans.

122.14 **ARTICLE 9**
122.15 **MILITARY AFFAIRS**

122.16 Section 1. **SUMMARY OF APPROPRIATIONS.**

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

122.19		<u>2008</u>		<u>2009</u>		<u>Total</u>
122.20	<u>General</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>390,000</u>	<u>\$ 390,000</u>
122.21	<u>Special Revenue</u>		<u>-0-</u>		<u>(338,000)</u>	<u>(338,000)</u>

122.22 Sec. 2. **APPROPRIATIONS.**

122.23 The sums shown in the columns marked "Appropriations" are added to or, if shown
122.24 in parentheses, subtracted from the appropriations in Laws 2007, chapter 45, article 3, to
122.25 the agencies and for the purposes specified in this article. The appropriations are from the
122.26 general fund or another named fund and are available for the fiscal years indicated for
122.27 each purpose. The figures "2008" and "2009" used in this article mean that the addition
122.28 to or subtraction from the appropriation listed under them is available for the fiscal year
122.29 ending June 30, 2008, or June 30, 2009, respectively. Supplemental appropriations and
122.30 reductions to appropriations for the fiscal year ending June 30, 2008, are effective the
122.31 day following final enactment.

123.1		<u>APPROPRIATIONS</u>		
123.2		<u>Available for the Year</u>		
123.3		<u>Ending June 30</u>		
123.4		<u>2008</u>		<u>2009</u>
123.5	Sec. 3. <u>MILITARY AFFAIRS</u>	\$	<u>-0-</u>	\$ <u>52,000</u>
123.6	<u>\$75,000 in 2009 is to establish a state</u>			
123.7	<u>enhancement of the employer support of the</u>			
123.8	<u>guard and reserve program. The funding</u>			
123.9	<u>base for this activity is \$35,000 each year in</u>			
123.10	<u>fiscal years 2010 and 2011.</u>			
123.11	<u>\$135,000 in 2009 is to make \$1,000 biannual</u>			
123.12	<u>bonus payments to National Guard medics</u>			
123.13	<u>who meet recertification requirements during</u>			
123.14	<u>the fiscal year.</u>			
123.15	<u>\$180,000 in 2009 is to add "state navigator"</u>			
123.16	<u>positions to coordinate state agency programs</u>			
123.17	<u>and activities to support and assist soldiers</u>			
123.18	<u>and their families during and after the</u>			
123.19	<u>reintegration process.</u>			
123.20	<u>\$338,000 is a reduction in 2009 from the</u>			
123.21	<u>special revenue fund appropriation from the</u>			
123.22	<u>account established in Minnesota Statutes,</u>			
123.23	<u>section 190.19.</u>			
123.24	Sec. 4. Minnesota Statutes 2007 Supplement, section 190.19, subdivision 2, is			
123.25	amended to read:			
123.26	Subd. 2. Uses. (a) Money appropriated from the Minnesota "Support Our Troops"			
123.27	account <u>to the Department of Military Affairs</u> may be used for:			
123.28	(1) grants directly to eligible individuals;			
123.29	(2) grants to one or more eligible foundations for the purpose of making grants to			
123.30	eligible individuals, as provided in this section; or			
123.31	(3) veterans' services; <u>or</u>			
123.32	<u>(4) grants to family readiness groups chartered by the adjutant general.</u>			

124.1 (b) As used in paragraph (a), the term, "eligible individual" includes any person
124.2 who is:

124.3 (1) a member of the Minnesota National Guard or a reserve unit based in Minnesota
124.4 who has been called to active service as defined in section 190.05, subdivision 5;

124.5 (2) a Minnesota resident who is a member of a military reserve unit not based
124.6 in Minnesota, if the member is called to active service as defined in section 190.05,
124.7 subdivision 5;

124.8 (3) any other Minnesota resident performing active service for any branch of the
124.9 military of the United States;

124.10 (4) a person who served in one of the capacities listed in clause (1), (2), or (3) who
124.11 has current financial needs directly related to that service; and

124.12 (5) a member of the immediate family of an individual identified in clause (1), (2),
124.13 (3), or (4). For purposes of this clause, "immediate family" means the individual's spouse
124.14 and minor children and, if they are dependents of the member of the military, the member's
124.15 parents, grandparents, siblings, stepchildren, and adult children.

124.16 (c) As used in paragraph (a), the term "eligible foundation" includes any organization
124.17 that:

124.18 (1) is a tax-exempt organization under section 501(c)(3) of the Internal Revenue
124.19 Code;

124.20 (2) has articles of incorporation under chapter 317A specifying the purpose of
124.21 the organization as including the provision of financial assistance to members of the
124.22 Minnesota National Guard and other United States armed forces reserves and their
124.23 families and survivors; and

124.24 (3) agrees in writing to distribute any grant money received from the adjutant general
124.25 under this section to eligible individuals as defined in this section and in accordance
124.26 with any written policies and rules the adjutant general may impose as conditions of the
124.27 grant to the foundation.

124.28 (d) The maximum grant awarded to an eligible individual under paragraph (a) in a
124.29 calendar year with funds from the Minnesota "Support Our Troops" account, either through
124.30 an eligible institution or directly from the adjutant general, may not exceed \$2,000.

124.31 Sec. 5. Minnesota Statutes 2006, section 190.25, subdivision 3, is amended to read:

124.32 Subd. 3. **Sale; use of funds.** The adjutant general is authorized to sell in the manner
124.33 provided by law any or all

124.34 (1) land, and

125.1 (2) ~~timber~~, growing crops, buildings, and other improvements, if any, situated upon
125.2 the land, acquired under the authority of subdivision 1 or which may hereafter comprise
125.3 the Camp Ripley Military Field Training Center and not needed for military training
125.4 purposes. The proceeds of any sales shall be deposited in the general fund.

125.5 The adjutant general may use funds that are directly appropriated for the acquisition
125.6 of land, the payment of expenses of forest management on land forming the Camp
125.7 Ripley Military Reservation, and the provision of an Enlisted Person's Service Center. If
125.8 amounts that are directly appropriated for these purposes in either year of a biennium are
125.9 insufficient, the appropriation for the other year of the biennium is available.

125.10 Sec. 6. Minnesota Statutes 2006, section 190.25, is amended by adding a subdivision
125.11 to read:

125.12 Subd. 3a. **Timber sales; use of funds.** The adjutant general is authorized to sell
125.13 in the manner provided by law any or all timber on land acquired under the authority of
125.14 subdivision 1 or which may hereafter comprise the Camp Ripley Military Field Training
125.15 Center. The proceeds of any sales of timber under this subdivision must be deposited in an
125.16 account in the special revenue fund and are appropriated to the adjutant general to be used
125.17 to manage the timber resources of Camp Ripley in a manner consistent with the camp's
125.18 purpose as lands for training armed forces.

125.19 Sec. 7. **[192.341] STATE ENHANCED EMPLOYER SUPPORT OF GUARD**
125.20 **AND RESERVE (ESGR) PROGRAM.**

125.21 The adjutant general is authorized to establish and administer a state enhancement
125.22 to the federal Employer Support of Guard and Reserve (ESGR) Program. The adjutant
125.23 general shall develop policy and guidelines for the administration of the program
125.24 established under this section.

125.25 Sec. 8. Minnesota Statutes 2006, section 192.501, is amended by adding a subdivision
125.26 to read:

125.27 Subd. 1c. **Medic recertification bonus program.** (a) The adjutant general
125.28 may establish a program to provide a recertification bonus to eligible members of the
125.29 Minnesota National Guard who recertify as emergency medical technicians (EMTs) in
125.30 the National Guard within the limitations of this subdivision. The bonus payments are
125.31 intended to generally encourage a member's continuing certification as an EMT.

125.32 (b) Eligibility for the recertification bonus is limited to a member of the National
125.33 Guard who:

126.1 (1) is serving satisfactorily as determined by the adjutant general; and
126.2 (2) has successfully completed the training required for recertification and warrants
126.3 the payment of a bonus.

126.4 (c) The adjutant general may, within the limitations of this subdivision and other
126.5 applicable laws, determine additional eligibility criteria for the bonus, and must specify all
126.6 of the criteria in regulations and publish changes as necessary.

126.7 (d) Payments under this subdivision must be made on a schedule that is determined
126.8 and published in department regulations by the adjutant general.

126.9 Sec. 9. Minnesota Statutes 2006, section 192.501, is amended by adding a subdivision
126.10 to read:

126.11 Subd. 2a. **Usage of tuition and textbook reimbursement grant program by**
126.12 **spouse permitted.** (a) Notwithstanding the eligibility limitations of subdivision 2,
126.13 paragraph (b), the spouse of a person eligible under subdivision 2, paragraph (b), is
126.14 eligible to use up to 12 semester hours per year, or the equivalent amount of quarter
126.15 credits, of that eligible person's unused tuition reimbursement benefit for each year of
126.16 service in the Minnesota National Guard after the eighth year of such service.

126.17 (b) Total benefits under this subdivision cannot exceed the total unused portion of
126.18 the service member's benefit. A service member's and spouse's eligibility for tuition
126.19 reimbursement under this subdivision is limited by the provisions of subdivision 2,
126.20 paragraph (g).

126.21 Sec. 10. **STARBASE STUDY.**

126.22 The appropriation in Laws 2007, chapter 45, article 3, section 2, subdivision 3, for
126.23 a longitudinal study measuring improvement in academic achievement as a result of
126.24 participation in the Starbase program is available until June 30, 2009. The Department of
126.25 Military Affairs must contract with the Wilder Foundation to conduct the study.

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

126.27 Sec. 11. **NATIONAL GUARD YOUTH CHALLENGE PROGRAM STUDY.**

126.28 The adjutant general and the Department of Military Affairs shall study participation
126.29 by the Minnesota National Guard in the National Guard Youth Challenge Program
126.30 promoted by the National Guard Youth Foundation. The adjutant general shall report on
126.31 the study and make recommendations to the governor and the committees of the senate
126.32 and the house of representatives with jurisdiction over National Guard programs by
126.33 January 15, 2009. The study must include:

- (1) possible locations for the Minnesota National Guard Youth Challenge Program;
- (2) estimated start-up costs for the program;
- (3) application and establishment procedures and resources required to apply for and establish the program; and
- (4) a survey of similar programs established in other states and how each state comes up with the state match required to obtain federal funds.

ARTICLE 10
ECONOMIC DEVELOPMENT

Section 1. SUMMARY OF APPROPRIATIONS.

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

	2008	2009	Total
General	\$ (2,425,000)	\$ 1,512,000	\$ (913,000)

Sec. 2. APPROPRIATIONS.

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

APPROPRIATIONS
Available for the Year
Ending June 30
20082009

Sec. 3. EMPLOYMENT AND ECONOMIC
DEVELOPMENT

Subdivision 1. Total Appropriation	\$ (3,000,000)	\$ 445,000
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128.1	<u>The appropriation additions or reductions</u>		
128.2	<u>for each purpose are shown in the following</u>		
128.3	<u>subdivisions.</u>		
128.4	<u>Subd. 2. Employment and Economic</u>		
128.5	<u>Development</u>	<u>-0-</u>	<u>(550,000)</u>
128.6	<u>This is an ongoing base reduction to</u>		
128.7	<u>the department's operating budget. This</u>		
128.8	<u>reduction must not result in layoffs.</u>		
128.9	<u>Subd. 3. Business and Community</u>		
128.10	<u>Development</u>	<u>(3,000,000)</u>	<u>800,000</u>
128.11	<u>(a) \$400,000 in the second year is for the</u>		
128.12	<u>establishment and operation of the Office of</u>		
128.13	<u>Science and Technology. This is a onetime</u>		
128.14	<u>appropriation and is available until expended.</u>		
128.15	<u>(b) \$400,000 in the second year is a onetime</u>		
128.16	<u>appropriation for transfer to the revolving</u>		
128.17	<u>loan account created in Minnesota Statutes,</u>		
128.18	<u>section 116J.996, subdivision 3, for the</u>		
128.19	<u>military reservist economic injury loan</u>		
128.20	<u>program, resulting from a call to active</u>		
128.21	<u>military duty.</u>		
128.22	<u>Subd. 4. Workforce Development</u>	<u>-0-</u>	<u>195,000</u>
128.23	<u>(a) \$120,000 in the second year is for a</u>		
128.24	<u>grant to HIRED to operate its industry</u>		
128.25	<u>sector training initiatives, which provide</u>		
128.26	<u>employee training developed in collaboration</u>		
128.27	<u>with employers in specific, high-demand</u>		
128.28	<u>industries. This is a onetime appropriation.</u>		
128.29	<u>(b) \$75,000 in the second year is for a grant</u>		
128.30	<u>to Lifetrack Resources for a onetime pilot</u>		
128.31	<u>project in Rochester focusing on immigrant</u>		
128.32	<u>and refugee collaborative programs,</u>		
128.33	<u>including those related to job-seeking skills</u>		

129.1 and workplace orientation, intensive job
129.2 development, functional work English, and
129.3 on-site job coaching. This is a onetime
129.4 appropriation and is available until expended.

129.5 Subd. 5. **Cancellations**

129.6 By July 31, 2008, the commissioner of
129.7 finance shall cancel the unencumbered
129.8 balance of the appropriation in Laws 2005,
129.9 First Special Session chapter 3, article 10,
129.10 section 23, to the foreign trade zone authority,
129.11 estimated to be \$608,000, to the general fund.

129.12 By July 31, 2008, the commissioner of
129.13 finance shall cancel \$2,000,000 of the
129.14 balance in the job skills partnership account
129.15 to the general fund.

129.16 Subd. 6. **Transfers In**

129.17 By July 31, 2008, the commissioner of
129.18 finance shall transfer the unencumbered
129.19 balance of the appropriation in Laws
129.20 2005, First Special Session chapter 1,
129.21 article 3, section 2, subdivision 2, for
129.22 the methamphetamine laboratory cleanup
129.23 revolving loan account in the public facilities
129.24 authority fund, estimated to be \$150,000, to
129.25 the general fund.

129.26 By July 31, 2008, the commissioner of
129.27 finance shall transfer \$8,000,000 of the
129.28 unencumbered balance in the workforce
129.29 development fund to the general fund.

129.30 Subd. 7. **Minnesota Minerals 21st Century**
129.31 **Fund**

129.32 Notwithstanding Minnesota Statutes,
129.33 section 116J.423, by June 30, 2009, the

130.1 commissioner shall make a \$1,000,000 grant
130.2 and a \$1,000,000 loan from the Minnesota
130.3 Minerals 21st Century Fund to Magnetation,
130.4 Inc. for reclamation of iron ore.

130.5 Sec. 4. **LABOR AND INDUSTRY**

130.6 Subdivision 1. Base Reduction \$ -0- \$ (43,000)

130.7 \$43,000 in the second year is a base
130.8 reduction. The commissioner must not
130.9 reduce funding available for prevailing wage
130.10 enforcement and must fill all positions when
130.11 vacancies become available.

130.12 Subd. 2. Transfers In

130.13 By June 30, 2009, the commissioner of
130.14 finance shall transfer \$2,000,000 from the
130.15 construction code fund under Minnesota
130.16 Statutes, section 326B.04, to the general
130.17 fund.

130.18 Sec. 5. **BUREAU OF MEDIATION**

130.19 **SERVICES** \$ -0- \$ (69,000)

130.20 This is a base reduction.

130.21 Sec. 6. **EXPLORE MINNESOTA TOURISM** \$ -0- \$ 1,299,000

130.22 (a) \$1,299,000 is for a grant to the Minnesota
130.23 Film and TV Board for the jobs production
130.24 program under Minnesota Statutes, section
130.25 116U.26. This is a onetime appropriation and
130.26 is in addition to any other appropriation for
130.27 the jobs program under Minnesota Statutes,
130.28 section 116U.26. This appropriation is
130.29 available until expended.

131.1 (b) \$500,000 of the balance in the special
131.2 marketing account established pursuant to
131.3 Laws 2005, First Special Session chapter
131.4 1, article 3, section 6, must be used for a
131.5 onetime grant to the Minnesota Film and
131.6 TV Board for the production of a film in
131.7 Minnesota in calendar years 2008 and 2009.
131.8 The grant is in addition to any payments
131.9 made for the same purpose from the film
131.10 production jobs program under Minnesota
131.11 Statutes, section 116U.26. This appropriation
131.12 is available until expended.

131.13	Sec. 7. <u>HOUSING FINANCE AGENCY</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>(200,000)</u>
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131.14 This is a onetime reduction.

131.15 Sec. 8. **MINNESOTA BOXING**

131.16	COMMISSION	\$	-0-	\$	80,000
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131.17 This amount is added to the commission's or
131.18 its successor's base budget.

131.19 Sec. 9. MINNESOTA HISTORICAL

131.20	SOCIETY	\$	575,000	\$	-0-
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131.21 \$575,000 in the first year is a onetime
131.22 appropriation for the Minnesota
131.23 Sesquicentennial Commission. The
131.24 Minnesota Historical Society, the State Arts
131.25 Board, and Explore Minnesota Tourism
131.26 may assist the commission in designing
131.27 and implementing the grants program.
131.28 The commission shall encourage private
131.29 contributions to match the state money to the
131.30 greatest extent possible. Any gifts, pledges,
131.31 membership fees, or contributions received
131.32 by the commission are appropriated to the

132.1 commission. This appropriation is available
132.2 until June 30, 2009.

132.3 Sec. 10. **[116J.996] MILITARY RESERVIST ECONOMIC INJURY LOANS.**

132.4 Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this
132.5 section.

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

132.7 (c) "Commissioner" means the commissioner of employment and economic
132.8 development.

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

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

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

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

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

132.21 (1) meet its obligations as they mature;

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

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

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

132.30 Subd. 3. **Revolving loan account.** The commissioner shall use money appropriated
132.31 for the purpose to establish a revolving loan account. All repayments of loans made
132.32 under this section must be deposited into this account. Interest earned on money in the
132.33 account accrues to the account. Money in the account is appropriated to the commissioner
132.34 for purposes of the loan program created in this section, including costs incurred by the
132.35 commissioner to establish and administer the program.

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

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

133.6 Sec. 11. Minnesota Statutes 2006, section 116L.04, subdivision 1, is amended to read:

133.7 Subdivision 1. **Partnership program.** (a) The partnership program may provide
133.8 grants-in-aid to educational or other nonprofit educational institutions using the following
133.9 guidelines:

133.10 (1) the educational or other nonprofit educational institution is a provider of training
133.11 within the state in either the public or private sector;

133.12 (2) the program involves skills training that is an area of employment need; and

133.13 (3) preference will be given to educational or other nonprofit training institutions
133.14 which serve economically disadvantaged people, minorities, or those who are victims of
133.15 economic dislocation and to businesses located in rural areas.

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

133.18 (c) Each institution must provide for the dissemination of summary results of a
133.19 grant-funded project, including, but not limited to, information about curriculum and
133.20 all supporting materials developed in conjunction with the grant. Results of projects
133.21 developed by any Minnesota State Colleges and Universities system institution must
133.22 be disseminated throughout the system.

133.23 Sec. 12. Minnesota Statutes 2006, section 116L.05, subdivision 3, is amended to read:

133.24 Subd. 3. **Use of funds.** The Job Skills Partnership Board may use up to six percent
133.25 of any funds it receives, regardless of the source, for activities authorized under section
133.26 116L.04, subdivision 2. The board may also use a portion of these funds to collect and
133.27 disseminate information on the activities under section 116L.04, subdivision 2. The board
133.28 must plan for the statewide dissemination of the results, curriculum, and supporting
133.29 materials of these grant-funded projects.

133.30 Sec. 13. Minnesota Statutes 2006, section 116L.05, subdivision 5, is amended to read:

133.31 Subd. 5. **Use of workforce development funds.** After March 1 of any fiscal year,
133.32 the board may use workforce development funds for the purposes outlined in sections

134.1 116L.04, ~~116L.06~~, and 116L.10 to 116L.14, or to provide incumbent worker training
134.2 services under section 116L.18 if the following conditions have been met:

134.3 (1) the board examines relevant economic indicators, including the projected
134.4 number of layoffs for the remainder of the fiscal year and the next fiscal year, evidence of
134.5 declining and expanding industries, the number of initial applications for and the number
134.6 of exhaustions of unemployment benefits, job vacancy data, and any additional relevant
134.7 information brought to the board's attention;

134.8 (2) the board accounts for all allocations made in section 116L.17, subdivision 2;

134.9 (3) based on the past expenditures and projected revenue, the board estimates future
134.10 funding needs for services under section 116L.17 for the remainder of the current fiscal
134.11 year and the next fiscal year;

134.12 (4) the board determines there will be unspent funds after meeting the needs of
134.13 dislocated workers in the current fiscal year and there will be sufficient revenue to meet
134.14 the needs of dislocated workers in the next fiscal year; and

134.15 (5) the board reports its findings in clauses (1) to (4) to the chairs of legislative
134.16 committees with jurisdiction over the workforce development fund, to the commissioners
134.17 of revenue and finance, and to the public.

134.18 Sec. 14. Minnesota Statutes 2006, section 116L.16, is amended to read:

134.19 **116L.16 DISTANCE-WORK GRANTS.**

134.20 The Job Skills Partnership Board may make grants-in-aid for distance-work
134.21 projects. The purpose of the grants is to promote distance-work projects involving
134.22 technology in rural areas and may include a consortium of organizations partnering
134.23 in the development of rural technology industry. Grants may be used to identify and
134.24 train rural workers in technology, act as a catalyst to bring together employers and rural
134.25 employees to perform distance work, and provide rural workers with physical connections
134.26 to telecommunications infrastructure, where necessary, in order to be self-employed or
134.27 employed from their homes or satellite offices. Grants must be made according to sections
134.28 116L.02 and 116L.04, except that:

134.29 (1) the business match may include, but is not limited to, office space;
134.30 additional management or technology staff costs; start-up equipment costs such as
134.31 telecommunications infrastructure, additional software, or computer upgrades; consulting
134.32 fees for implementation of distance-work policies or identification and skill assessment
134.33 of potential employees; and the joint financial contribution of two or more businesses
134.34 acting as a consortium;

134.35 (2) cash or in-kind contributions by partnering organizations may be used as a match;

135.1 (3) eligible grantees may be educational or nonprofit educational training
135.2 organizations; and

135.3 ~~(4) grants-in-aid may be packaged with loans under section 116L.06, subdivision~~
135.4 ~~6, and~~

135.5 ~~(5)~~ with respect to grants serving as a catalyst to bring together employers and rural
135.6 employees to perform distance work, the match must be at least one-to-two.

135.7 The board shall, to the extent there are sufficient applications, make grant awards
135.8 to as many parts of the state as possible. Subject to the requirement for geographic
135.9 distribution of grants, preference shall be given to grant applications that provide the most
135.10 cost-effective training proposals, that provide the best prospects for high-paying jobs
135.11 with high retention rates, or that are from more economically distressed rural areas or
135.12 communities.

135.13 Grantees must meet reporting and evaluation requirements established by the board.

135.14 Sec. 15. Minnesota Statutes 2007 Supplement, section 116L.17, subdivision 1, is
135.15 amended to read:

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

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

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

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

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

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

135.31 (4) has been self-employed, including farmers and ranchers, and is unemployed as a
135.32 result of general economic conditions in the community in which the individual resides
135.33 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 verified to be below the skill level and earning capacity of the veteran; 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. 16. Minnesota Statutes 2006, section 116L.20, subdivision 2, is amended to read:

Subd. 2. **Disbursement of special assessment funds.** (a) The money collected under this section shall be deposited in the state treasury and credited to the workforce development fund to provide for employment and training programs. The workforce development fund is created as a special account in the state treasury.

(b) All money in the fund not otherwise appropriated or transferred is appropriated to the Job Skills Partnership Board for the purposes of section 116L.17 and as provided for in paragraph (d). The board must act as the fiscal agent for the money and must disburse that money for the purposes of section 116L.17, not allowing the money to be used for

any other obligation of the state. All money in the workforce development fund shall be deposited, administered, and disbursed in the same manner and under the same conditions and requirements as are provided by law for the other special accounts in the state treasury, except that all interest or net income resulting from the investment or deposit of money in the fund shall accrue to the fund for the purposes of the fund.

(c) Reimbursement for costs related to collection of the special assessment shall be in an amount negotiated between the commissioner and the United States Department of Labor.

(d) If the board determines that the conditions of section 116L.05, subdivision 5, have been met, the board may use funds for the purposes outlined in sections 116L.04, ~~116L.06~~, and 116L.10 to 116L.14, or to provide incumbent worker training services under section 116L.18.

Sec. 17. Minnesota Statutes 2006, section 116U.26, is amended to read:

116U.26 FILM JOBS PRODUCTION PROGRAM.

(a) The film production jobs program is created. The program shall be operated by the Minnesota Film and TV Board with administrative oversight and control by the director of Explore Minnesota Tourism. The program shall make payment to producers of feature films, national television or Internet programs, documentaries, music videos, and commercials that directly create new film jobs in Minnesota. To be eligible for a payment, a producer must submit documentation to the Minnesota Film and TV Board of expenditures for production costs incurred in Minnesota that are directly attributable to the production in Minnesota of a film product.

The Minnesota Film and TV Board shall make recommendations to the director of Explore Minnesota Tourism about program payment, but the director has the authority to make the final determination on payments. The director's determination must be based on proper documentation of eligible production costs submitted for payments. No more than five percent of the funds appropriated for the program in any year may be expended for administration.

(b) For the purposes of this section:

(1) "production costs" means the cost of the following:

(i) a story and scenario to be used for a film;

(ii) salaries of talent, management, and labor, including payments to personal services corporations for the services of a performing artist;

(iii) set construction and operations, wardrobe, accessories, and related services;

(iv) photography, sound synchronization, lighting, and related services;

138.1 (v) editing and related services;
138.2 (vi) rental of facilities and equipment; or
138.3 (vii) other direct costs of producing the film in accordance with generally accepted
138.4 entertainment industry practice; and

138.5 (2) "film" means a ~~movie~~ feature film, television or Internet show, documentary,
138.6 music video, or television commercial, whether on film ~~or~~ video, or digital media. Film
138.7 does not include news, current events, public programming, or a program that includes
138.8 weather or market reports; a talk show; a production with respect to a questionnaire or
138.9 contest; a sports event or sports activity; a gala presentation or awards show; a finished
138.10 production that solicits funds; or a production for which the production company is
138.11 required under United States Code, title 18, section 2257, to maintain records with respect
138.12 to a performer portrayed in a single-media or multimedia program.

138.13 (c) Notwithstanding any other law to the contrary, the Minnesota Film and TV Board
138.14 may make reimbursements of up to 20 percent of film production costs for films that incur
138.15 production costs in excess of \$5,000,000 in Minnesota within a 12-month period.

138.16 **EFFECTIVE DATE.** This section is effective for films that are certified by the
138.17 Minnesota Film and TV Board on or after the day following final enactment.

138.18 Sec. 18. Minnesota Statutes 2006, section 298.223, subdivision 2, is amended to read:

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

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

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

139.1 governor. The commissioner may submit supplemental projects to the board and governor
139.2 for approval at any time.

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

139.4 Sec. 19. Minnesota Statutes 2006, section 298.28, subdivision 9d, as added by Laws
139.5 2008, chapter 154, article 8, section 9, is amended to read:

139.6 Subd. 9d. **Iron Range higher education account.** ~~Two~~ Five cents per taxable ton
139.7 must be allocated to the Iron Range Resources and Rehabilitation Board to be deposited
139.8 in an Iron Range higher education account that is hereby created, to be used for higher
139.9 education programs conducted at educational institutions in the taconite assistance area
139.10 defined in section 273.1341. The Iron Range Higher Education committee under section
139.11 298.2214 and the Iron Range Resources and Rehabilitation Board must approve all
139.12 expenditures from the account.

139.13 Sec. 20. Minnesota Statutes 2006, section 298.292, subdivision 2, as amended by Laws
139.14 2008, chapter 154, article 8, section 11, is amended to read:

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

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

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

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

139.30 (4) to invest in a venture capital fund or enterprise that will provide capital to other
139.31 entities that are engaging in, or that will engage in, projects or programs that have the
139.32 purposes set forth in subdivision 1. No investments may be made in a venture capital fund
139.33 or enterprise unless at least two other unrelated investors make investments of at least
139.34 \$500,000 in the venture capital fund or enterprise, and the investment by the Douglas

J. Johnson economic protection trust fund may not exceed the amount of the largest investment by an unrelated investor in the venture capital fund or enterprise. For purposes of this subdivision, an "unrelated investor" is a person or entity that is not related to 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 by the commissioner 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. 21. 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. 22. 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

141.1 payment of interest on bonds of the authority, the establishment of reserves to secure
141.2 its bonds, the payment of fees to a third party providing credit enhancement, and the
141.3 payment of all other expenditures of the authority incident to and necessary or convenient
141.4 to carry out its corporate purposes and powers, but not including the making of grants.
141.5 Bonds of the authority may be issued as bonds or notes or in any other form authorized
141.6 by law. The principal amount of bonds issued and outstanding under this section at any
141.7 time may not exceed \$1,500,000,000, excluding bonds for which refunding bonds or
141.8 crossover refunding bonds have been issued~~;~~, and excluding any bonds issued for the
141.9 credit enhanced bond program or refunding or crossover refunding bonds issued under the
141.10 program. The principal amount of bonds issued and outstanding under section 446A.087,
141.11 may not exceed \$500,000,000, excluding bonds for which refunding bonds or crossover
141.12 refunding bonds have been issued.

141.13 Sec. 23. Minnesota Statutes 2006, section 462A.22, subdivision 1, is amended to read:

141.14 Subdivision 1. **Debt ceiling.** The aggregate principal amount of bonds and notes
141.15 which are outstanding at any time, excluding the principal amount of any bonds and
141.16 notes refunded by the issuance of new bonds or notes, shall not exceed the sum of
141.17 ~~\$3,000,000,000~~ \$5,000,000,000.

141.18 Sec. 24. Laws 1999, chapter 223, article 2, section 72, is amended to read:

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

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

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

142.2 Sec. 25. Laws 2007, chapter 135, article 1, section 3, subdivision 2, is amended to read:

142.3 Subd. 2. **Business and Community**

142.4 Development	40,667,000	8,639,000
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142.5 Appropriations by Fund		
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142.6 General	39,967,000	7,939,000
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142.7 Remediation	700,000	700,000
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142.8 (a) (1) \$250,000 the first year and \$250,000

142.9 the second year are from the general fund

142.10 for a grant under Minnesota Statutes,

142.11 section 116J.421, to the Rural Policy and

142.12 Development Center at St. Peter, Minnesota.

142.13 The grant shall be used for research and

142.14 policy analysis on emerging economic and

142.15 social issues in rural Minnesota, to serve as

142.16 a policy resource center for rural Minnesota

142.17 communities, to encourage collaboration

142.18 across higher education institutions to

142.19 provide interdisciplinary team approaches

142.20 to research and problem-solving in rural

142.21 communities, and to administer overall

142.22 operations of the center.

142.23 (2) The grant shall be provided upon the

142.24 condition that each state-appropriated

142.25 dollar be matched with a nonstate dollar.

142.26 Acceptable matching funds are nonstate

142.27 contributions that the center has received and

142.28 have not been used to match previous state

142.29 grants. Any unencumbered balance in the

142.30 first year is available for the second year.

142.31 (b) \$250,000 the first year and \$250,000

142.32 the second year are from the general fund

143.1 for a grant to WomenVenture for women's
143.2 business development programs.

143.3 (c) \$250,000 the first year is for a grant to
143.4 University Enterprise Laboratories (UEL)
143.5 for its direct and indirect expenses to support
143.6 efforts to encourage the growth of early-stage
143.7 and emerging bioscience companies. UEL
143.8 must provide a report by June 30 each year
143.9 to the commissioner on the expenditures
143.10 until the appropriation is expended. This is a
143.11 onetime appropriation and is available until
143.12 expended.

143.13 (d) \$2,000,000 the first year is for grants
143.14 under Minnesota Statutes, section 116J.571,
143.15 for the redevelopment grant program. This is
143.16 a onetime appropriation.

143.17 (e) \$100,000 the first year and \$100,000 the
143.18 second year are to help small businesses
143.19 access federal funds through the federal
143.20 Small Business Innovation Research Program
143.21 and the federal Small Business Technology
143.22 Transfer Program. Department services
143.23 must include maintaining connections to
143.24 11 federal programs, assessment of specific
143.25 funding opportunities, review of funding
143.26 proposals, referral to specific consulting
143.27 services, and training workshops throughout
143.28 the state. Unless prohibited by federal law,
143.29 the department must implement fees for
143.30 services that help companies seek federal
143.31 Phase II Small Business Innovation Research
143.32 grants. The recommended fee schedule
143.33 must be reported to the chairs of the house
143.34 of representatives finance committee and

144.1 senate budget division with jurisdiction over
144.2 economic development by February 1, 2008.

144.3 (f) \$100,000 the first year and \$100,000
144.4 the second year are appropriated to the
144.5 Public Facilities Authority for the small
144.6 community wastewater treatment program
144.7 under Minnesota Statutes, chapter 446A.

144.8 (g) \$255,000 the first year and \$155,000
144.9 the second year are from the general fund
144.10 for a grant to the Metropolitan Economic
144.11 Development Association for continuing
144.12 minority business development programs in
144.13 the metropolitan area.

144.14 (h) \$85,000 the first year and \$85,000 the
144.15 second year are for grants to the Minnesota
144.16 Inventors Congress. Of this amount, \$10,000
144.17 each year is for the Student Inventors
144.18 Congress.

144.19 (i) \$151,000 the first year is for a onetime
144.20 grant to the city of Faribault to design,
144.21 construct, furnish, and equip renovations to
144.22 accommodate handicapped accessibility at
144.23 the Paradise Center for the Arts.

144.24 (j) \$750,000 the first year is to Minnesota
144.25 Technology, Inc. for the small business
144.26 growth acceleration program established
144.27 under Minnesota Statutes, section 116O.115.
144.28 This is a onetime appropriation. This
144.29 appropriation does not cancel, but is
144.30 available until June 30, 2011.

144.31 (k) \$300,000 the first year is for a onetime
144.32 grant to the city of Northome for the
144.33 construction of a new municipal building to
144.34 replace the structures damaged by fire on

145.1 July 22, 2006. This appropriation is available
145.2 when the commissioner determines that a
145.3 sufficient match is available from nonstate
145.4 sources to complete the project.

145.5 (l) \$300,000 the first year is for a grant to the
145.6 city of Worthington for an agricultural-based
145.7 bioscience training and testing center. Funds
145.8 appropriated under this section must be used
145.9 to provide a training and testing facility for
145.10 incubator firms developing new agricultural
145.11 processes and products. This is a onetime
145.12 appropriation and is available until expended.

145.13 (m) \$1,750,000 the first year is for a onetime
145.14 grant to BioBusiness Alliance of Minnesota
145.15 for bioscience business development
145.16 programs to promote and position the state
145.17 as a global leader in bioscience business
145.18 activities. These funds may be used for:

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

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

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

146.1 scenarios, evaluate options, and forecast
146.2 outcomes; and

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

146.13 This appropriation is available until June 30,
146.14 2009.

146.15 (n) \$125,000 the first year is to develop and
146.16 operate a bioscience business marketing
146.17 program to market Minnesota bioscience
146.18 businesses and business opportunities
146.19 to other states and other countries. The
146.20 bioscience business marketing program must
146.21 emphasize bioscience business location and
146.22 expansion opportunities in communities
146.23 outside of the seven-county metropolitan
146.24 area as defined in Minnesota Statutes,
146.25 section 473.121, subdivision 2, that have
146.26 established collaborative plans among two
146.27 or more municipal units for bioscience
146.28 business activities, and that are within 15
146.29 miles of a four-year, baccalaureate degree
146.30 granting institution or a two-year technical
146.31 or community college that offers bioscience
146.32 curricula. The commissioner must report
146.33 to the committees of the senate and house
146.34 of representatives having jurisdiction
146.35 over bioscience and technology issues by

147.1 February 1 of each year on the expenditures
147.2 of these funds and the promotional activities
147.3 undertaken to market the Minnesota
147.4 bioscience industry to persons outside of the
147.5 state. This is a onetime appropriation and is
147.6 available until expended.

147.7 (o) \$325,000 is for a grant to the Walker
147.8 Area Community Center, Inc., to construct,
147.9 furnish, and equip the Walker Area
147.10 Community Center. This appropriation is
147.11 not available until the commissioner has
147.12 determined that an amount sufficient to
147.13 complete the project has been committed
147.14 from nonstate sources. This is a onetime
147.15 appropriation and is available until expended.

147.16 (p) \$100,000 the first year is for a grant
147.17 to the Pine Island Economic Development
147.18 Authority for predesign to upgrade and
147.19 extend utilities to serve Elk Run Bioscience
147.20 Research Park and The Falls - Healthy
147.21 Living By Nature, an integrated medicine
147.22 facility. This is a onetime appropriation and
147.23 is available until expended.

147.24 (q) \$350,000 the first year is for a grant
147.25 to Thomson Township for infrastructure
147.26 improvements for the industrial park. This
147.27 is a onetime appropriation and is available
147.28 until expended.

147.29 (r) \$75,000 the first year is for a grant to
147.30 Le Sueur County for the cost of cleaning
147.31 up debris from lakes in Le Sueur County,
147.32 caused by the August 24, 2006, tornado in
147.33 southern Le Sueur County. This is a onetime
147.34 appropriation and is available until expended.

148.1 (s) \$400,000 the first year is for a grant to
148.2 the city of Rogers to be used for relief from
148.3 damages caused by the September 16, 2006,
148.4 tornado.

148.5 (t) \$75,000 the first year is for a grant to
148.6 the city of Warroad for new public facilities
148.7 to replace those damaged or destroyed
148.8 by the August 2006 tornado, including
148.9 approximately 28 new street lights and
148.10 underground electrical circuits and a new
148.11 fish cleaning house. This is a onetime
148.12 appropriation and is available until expended.
148.13 If an appropriation for this purpose is enacted
148.14 more than once in the 2007 session, the
148.15 appropriation is effective only once.

148.16 (u) \$500,000 the first year is for a grant to
148.17 the Upper Sioux Community to improve the
148.18 current water system to ensure continuity
148.19 of service to the entire population of the
148.20 community and to meet the demands of the
148.21 community expansion over the next 20 years.
148.22 The is a onetime appropriation and is not
148.23 available until the Public Facilities Authority
148.24 has determined that at least \$1,000,000 has
148.25 been committed from nonstate sources. This
148.26 appropriation is available until expended.

148.27 * (The preceding text beginning "(u)
148.28 \$500,000 the first year is for" was
148.29 indicated as vetoed by the governor.)

148.30 (v) \$755,000 the first year is for the urban
148.31 challenge grant program under Minnesota
148.32 Statutes, section 116M.18. This is a onetime
148.33 appropriation.

148.34 (w) \$1,100,000 is for a grant to the
148.35 Neighborhood Development Center for

149.1 assistance necessary to retain minority
149.2 business enterprises at the Global Market.
149.3 This is a onetime appropriation and is
149.4 available until expended.

149.5 (x) \$350,000 the first year is for a onetime
149.6 grant to the city of Inver Grove Heights
149.7 to reduce debt on the Inver Grove Heights
149.8 Veterans Memorial Community Center.
149.9 *** (The preceding text beginning "(x)**
149.10 **\$350,000 the first year is for" was**
149.11 **indicated as vetoed by the governor.)**

149.12 (y) \$14,900,000 the first year is for the
149.13 Minnesota minerals 21st century fund created
149.14 in Minnesota Statutes, section 116J.423, to
149.15 partially restore the money unallotted by the
149.16 commissioner of finance in 2003 pursuant
149.17 to Minnesota Statutes, section 16A.152.
149.18 This appropriation may be used as provided
149.19 in Minnesota Statutes, section 116J.423,
149.20 subdivision 2. This appropriation is available
149.21 until expended.

149.22 (z) \$2,500,000 the first year is for a grant to
149.23 the city of St. Paul to be used to pay, redeem,
149.24 or refund debt service costs incurred for the
149.25 River Centre Campus. *** (The preceding**
149.26 **text beginning "(z) \$2,500,000 the first**
149.27 **year is for" was indicated as vetoed by the**
149.28 **governor.)**

149.29 (aa) \$147,000 each year is appropriated from
149.30 the general fund to the commissioner of
149.31 employment and economic development for
149.32 grants of \$49,000 to eligible organizations
149.33 each year and for the purposes of this
149.34 paragraph. Each state grant dollar must be
149.35 matched with \$1 of nonstate funds. Any

150.1 balance in the first year does not cancel but
150.2 is available in the second year. The base for
150.3 these grants in fiscal years 2010 and 2011
150.4 is \$189,000 each year, with each eligible
150.5 organization receiving a \$63,000 grant each
150.6 year.

150.7 The commissioner of employment and
150.8 economic development must make grants to
150.9 organizations to assist in the development
150.10 of entrepreneurs and small businesses.
150.11 Three grants must be awarded to continue
150.12 or to develop a program. One grant must
150.13 be awarded to the Riverbend Center for
150.14 Entrepreneurial Facilitation in Blue Earth
150.15 County, and two to other organizations
150.16 serving Faribault and Martin Counties. Grant
150.17 recipients must report to the commissioner
150.18 by February 1 of each year that the
150.19 organization receives a grant with the
150.20 number of customers served; the number of
150.21 businesses started, stabilized, or expanded;
150.22 the number of jobs created and retained; and
150.23 business success rates. The commissioner
150.24 must report to the house of representatives
150.25 and senate committees with jurisdiction
150.26 over economic development finance on the
150.27 effectiveness of these programs for assisting
150.28 in the development of entrepreneurs and
150.29 small businesses.

150.30 (bb) ~~\$5,000,000~~ \$2,000,000 the first year is
150.31 for grants under Minnesota Statutes, section
150.32 116J.8731, for the Minnesota investment
150.33 fund program. Of this amount, ~~up to~~
150.34 ~~\$3,000,000 may be used for a legal reference~~
150.35 ~~office and data center facility, provided that~~
150.36 ~~the total capital investment in the facility~~

151.1 ~~is at least \$60,000,000. This grant is not~~
151.2 ~~subject to grant limitations under Minnesota~~
151.3 ~~Statutes, section 116J.8731, subdivision 5~~
151.4 \$1,000,000 must be used for the biomass
151.5 heating grants and loans pilot project. This
151.6 is a onetime appropriation and is available in
151.7 either year of the biennium.

151.8 Sec. 26. Laws 2007, chapter 135, article 1, section 3, subdivision 3, is amended to read:

151.9	Subd. 3. Workforce Development	50,024,000	49,833,000
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151.10	Appropriations by Fund		
151.11	General	33,529,000	33,338,000
151.12	Workforce		
151.13	Development	16,495,000	16,495,000

151.14 (a) \$6,785,000 the first year and \$6,785,000
151.15 the second year are from the general fund
151.16 for the Minnesota job skills partnership
151.17 program under Minnesota Statutes, sections
151.18 116L.01 to 116L.17. If the appropriation for
151.19 either year is insufficient, the appropriation
151.20 for the other year is available for it. This
151.21 appropriation does not cancel.

151.22 (b) \$455,000 the first year and \$455,000 the
151.23 second year are from the general fund for
151.24 a grant under Minnesota Statutes, section
151.25 116J.8747, to Twin Cities RISE! to provide
151.26 training to hard-to-train individuals.

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

151.31 (d) \$5,614,000 each year is from the general
151.32 fund and \$6,920,000 each year is from the

152.1 workforce development fund for extended
152.2 employment services for persons with
152.3 severe disabilities or related conditions under
152.4 Minnesota Statutes, section 268A.15. Of this,
152.5 \$125,000 each year and in the base for fiscal
152.6 years 2010 and 2011 is to supplement funds
152.7 paid for wage incentives for the community
152.8 support fund established in Minnesota Rules,
152.9 part 3300.2045. The commissioner shall
152.10 not reduce total expenditures from these
152.11 appropriations.

152.12 (e) \$1,650,000 the first year and \$1,650,000
152.13 the second year are from the general fund for
152.14 grants for programs that provide employment
152.15 support services to persons with mental
152.16 illness under Minnesota Statutes, sections
152.17 268A.13 and 268A.14. Up to \$77,000 each
152.18 year may be used for administrative and
152.19 salary expenses.

152.20 (f) \$2,440,000 the first year and \$2,440,000
152.21 the second year are from the general
152.22 fund for grants under Minnesota Statutes,
152.23 section 268A.11, for the eight centers
152.24 for independent living. The base for this
152.25 program is \$2,440,000 each year in fiscal
152.26 years 2010 and 2011. Money not expended
152.27 the first year is available the second year.

152.28 The commissioner must:

152.29 (1) transfer \$115,000 of federal independent
152.30 living Part B rehabilitation services funds
152.31 to the Minnesota Centers for Independent
152.32 Living each year contingent upon the
152.33 availability of federal funds under Title VII,
152.34 Part B, of the Federal Rehabilitation Act of
152.35 1973 as amended under United States Code,

153.1 title 29, section 711(c), and approved by the
153.2 Statewide Independent Living Council;

153.3 (2) replace federal Part B funds in the
153.4 State Independent Living Council budget
153.5 transferred under clause (1) with \$115,000
153.6 of Social Security Administration program
153.7 income funds each year; and

153.8 (3) provide an additional \$185,000 each year
153.9 from the Social Security Administration
153.10 program income to the Minnesota Centers for
153.11 Independent Living to be allocated equally
153.12 among the eight centers.

153.13 Additional funding for centers for
153.14 independent living under clauses (1) and (3)
153.15 must be used for core independent living
153.16 services by the Centers for Independent
153.17 Living. The Statewide Independent Living
153.18 Council framework for statewide distribution
153.19 of state and federal funding to the Minnesota
153.20 Centers for Independent Living does not
153.21 apply to the funds under clauses (1) and
153.22 (3). The commissioner must report on the
153.23 transfers in clauses (1), (2), and (3), and any
153.24 other effort to pursue additional funding for
153.25 the Centers for Independent Living to the
153.26 standing committees of the senate and house
153.27 of representatives having jurisdiction over
153.28 Centers for Independent Living by March 15
153.29 each year.

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

153.33 (h) \$150,000 the first year and \$150,000
153.34 the second year are from the general fund
153.35 and \$175,000 the first year and \$175,000

154.1 the second year are from the workforce
154.2 development fund for grants under Minnesota
154.3 Statutes, section 268A.03, to Rise, Inc.
154.4 for the Minnesota Employment Center for
154.5 People Who are Deaf or Hard-of-Hearing.
154.6 Money not expended the first year is
154.7 available the second year.

154.8 (i) \$9,021,000 the first year and \$9,021,000
154.9 the second year are from the general fund for
154.10 the state's vocational rehabilitation program
154.11 for people with significant disabilities to
154.12 assist with employment, under Minnesota
154.13 Statutes, chapter 268A.

154.14 (j) \$350,000 the first year and \$350,000
154.15 the second year are from the workforce
154.16 development fund for grants to provide
154.17 interpreters for a regional transition program
154.18 that specializes in providing culturally
154.19 appropriate transition services leading to
154.20 employment for deaf, hard-of-hearing, and
154.21 deaf-blind students. This amount must be
154.22 added to the department's base.

154.23 (k) \$150,000 the first year and \$150,000 the
154.24 second year are for a grant to Advocating
154.25 Change Together for training, technical
154.26 assistance, and resources materials to persons
154.27 with developmental and mental illness
154.28 disabilities.

154.29 (l) \$250,000 the first year and \$250,000
154.30 the second year are from the workforce
154.31 development fund and \$150,000 the first
154.32 year and \$100,000 the second year are from
154.33 the general fund for a grant to Lifetrack
154.34 Resources for its immigrant and refugee
154.35 collaborative programs, including those

155.1 related to job-seeking skills and workplace
155.2 orientation, intensive job development,
155.3 functional work English, and on-site job
155.4 coaching. \$50,000 of the first year general
155.5 fund appropriation is for a onetime pilot
155.6 Lifetrack project in Rochester.

155.7 (m) \$75,000 the first year and \$75,000 the
155.8 second year are from the general fund and
155.9 \$1,000,000 the first year and \$1,000,000
155.10 the second year are from the workforce
155.11 development fund for the youthbuild
155.12 program under Minnesota Statutes, sections
155.13 116L.361 to 116L.366. This appropriation
155.14 may be used for:

155.15 (1) restoring the three youthbuild programs
155.16 that were eliminated due to budget reductions
155.17 and adding seven more youthbuild programs
155.18 statewide;

155.19 (2) restoring funding levels for all youthbuild
155.20 programs plus an inflationary increase for
155.21 each program;

155.22 (3) increasing the number of at-risk youth
155.23 served by the youthbuild programs from 260
155.24 youth per year to 500 youth per year; and

155.25 (4) restoring the youthbuild focus on careers
155.26 in technology and adding a youthbuild focus
155.27 on careers in the medical field.

155.28 (n) \$1,325,000 each year is from the
155.29 workforce development fund for grants
155.30 to fund summer youth employment in
155.31 Minneapolis. The grants shall be used to
155.32 fund up to 500 jobs for youth each summer.
155.33 Of this appropriation, \$325,000 each year is
155.34 for a grant to the learn-to-earn summer youth

156.1 employment program. The commissioner
156.2 shall establish criteria for awarding the
156.3 grants. This appropriation is available in
156.4 either year of the biennium and is available
156.5 until spent.

156.6 (o) \$600,000 the first year and \$600,000
156.7 the second year are from the workforce
156.8 development fund for a grant to the city of
156.9 St. Paul for grants to fund summer youth
156.10 employment in St. Paul. The grants shall be
156.11 used to fund up to 500 jobs for youth each
156.12 summer. The commissioner shall establish
156.13 criteria for awarding the grants within the
156.14 city of St. Paul. This appropriation is
156.15 available in either year of the biennium and
156.16 is available until spent.

156.17 (p) \$250,000 the first year and \$250,000 the
156.18 second year are from the general fund for
156.19 grants to Northern Connections in Perham
156.20 to implement and operate a pilot workforce
156.21 program that provides one-stop supportive
156.22 services to individuals as they transition into
156.23 the workforce.

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

156.28 * (The preceding text beginning "(q)
156.29 \$100,000 each year is for" was indicated
156.30 as vetoed by the governor.)

156.31 (r) \$150,000 each year is for a grant to the
156.32 Hennepin-Carver Workforce Investment
156.33 Board (WIB) to coordinate with the Partners
156.34 for Progress Regional Skills Consortium
156.35 to provide employment and training as

157.1 demonstrated by the Twin Cities regional
157.2 health care training partnership project.

157.3 *** (The preceding text beginning "(r)**
157.4 **\$150,000 each year is for" was indicated**
157.5 **as vetoed by the governor.)**

157.6 (s) \$160,000 the first year is for a onetime
157.7 grant to Workforce Development, Inc., for
157.8 a pilot project to provide demand-driven
157.9 employment and training services to
157.10 welfare recipients and other economically
157.11 disadvantaged populations in Mower,
157.12 Freeborn, Dodge, and Steele Counties.

157.13 (t) \$200,000 the first year and \$200,000 the
157.14 second year are from the general fund for
157.15 a grant to HIRED to operate its industry
157.16 sector training initiatives, which provide
157.17 employee training developed in collaboration
157.18 with employers in specific, high-demand
157.19 industries. *** (The preceding text beginning**
157.20 **"(t) \$200,000 the first year" was indicated**
157.21 **as vetoed by the governor.)**

157.22 (u) \$100,000 the first year is for a onetime
157.23 grant to a nonprofit organization. The
157.24 nonprofit organization must work on behalf
157.25 of all licensed vendors to coordinate their
157.26 efforts to respond to solicitations or other
157.27 requests from private and governmental units
157.28 as defined in Minnesota Statutes, section
157.29 471.59, subdivision 1, in order to increase
157.30 employment opportunities for persons with
157.31 disabilities. This appropriation is available
157.32 until June 30, 2009.

157.33 (v) \$3,500,000 each year from the workforce
157.34 development fund is for the Minnesota youth

158.1 program under Minnesota Statutes, sections
158.2 116L.56 and 116L.561.

158.3 (w) \$1,000,000 each year from the workforce
158.4 development fund is for a grant to the
158.5 Minnesota Alliance of Boys and Girls
158.6 Clubs to administer a statewide project
158.7 of youth job skills development. This
158.8 project, which may have career guidance
158.9 components, including health and life skills,
158.10 is to encourage, train, and assist youth in
158.11 job-seeking skills, workplace orientation,
158.12 and job site knowledge through coaching.
158.13 This grant requires a 25 percent match from
158.14 nonstate resources.

158.15 (x) \$10,000 the first year is for a study on
158.16 ways to promote employment opportunities
158.17 for minorities, with a particular focus on
158.18 opportunities for African Americans, in
158.19 the state of Minnesota. The study should
158.20 focus on how to significantly expand the job
158.21 training available to minorities and promote
158.22 substantial increases in the wages paid to
158.23 minorities, at least to a rate well above living
158.24 wage, and within several years, to equality.
158.25 The commissioner must report on the study
158.26 to the governor and the chair of the finance
158.27 committee in each house of the legislature
158.28 that has jurisdiction over employment by
158.29 January 15, 2008, with recommendations for
158.30 implementing the findings.

158.31 (y) The commissioner must provide funding
158.32 for the Minnesota Conservation Corps to
158.33 provide learning stipends for deaf students
158.34 and wages for interpreters participating in
158.35 the MCC summer youth program.

159.1 Sec. 27. Laws 2007, chapter 135, article 1, section 6, subdivision 4, is amended to read:

159.2	Subd. 4. Labor Standards/Apprenticeship	1,833,000	1,803,000
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159.3	Appropriations by Fund		
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159.4	General	1,069,000	1,024,000
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159.5	Workforce		
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159.6	Development	764,000	779,000
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159.7 The appropriation from the workforce
159.8 development fund is for the apprenticeship
159.9 program under Minnesota Statutes, chapter
159.10 178, and includes \$100,000 each year for
159.11 labor education and advancement program
159.12 grants.

159.13 \$360,000 the first year and \$300,000 the
159.14 second year from the general fund are for
159.15 prevailing wage enforcement of which
159.16 \$60,000 in the first year is for outreach and
159.17 survey participation improvements, and is
159.18 available until expended.

159.19 Sec. 28. Laws 2007, First Special Session chapter 2, article 1, section 8, subdivision 2,
159.20 is amended to read:

159.21	Subd. 2. Minnesota Investment Fund	35,000,000
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159.22 For transfer to the Minnesota investment
159.23 fund for grants to local units of government
159.24 for locally administered grants or loan
159.25 programs for businesses and nonprofit
159.26 organizations directly and adversely affected
159.27 by the flood, including those that provide
159.28 residential, health care, child care, social, or
159.29 other services on behalf of the Department
159.30 of Human Services to residents of the area
159.31 included in DR-1717. Assistance under this
159.32 subdivision is not limited to businesses.

160.1 Payments may be made for property damage
160.2 and cleanup, and to reimburse parties under
160.3 contract, provider agreement, or other
160.4 arrangement with the commissioner of
160.5 human services as of August 18, 2007, for
160.6 residential, health care, child care, social,
160.7 or other services provided on behalf of
160.8 the Department of Human Services to a
160.9 resident of the area included in DR-1717,
160.10 notwithstanding that:

160.11 (1) the resident has been compelled by the
160.12 floods of August 2007 to relocate outside the
160.13 party's service area; or

160.14 (2) the party is unable to provide services
160.15 to the resident due to flood damage to the
160.16 party's place of business.

160.17 Criteria and requirements must be locally
160.18 established with the approval of the
160.19 commissioner. For the purposes of this
160.20 appropriation, Minnesota Statutes, sections
160.21 116J.8731, subdivisions 3, 4, 5, and 7;
160.22 116J.993; 116J.994; and 116J.995, are
160.23 waived. Businesses that receive grants or
160.24 loans from this appropriation must set goals
160.25 for jobs retained and wages paid within the
160.26 area included in DR-1717.

160.27 Before any grants under this subdivision are
160.28 awarded to a local unit of government, the
160.29 commissioner of employment and economic
160.30 development shall report to the chairs of the
160.31 senate finance and house of representatives
160.32 ways and means committees the criteria and
160.33 requirements to be used by local units of
160.34 government in the grant or loan programs

161.1 they will administer. This appropriation is
161.2 from the general fund.

161.3 Any money transferred to the commissioner
161.4 of natural resources to provide
161.5 high-resolution digital elevation maps
161.6 using Light Detection and Ranging (LiDAR)
161.7 technology to be used for flood management
161.8 is available until June 30, 2009.

161.9 Sec. 29. **BIOMASS HEATING GRANTS AND LOANS PILOT PROJECT.**

161.10 Within the limits of appropriations, the commissioner of the Department of
161.11 Employment and Economic Development shall make grants and loans for costs related
161.12 to the installation of an approved biomass heating project in a publicly owned facility,
161.13 including K-12 public schools, higher education buildings, and buildings owned by a
161.14 local unit of government. The commissioner must approve biomass heating projects that
161.15 produce energy for heating air or water using organic matter available on a renewable
161.16 basis, including but not limited to agricultural crops, grasses and trees, or wood production
161.17 or other waste. Applications for a grant or loan under this section must be made to the
161.18 commissioner on the forms and according to the timeline prescribed by the commissioner.
161.19 At a minimum, the commissioner must require sufficient information on the applications
161.20 to determine that the physical condition of the publicly owned facility is sufficient to
161.21 support the efficient operation of the biomass heating project and that the projected
161.22 cumulative energy cost savings are adequate relative to the costs of the investment.
161.23 The grant and loan may each provide up to 50 percent of the total installed costs of the
161.24 biomass heating projects.

161.25 Sec. 30. **HARDSHIP PAYMENTS.**

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

161.31 Subd. 2. **Economic hardship.** "Economic hardship" means financial losses to
161.32 an applicant resulting from: checks returned for insufficient funds; account overdraft
161.33 charges; installment credit penalties, interest, and other fees resulting from missed or
161.34 late payments; mortgage loan late fees, interest charges, or other penalties; charges for

162.1 force-placed automobile or homeowner's insurance; penalties for late payment of income
162.2 or property taxes; and any penalties or adverse consequences, including the suspension of
162.3 an applicant's driver's license due to nonpayment of child support.

162.4 Subd. 3. **Payment from administration account.** Hardship payments are payable
162.5 from the unemployment insurance administration account under Minnesota Statutes,
162.6 section 268.196.

162.7 Subd. 4. **Eligibility conditions.** An applicant is eligible to receive hardship
162.8 payments under this section if the applicant's unemployment benefit payments due and
162.9 payable after October 15, 2007, were delayed at least four weeks.

162.10 Subd. 5. **Amount of hardship payments.** The amount of hardship payments
162.11 available to an applicant is equal to the amount of economic hardship experienced by an
162.12 applicant due to the delay in receiving unemployment benefits. An applicant must provide
162.13 documentation of the amount of financial hardship claimed using financial institution
162.14 records, consumer or business credit records, child support records, or other commonly
162.15 recognized methods of documenting financial transactions.

162.16 Subd. 6. **Notice.** The commissioner must notify applicants of the availability of
162.17 hardship payments by posting a notice on the department's official Web site, by notifying
162.18 applicants by individual mailing where department records show the applicant may be
162.19 eligible under subdivision 4, and by any other appropriate announcement.

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

162.21 Sec. 31. **LUMBER COMPANY EXTRA BENEFITS.**

162.22 Subdivision 1. **Extra benefits; availability.** Extra unemployment benefits are
162.23 available to an applicant who was laid off due to lack of work from the Ainsworth Lumber
162.24 Company plant in Cook, Minnesota.

162.25 Subd. 2. **Payment from fund; effect on employer.** Extra unemployment benefits
162.26 are payable from the unemployment insurance trust fund. Extra unemployment benefits
162.27 paid will not be used in computing the experience rating of Ainsworth Lumber Company
162.28 under Minnesota Statutes, sections 268.047 and 268.051, subdivision 3.

162.29 Subd. 3. **Eligibility conditions.** An applicant is eligible to receive extra
162.30 unemployment benefits under this section for any week through December 27, 2008, if:

162.31 (1) the applicant established a benefit account under Minnesota Statutes, section
162.32 268.07, with a majority of the wage credits from Ainsworth Lumber Company, and
162.33 exhausted entitlement to those regular unemployment benefits after January 1, 2008;

163.1 (2) the applicant meets the same eligibility requirements that are required for regular
163.2 unemployment benefits under Minnesota Statutes, section 268.069;

163.3 (3) the applicant is not entitled to any other unemployment benefits and is not
163.4 entitled to receive unemployment benefits under any other state or federal law for that
163.5 week, including any other extended unemployment benefits; and

163.6 (4) if an applicant qualifies for any type of unemployment benefits available under
163.7 Minnesota law, or under any federal law, or the law of another state, the applicant must
163.8 apply for and exhaust entitlement to those unemployment benefits.

163.9 Subd. 4. **Weekly amount of extra benefits.** The weekly extra unemployment
163.10 benefits amount available to an applicant is the same as the applicant's weekly regular
163.11 unemployment benefit amount on the benefit account established in subdivision 3, clause
163.12 (1).

163.13 Subd. 5. **Maximum amount of extra unemployment benefits.** The maximum
163.14 amount of extra unemployment benefits available is equal to 13 times the applicant's
163.15 weekly benefit amount.

163.16 Subd. 6. **Program expiration.** This extra unemployment benefit program expires
163.17 on December 27, 2008. No extra unemployment benefits may be paid for any week after
163.18 the expiration of this program.

163.19 Subd. 7. **Notice.** The commissioner must notify applicants of the availability
163.20 of extra unemployment benefits by posting a notice on the department's official Web
163.21 site, by notifying applicants by individual mailing where department records show the
163.22 applicant may qualify for these extra unemployment benefits, and by any other appropriate
163.23 announcement.

163.24 **EFFECTIVE DATE.** This section is effective the day following final enactment
163.25 and applies retroactively from January 1, 2008.

163.26 Sec. 32. **UNEMPLOYMENT BENEFITS; CONTINUED REQUEST TIME**
163.27 **PERIOD WAIVER.**

163.28 Notwithstanding any other law to the contrary, the commissioner must accept initial
163.29 and continued requests for unemployment benefits and pay unemployment benefits to
163.30 an applicant who currently resides in Hubbard County and applied for unemployment
163.31 benefits on September 15, 2006, and had an account dated September 10, 2006:

163.32 (1) was employed as a technician or inspector for Northwest Airlines, Inc., prior
163.33 to August 20, 2005;

(2) stopped working on or about August 20, 2005, because of a labor dispute between the Aircraft Mechanics Fraternal Association (AMFA) and Northwest Airlines, Inc.;

(3) did not file an initial or continued requests for unemployment benefits within the time periods required under Minnesota Statutes, chapter 268; and

(4) meets all the other requirements for the payment of unemployment benefits under Minnesota Statutes, section 268.069, subdivision 2.

Any unemployment benefits paid under the account established September 10, 2006, shall be deducted from the total benefits authorized under this section.

EFFECTIVE DATE. This section is effective the day following final enactment and applies retroactively from August 21, 2005.

Sec. 33. **OFFICE OF SCIENCE AND TECHNOLOGY.**

Subdivision 1. **Establishment.** An Office of Science and Technology is established in the Department of Employment and Economic Development to do the following:

(1) coordinate public and private efforts to procure federal funding for collaborative research and development projects of primary benefit to small and medium-sized businesses;

(2) promote contractual relationships between Minnesota businesses that are recipients of federal grants and prime contractors, and Minnesota-based subcontractors;

(3) work with Minnesota nonprofit institutions including the University of Minnesota, Minnesota State Colleges and Universities, and the Mayo Clinic in promoting collaborative efforts to respond to federal funding opportunities;

(4) develop a framework for Minnesota companies to establish sole-source relationships with federal agencies; and

(5) coordinate workshops, assistance with business proposals, licensing, intellectual property protection, commercialization, and government auditing with the University of Minnesota and Minnesota State Colleges and Universities.

For the purposes of this section, "office" means the Office of Science and Technology established in this subdivision.

Subd. 2. **Technology partnering with a prime contractor.** The office must develop a program to assist small businesses competing for a small business innovation research award by matching the applicant with a larger company. Prime contractors are matched to small businesses through a prescreening process that may result in a letter of support for the applicant designed to increase the chance of receiving a Small Business Innovation Research (SBIR) award.

165.1 Subd. 3. **Collaborate to commercialize.** The office must develop a program to use
165.2 the federal high-risk research and development investment program to encourage the
165.3 development of new technologies, products, and business development and to reduce
165.4 development risks by encouraging alliances between medium-sized companies and
165.5 innovative small businesses.

165.6 Subd. 4. **Technology matchmaking.** The office must assist businesses in
165.7 identifying qualified suppliers and vendors through a program to serve as a conduit for
165.8 Minnesota-based companies to network with firms able to support their success. Firms
165.9 outside Minnesota can participate in the technology matchmaking network if one of the
165.10 participating companies is located in Minnesota.

165.11 Subd. 5. **Commercialization assistance.** The office must provide
165.12 commercialization assistance to Minnesota firms that have received a Phase I Small
165.13 Business Innovation Research (SBIR) or a Phase I Small Business Technology Transfer
165.14 (STTR) award and are submitting a Phase II proposal. Local service providers must assist
165.15 the applicant with developing and reviewing the required commercialization plan prior to
165.16 Phase II submission. The office may provide SBIR Phase I proposal technical review.

165.17 Subd. 6. **Report.** The commissioner of employment and economic development
165.18 must report to the committees in the house of representatives and senate having
165.19 jurisdiction over bioscience and technology issues on the activities of the Office of Science
165.20 and Technology by June 30, 2009.

165.21 Sec. 34. **2008 DISTRIBUTIONS ONLY.**

165.22 For distribution in 2008 only, a special fund is established to receive 9.65 cents
165.23 per ton that otherwise would be allocated under Minnesota Statutes, section 298.28,
165.24 subdivision 6. If sufficient funds are not available under Minnesota Statutes, section
165.25 298.28, subdivision 6, to make the payments required under this section and under
165.26 Minnesota Statutes, section 298.28, subdivision 6, the remaining amount needed to total
165.27 9.65 cents per ton may be taken from funds available under Minnesota Statutes, section
165.28 298.28, subdivision 9. The following amounts are allocated to St. Louis County acting as
165.29 the fiscal agent for the recipients for the following specified purposes:

165.30 (1) two cents per ton must be paid to the Hibbing Economic Development Authority
165.31 to retire bonds and for economic development purposes;

165.32 (2) 0.25 cent per ton must be paid to the St. Louis County School Board to study
165.33 the potential for and impact of consolidation and streamlining the operations of the St.
165.34 Louis County School District No. 2142;

166.1 (3) 0.25 cent per ton must be paid to the city of Grand Rapids, for industrial park
166.2 work;

166.3 (4) 0.65 cent per ton must be paid to the city of Aitkin, for sewer and water for
166.4 housing projects;

166.5 (5) 0.5 cent per ton must be paid to the city of Crosby, for well and water tower
166.6 infrastructure;

166.7 (6) 0.25 cent per ton must be paid to the Mountain Iron-Buhl School Board to
166.8 study the potential for and impact of consolidation or streamlining the operations of the
166.9 Mountain Iron-Buhl School District No. 712;

166.10 (7) 0.25 cent per ton must be paid to the Virginia School Board to study the potential
166.11 for an impact of consolidation or streamlining the operations of the Virginia Public
166.12 School District No. 706;

166.13 (8) 1.5 cents per ton must be paid to the city of Silver Bay to pay for health and
166.14 safety and maintenance improvements at a former elementary school building that is
166.15 currently owned by the city, to be used for economic development purposes;

166.16 (9) 1.5 cents per ton must be paid to St. Louis County to extend water and sewer
166.17 lines from the city of Chisholm to the St. Louis County fairgrounds;

166.18 (10) 1.5 cents per ton must be paid to the White Community Hospital for debt
166.19 restructuring;

166.20 (11) 0.5 cent per ton must be paid to the city of Keewatin for street, sewer, and
166.21 water improvements; and

166.22 (12) 0.5 cent per ton must be paid to the city of Calumet for street, sewer, and water
166.23 improvements.

166.24 Sec. 35. **REPEALER.**

166.25 Minnesota Statutes 2006, section 341.31, and Laws 2004, chapter 188, section
166.26 2, are repealed.

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

166.28 **ARTICLE 11**
166.29 **TRANSPORTATION**

166.30 Section 1. **SUMMARY OF APPROPRIATIONS.**

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

167.1		<u>2008</u>	<u>2009</u>	<u>Total</u>
167.2	<u>General</u>	\$ <u>-0-</u>	\$ <u>(255,000)</u>	\$ <u>(255,000)</u>
167.3	<u>Trunk Highway</u>	<u>6,850,000</u>	<u>-0-</u>	<u>6,850,000</u>
167.4	<u>State Airports</u>	<u>-0-</u>	<u>(15,000,000)</u>	<u>(15,000,000)</u>
167.5	<u>Total</u>	\$ <u>6,850,000</u>	\$ <u>(15,255,000)</u>	\$ <u>(8,405,000)</u>

167.6 Sec. 2. APPROPRIATIONS.

167.7 The sums shown in the columns marked "Appropriations" are added to or, if shown
167.8 in parentheses, subtracted from the appropriations under Laws 2007, chapter 143, article
167.9 1; Laws 2007, First Special Session chapter 2, article 2, section 2; and Laws 2008,
167.10 chapter 152, article 1, to the agencies and for the purposes specified in this article. The
167.11 appropriations are from the trunk highway fund or another named fund and are available
167.12 for the fiscal years indicated for each purpose. The figures "2008" and "2009" used in
167.13 this article mean that the addition to or subtraction from the appropriation listed under
167.14 them is available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively.
167.15 Supplemental appropriations and reductions to appropriations for the fiscal year ending
167.16 June 30, 2008, are effective the day following final enactment.

167.17	<u>APPROPRIATIONS</u>
167.18	<u>Available for the Year</u>
167.19	<u>Ending June 30</u>
167.20	<u>2008</u> <u>2009</u>

167.21 Sec. 3. TRANSPORTATION

167.22	<u>Subdivision 1. Total Appropriation</u>	\$ <u>6,850,000</u>	\$ <u>(34,000)</u>
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167.23 Appropriations by Fund

167.24	<u>2008</u>	<u>2009</u>
167.25	<u>General</u>	<u>-0-</u> <u>(34,000)</u>
167.26	<u>Trunk Highway</u>	<u>6,850,000</u> <u>-0-</u>

167.27 The amounts that may be spent or must be
167.28 reduced for each purpose are specified in the
167.29 following subdivisions.

167.30	<u>Subd. 2. Transit</u>	<u>-0-</u>	<u>(32,000)</u>
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168.1	<u>This reduction is from the appropriation from</u>		
168.2	<u>the general fund for transit in Laws 2007,</u>		
168.3	<u>chapter 143, article 1, section 3, subdivision</u>		
168.4	<u>2, paragraph (b).</u>		
168.5	<u>Subd. 3. Freight</u>	<u>-0-</u>	<u>(2,000)</u>
168.6	<u>This reduction is from the appropriation from</u>		
168.7	<u>the general fund for freight in Laws 2007,</u>		
168.8	<u>chapter 143, article 1, section 3, subdivision</u>		
168.9	<u>2, paragraph (c).</u>		
168.10	<u>Subd. 4. State Roads</u>	<u>6,850,000</u>	<u>-0-</u>
168.11	<u>This appropriation is spending authority for</u>		
168.12	<u>additional federal bridge funding authorized</u>		
168.13	<u>and appropriated by Congress in 2008, and</u>		
168.14	<u>is for the actual construction, reconstruction,</u>		
168.15	<u>and improvement of trunk highways,</u>		
168.16	<u>including design-build contracts and</u>		
168.17	<u>consultant usage to support these activities.</u>		
168.18	<u>This includes the cost of actual payments to</u>		
168.19	<u>landowners for lands acquired for highway</u>		
168.20	<u>rights-of-way, payments to lessees, interest</u>		
168.21	<u>subsidies, and relocation expenses. This is a</u>		
168.22	<u>onetime appropriation.</u>		
168.23	<u>Subd. 5. Transfers In</u>		
168.24	<u>By June 30, 2008, the commissioner of</u>		
168.25	<u>finance shall transfer \$15,000,000 from the</u>		
168.26	<u>state airports fund established in Minnesota</u>		
168.27	<u>Statutes, section 360.017, to the general fund.</u>		
168.28	<u>Notwithstanding Minnesota Statutes,</u>		
168.29	<u>section 222.49, before June 30, 2008,</u>		
168.30	<u>the commissioner of finance shall transfer</u>		
168.31	<u>\$3,000,000 from the rail service improvement</u>		
168.32	<u>account in the special revenue fund to the</u>		
168.33	<u>general fund.</u>		

169.1	<u>Notwithstanding Minnesota Statutes, section</u>			
169.2	<u>222.49, after July 1, 2008, and before June</u>			
169.3	<u>30, 2009, the commissioner of finance shall</u>			
169.4	<u>transfer \$3,000,000 from the rail service</u>			
169.5	<u>improvement account in the special revenue</u>			
169.6	<u>fund to the general fund.</u>			
169.7	Sec. 4. <u>METROPOLITAN COUNCIL</u>	\$	<u>-0-</u>	<u>\$ (136,000)</u>
169.8	<u>This reduction is from the appropriation from</u>			
169.9	<u>the general fund for bus system operations in</u>			
169.10	<u>Laws 2007, chapter 143, article 1, section 4,</u>			
169.11	<u>subdivision 2, and Hiawatha light rail transit</u>			
169.12	<u>in Laws 2007, chapter 143, article 1, section</u>			
169.13	<u>4, subdivision 3.</u>			
169.14	Sec. 5. <u>PUBLIC SAFETY</u>			
169.15	Subdivision 1. <u>Total Appropriation</u>	\$	<u>-0-</u>	<u>\$ (60,000)</u>
169.16	<u>The amounts that may be spent or must be</u>			
169.17	<u>reduced for each purpose are specified in the</u>			
169.18	<u>following subdivisions.</u>			
169.19	Subd. 2. <u>Public Safety Support</u>		<u>-0-</u>	<u>(45,000)</u>
169.20	<u>Of this reduction, \$28,000 is from the</u>			
169.21	<u>appropriation from the general fund</u>			
169.22	<u>for a security coordinator to coordinate</u>			
169.23	<u>planning efforts for the Republican National</u>			
169.24	<u>Convention in Laws 2007, chapter 143,</u>			
169.25	<u>article 1, section 5, subdivision 2, paragraph</u>			
169.26	<u>(b).</u>			
169.27	<u>Of this reduction, \$17,000 is from the</u>			
169.28	<u>appropriation from the general fund in</u>			
169.29	<u>Laws 2007, chapter 143, article 1, section 5,</u>			
169.30	<u>subdivision 2, paragraph (b).</u>			
169.31	<u>The base appropriation for fiscal years 2010</u>			
169.32	<u>and 2011 is \$3,296,000 per year.</u>			

170.1	<u>Subd. 3. Capitol Security</u>	<u>-0-</u>	<u>(15,000)</u>
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170.2 This reduction is from the appropriation from
170.3 the general fund in Laws 2007, chapter 143,
170.4 article 1, section 5, subdivision 3, paragraph
170.5 (c).

170.6 Sec. 6. Minnesota Statutes 2006, section 168.013, is amended by adding a subdivision
170.7 to read:

170.8 Subd. 21. **Technology surcharge.** For every vehicle registration renewal required
170.9 under this chapter, the commissioner shall collect a surcharge of \$1.75. Surcharges
170.10 collected under this subdivision must be credited to the driver and vehicle services
170.11 technology account in the special revenue fund under section 299A.705.

170.12 **EFFECTIVE DATE.** This section is effective July 1, 2008, and expires June 30,
170.13 2012.

170.14 Sec. 7. Minnesota Statutes 2006, section 168A.29, as amended by Laws 2007, chapter
170.15 143, article 3, section 2, is amended to read:

170.16 **168A.29 FEES.**

170.17 Subdivision 1. **Amounts.** (a) The department must be paid the following fees:

170.18 (1) for filing an application for and the issuance of an original certificate of title, the
170.19 sum of \$6.25 of which \$3.25 must be paid into the vehicle services operating account of
170.20 the special revenue fund under section 299A.705; until June 30, 2012, a surcharge of \$1.75
170.21 must be added to the fee and credited to the driver and vehicle services technology account;

170.22 (2) for each security interest when first noted upon a certificate of title, including the
170.23 concurrent notation of any assignment thereof and its subsequent release or satisfaction,
170.24 the sum of \$2, except that no fee is due for a security interest filed by a public authority
170.25 under section 168A.05, subdivision 8;

170.26 (3) for the transfer of the interest of an owner and the issuance of a new certificate of
170.27 title, the sum of \$5.50 of which \$2.50 must be paid into the vehicle services operating
170.28 account of the special revenue fund under section 299A.705; until June 30, 2012, a
170.29 surcharge of \$1.75 must be added to the fee and credited to the driver and vehicle services
170.30 technology account;

170.31 (4) for each assignment of a security interest when first noted on a certificate of title,
170.32 unless noted concurrently with the security interest, the sum of \$1;

(5) for issuing a duplicate certificate of title, the sum of \$7.25 of which \$3.25 must be paid into the vehicle services operating account of the special revenue fund under section 299A.705; until June 30, 2012, a surcharge of \$1.75 must be added to the fee and credited to the driver and vehicle services technology account.

(b) After June 30, 1994, in addition to each of the fees required under paragraph (a), clauses (1) and (3), the department must be paid \$3.50. The additional \$3.50 fee collected under this paragraph must be deposited in the special revenue fund and credited to the public safety motor vehicle account established in section 299A.70.

Subd. 2. **Fee in lieu of other fee.** If a person applies for an original or a new certificate of title to a vehicle, concurrently with an application, as transferee, of registration of the vehicle, the fee prescribed in subdivision 1 must be in lieu of the ~~fee~~ fees prescribed by ~~section~~ sections 168.013, subdivision 21, and 168.54, with respect to any transfer of ownership or registration of the vehicle to the applicant.

Subd. 3. **No certificate issued until fees paid.** Subject to subdivision 2, the department shall not issue a certificate of title to a vehicle until all fees prescribed by ~~sections section 168.54 and 168A.10, subdivision 6,~~ with respect to any prior transfer of ownership or registration of the vehicle have been paid.

Sec. 8. Minnesota Statutes 2007 Supplement, section 171.06, subdivision 2, is amended to read:

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

Classified Driver's					
License	D-\$22.25	C-\$26.25	B-\$33.25	A-\$41.25	
Classified Under-21 D.L.	D-\$22.25	C-\$26.25	B-\$33.25	A-\$21.25	
Instruction Permit				\$10.25	
Provisional License				\$13.25	
Duplicate License or					
duplicate identification					
card					\$11.75

172.1 Minnesota identification
172.2 card or Under-21
172.3 Minnesota identification
172.4 card, other than duplicate,
172.5 except as otherwise
172.6 provided in section
172.7 171.07, subdivisions 3
172.8 and 3a \$16.25

172.9 In addition to each fee required in this paragraph, the commissioner shall collect a
172.10 surcharge of \$1.75 until June 30, 2012. Surcharges collected under this paragraph must be
172.11 credited to the driver and vehicle services technology account in the special revenue fund
172.12 under section 299A.705.

172.13 (b) Notwithstanding paragraph (a), an individual who holds a provisional license and
172.14 has a driving record free of (1) convictions for a violation of section 169A.20, 169A.33,
172.15 169A.35, or sections 169A.50 to 169A.53, (2) convictions for crash-related moving
172.16 violations, and (3) convictions for moving violations that are not crash related, shall have a
172.17 \$3.50 credit toward the fee for any classified under-21 driver's license. "Moving violation"
172.18 has the meaning given it in section 171.04, subdivision 1.

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

172.25 Sec. 9. Minnesota Statutes 2006, section 299A.705, is amended by adding a
172.26 subdivision to read:

172.27 Subd. 3. **Driver and vehicle services technology account.** (a) The driver and
172.28 vehicle services technology account is created in the special revenue fund, consisting of
172.29 the technology surcharge collected as specified in chapters 168, 168A, and 171, and any
172.30 other money otherwise donated, allotted, appropriated, or legislated to this account.

172.31 (b) Money in the account is annually appropriated to the commissioner of public
172.32 safety to support the research, development, deployment, and maintenance of a driver
172.33 and vehicle services information system.

173.1 **EFFECTIVE DATE.** This section is effective July 1, 2008, and expires June 30,
173.2 2012.

173.3 Sec. 10. Laws 2007, chapter 143, article 1, section 3, subdivision 2, is amended to read:

173.4 Subd. 2. **Multimodal Systems**

173.5 (a) **Aeronautics**

173.6			20,298,000
173.7	(1) Airport Development and Assistance	20,298,000	<u>5,298,000</u>

173.8 This appropriation is from the state airports
173.9 fund and must be spent according to
173.10 Minnesota Statutes, section 360.305,
173.11 subdivision 4.

173.12 \$6,000,000 the first year ~~and \$6,000,000 the~~
173.13 ~~second year are~~ is a onetime appropriations
173.14 appropriation and ~~do~~ does not add to
173.15 the base appropriations. The base for
173.16 this appropriation for fiscal year 2010 is
173.17 \$14,298,000.

173.18 Of this appropriation \$200,000 the first
173.19 year is to the Legislative Coordinating
173.20 Commission for the administrative expenses
173.21 of the Airport Funding Advisory Task Force
173.22 and for other costs relating to the preparation
173.23 of the task force report, including the costs of
173.24 hiring a consultant, if needed. Any remaining
173.25 amount of this appropriation shall revert to
173.26 the state airports fund.

173.27 Notwithstanding Minnesota Statutes, section
173.28 16A.28, subdivision 6, this appropriation is
173.29 available for five years after appropriation.

173.30 If the appropriation for either year is
173.31 insufficient, the appropriation for the other
173.32 year is available for it.

174.1 **(2) Aviation Support and Services**

174.2 Appropriations by Fund

174.3	Airports	5,184,000	5,286,000
174.4	Trunk Highway	852,000	866,000

174.5 \$65,000 the first year and \$65,000 the second
174.6 year from the state airports fund are for the
174.7 Civil Air Patrol.

174.8 **(b) Transit**

174.9 Appropriations by Fund

174.10	General	18,813,000	18,816,000
174.11	Trunk Highway	740,000	761,000

174.12 **(c) Freight**

174.13 Appropriations by Fund

174.14	General	357,000	367,000
174.15	Trunk Highway	5,028,000	5,158,000

174.16 Sec. 11. Laws 2008, chapter 152, article 1, section 6, subdivision 2, is amended to read:

174.17 Subd. 2. **Appropriation; study.** ~~\$325,000~~ \$300,000 is appropriated from the
174.18 general fund to the Board of Regents of the University of Minnesota for the Center for
174.19 Transportation Studies to complete a study to assess the public policy implications of
174.20 financing new and improved transportation infrastructure in Minnesota through capturing
174.21 the value of the benefits created, to prepare a report on its findings, and to conduct a
174.22 series of workshops. This is a onetime appropriation and is available in fiscal years 2008
174.23 and 2009.

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

174.25 **ARTICLE 12**
174.26 **PUBLIC SAFETY**

174.27 Section 1. **SUMMARY OF APPROPRIATIONS.**

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

175.3		<u>2008</u>	<u>2009</u>	<u>Total</u>
175.4	<u>General</u>	\$ <u>268,000</u>	\$ <u>(10,490,000)</u>	\$ <u>(10,222,000)</u>
175.5	<u>Special Revenue</u>	<u>(25,000)</u>	<u>50,000</u>	<u>25,000</u>
175.6	<u>Total</u>	\$ <u>243,000</u>	\$ <u>(10,440,000)</u>	\$ <u>(10,197,000)</u>

175.7 Sec. 2. **PUBLIC SAFETY APPROPRIATIONS.**

175.8 The sums shown in the columns marked "Appropriations" are added to or, if shown
175.9 in parentheses, subtracted from the appropriations in Laws 2007, chapter 54, article 1, to
175.10 the agencies and for the purposes specified in this article. The appropriations are from the
175.11 general fund, or another named fund, and are available for the fiscal years indicated for
175.12 each purpose. The figures "2008" and "2009" used in this article mean that the addition to
175.13 or subtraction from the appropriations listed under them are available for the fiscal year
175.14 ending June 30, 2008, or June 30, 2009, respectively. Supplemental appropriations and
175.15 reductions to appropriations for the fiscal year ending June 30, 2008, are effective the day
175.16 following final enactment. "The first year" is fiscal year 2008. "The second year" is fiscal
175.17 year 2009. "The biennium" is fiscal years 2008 and 2009.

175.18		<u>APPROPRIATIONS</u>
175.19		<u>Available for the Year</u>
175.20		<u>Ending June 30</u>
175.21		<u>2008</u> <u>2009</u>

175.22 Sec. 3. **SUPREME COURT** \$ -0- \$ (951,000)

175.23 The appropriation additions or reductions for
175.24 each purpose are as follows:

175.25	<u>(a) Supreme Court Operations</u>	<u>-0-</u>	<u>(831,000)</u>
175.26	<u>(b) Civil Legal Services</u>	<u>-0-</u>	<u>(120,000)</u>

175.27 Sec. 4. **COURT OF APPEALS** \$ -0- \$ (250,000)

175.28 Sec. 5. **DISTRICT COURTS** \$ -0- \$ (2,800,000)

177.1	<u>(b) Agencywide Cut, Except for Office of</u>		
177.2	<u>Justice Programs</u>	<u>-0-</u>	<u>(250,000)</u>
177.3	<u>This reduction may be applied to any</u>		
177.4	<u>program funded under Laws 2007, chapter</u>		
177.5	<u>54, article 1, section 10, with the exception of</u>		
177.6	<u>the Office of Justice programs. Reductions to</u>		
177.7	<u>the Office of Justice programs are specified</u>		
177.8	<u>in subdivision 4. No other reductions may be</u>		
177.9	<u>made from that office.</u>		
177.10	<u>Subd. 4. Office of Justice Programs</u>		
177.11	<u>(a) Financial Crimes Task Force</u>	<u>-0-</u>	<u>(450,000)</u>
177.12	<u>(b) Squad Car Cameras</u>	<u>-0-</u>	<u>(52,000)</u>
177.13	<u>The base for these grants in fiscal year 2010</u>		
177.14	<u>is \$0.</u>		
177.15	Sec. 8. <u>HUMAN RIGHTS</u>	<u>\$</u>	<u>-0- \$ (149,000)</u>
177.16	Sec. 9. <u>CORRECTIONS</u>	<u>\$</u>	<u>(92,000) \$ (2,792,000)</u>
177.17	<u>The appropriation additions or reductions for</u>		
177.18	<u>each purpose are as follows:</u>		
177.19	<u>(a) Short-Term Offenders</u>	<u>-0-</u>	<u>(2,100,000)</u>
177.20	<u>(b) Sentencing to Service</u>	<u>-0-</u>	<u>(600,000)</u>
177.21	<u>(c) 8-Day Holds</u>	<u>(92,000)</u>	<u>(92,000)</u>
177.22	Sec. 10. Minnesota Statutes 2007 Supplement, section 297I.06, subdivision 3, is		
177.23	amended to read:		
177.24	Subd. 3. Fire safety account, annual transfers, allocation. A special account, to		
177.25	be known as the fire safety account, is created in the state treasury. The account consists of		
177.26	the proceeds under subdivisions 1 and 2. \$468,000 in fiscal year 2008 and \$2,268,000 ,		
177.27	<u>\$4,268,000 in fiscal year 2009, and \$2,268,000 in each year thereafter</u> is transferred from		

178.1 the fire safety account in the special revenue fund to the general fund to offset the loss of
178.2 revenue caused by the repeal of the one-half of one percent tax on fire insurance premiums.

178.3 Sec. 11. Minnesota Statutes 2006, section 357.021, subdivision 6, is amended to read:

178.4 Subd. 6. **Surcharges on criminal and traffic offenders.** (a) Except as provided
178.5 in this paragraph, the court shall impose and the court administrator shall collect a ~~\$72~~
178.6 \$75 surcharge on every person convicted of any felony, gross misdemeanor, misdemeanor,
178.7 or petty misdemeanor offense, other than a violation of a law or ordinance relating to
178.8 vehicle parking, for which there shall be a \$4 surcharge. In the Second Judicial District,
178.9 the court shall impose, and the court administrator shall collect, an additional \$1 surcharge
178.10 on every person convicted of any felony, gross misdemeanor, misdemeanor, or petty
178.11 misdemeanor offense, including a violation of a law or ordinance relating to vehicle
178.12 parking, if the Ramsey County Board of Commissioners authorizes the \$1 surcharge. The
178.13 surcharge shall be imposed whether or not the person is sentenced to imprisonment or the
178.14 sentence is stayed. The surcharge shall not be imposed when a person is convicted of a
178.15 petty misdemeanor for which no fine is imposed.

178.16 (b) If the court fails to impose a surcharge as required by this subdivision, the court
178.17 administrator shall show the imposition of the surcharge, collect the surcharge, and
178.18 correct the record.

178.19 (c) The court may not waive payment of the surcharge required under this
178.20 subdivision. Upon a showing of indigency or undue hardship upon the convicted person
178.21 or the convicted person's immediate family, the sentencing court may authorize payment
178.22 of the surcharge in installments.

178.23 (d) The court administrator or other entity collecting a surcharge shall forward it
178.24 to the commissioner of finance.

178.25 (e) If the convicted person is sentenced to imprisonment and has not paid the
178.26 surcharge before the term of imprisonment begins, the chief executive officer of the
178.27 correctional facility in which the convicted person is incarcerated shall collect the
178.28 surcharge from any earnings the inmate accrues from work performed in the facility
178.29 or while on conditional release. The chief executive officer shall forward the amount
178.30 collected to the commissioner of finance.

178.31 Sec. 12. Minnesota Statutes 2006, section 357.021, subdivision 7, is amended to read:

178.32 Subd. 7. **Disbursement of surcharges by commissioner of finance.** (a) Except
178.33 as provided in paragraphs (b), (c), and (d), the commissioner of finance shall disburse
178.34 surcharges received under subdivision 6 and section 97A.065, subdivision 2, as follows:

(1) one percent shall be credited to the game and fish fund to provide peace officer training for employees of the Department of Natural Resources who are licensed under sections 626.84 to 626.863, and who possess peace officer authority for the purpose of enforcing game and fish laws;

(2) 39 percent shall be credited to the peace officers training account in the special revenue fund; and

(3) 60 percent shall be credited to the general fund.

(b) The commissioner of finance shall credit \$3 of each surcharge received under subdivision 6 and section 97A.065, subdivision 2, to the general fund.

(c) In addition to any amounts credited under paragraph (a), the commissioner of finance shall credit ~~\$44~~ \$47 of each surcharge received under subdivision 6 and section 97A.065, subdivision 2, and the \$4 parking surcharge, to the general fund.

(d) If the Ramsey County Board of Commissioners authorizes imposition of the additional \$1 surcharge provided for in subdivision 6, paragraph (a), the court administrator in the Second Judicial District shall transmit the surcharge to the commissioner of finance. The \$1 special surcharge is deposited in a Ramsey County surcharge account in the special revenue fund and amounts in the account are appropriated to the trial courts for the administration of the petty misdemeanor diversion program operated by the Second Judicial District Ramsey County Violations Bureau.

Sec. 13. Laws 2007, chapter 54, article 1, section 11, is amended to read:

Sec. 11. PEACE OFFICER STANDARDS	4,296,000	4,278,000
AND TRAINING (POST) BOARD	\$ <u>4,271,000</u>	\$ <u>4,328,000</u>

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

Any new receipts credited to that account in the first year in excess of ~~\$4,296,000~~ \$4,271,000 must be transferred and credited to the general fund. Any new receipts credited to that account in the second year in excess of ~~\$4,278,000~~ \$4,328,000 must be transferred and credited to the general fund.

Peace Officer Training Reimbursements.
\$3,159,000 the first year and \$ 3,159,000 the

180.1 second year are for reimbursements to local
180.2 governments for peace officer training costs.

180.3 **No Contact Orders.** The board shall: (1)
180.4 revise and update preservice courses and
180.5 develop in-service training courses related
180.6 to no contact orders in domestic violence
180.7 cases and domestic violence dynamics; and
180.8 (2) reimburse peace officers who have taken
180.9 training courses described in clause (1).

180.10 At a minimum, the training must include
180.11 instruction in the laws relating to no contact
180.12 orders and address how to best coordinate
180.13 law enforcement resources relating to no
180.14 contact orders. In addition, the training
180.15 must include a component to instruct peace
180.16 officers on doing risk assessments of the
180.17 escalating factors of lethality in domestic
180.18 violence cases. The board must consult with
180.19 a statewide domestic violence organization
180.20 in developing training courses. The board
180.21 shall utilize a request for proposal process in
180.22 awarding training contracts. The recipient
180.23 of the training contract must conduct these
180.24 trainings with advocates or instructors from
180.25 a statewide domestic violence organization.

180.26 Beginning on January 1, 2008, the board may
180.27 not approve an in-service training course
180.28 relating to domestic abuse that does not
180.29 comply with this section.

180.30 **ARTICLE 13**
180.31 **STATE GOVERNMENT**

180.32 Section 1. **SUMMARY OF APPROPRIATIONS.**

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

181.1		<u>2008</u>		<u>2009</u>		<u>Total</u>
181.2	<u>General</u>	\$	<u>-0-</u>	\$	<u>(1,104,000)</u>	\$ <u>(1,104,000)</u>

181.3 Sec. 2. APPROPRIATIONS.

181.4 The sums shown in the columns marked "Appropriations" are added to or, if shown
181.5 in parentheses, subtracted from the appropriations in Laws 2007, chapter 148, article 1, to
181.6 the agencies and for the purposes specified in this article. The appropriations are from the
181.7 general fund or another named fund and are available for the fiscal years indicated for
181.8 each purpose. The figures "2008" and "2009" used in this article mean that the addition
181.9 to or subtraction from the appropriation listed under them is available for the fiscal year
181.10 ending June 30, 2008, or June 30, 2009, respectively. Supplemental appropriations and
181.11 reductions to appropriations for the fiscal year ending June 30, 2008, are effective the
181.12 day following final enactment.

181.13		<u>APPROPRIATIONS</u>
181.14		<u>Available for the Year</u>
181.15		<u>Ending June 30</u>
181.16		<u>2008</u> <u>2009</u>

181.17 Sec. 3. LEGISLATURE

181.18	<u>Subdivision 1. Total Reduction</u>	\$	<u>-0-</u>	\$	<u>(1,821,000)</u>
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181.19 The appropriation additions or reductions
181.20 for each purpose are shown in the following
181.21 subdivisions.

181.22	<u>Subd. 2. Senate</u>		<u>-0-</u>		<u>(710,000)</u>
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181.23 The base budget for the senate shall
181.24 be \$22,958,000 in fiscal year 2010 and
181.25 \$22,958,000 in fiscal year 2011.

181.26	<u>Subd. 3. House of Representatives</u>		<u>-0-</u>		<u>(952,000)</u>
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181.27 The base budget for the house of
181.28 representatives shall be \$30,866,000 in fiscal
181.29 year 2010 and \$30,866,000 in fiscal year
181.30 2011.

181.31	<u>Subd. 4. Legislative Coordinating Commission</u>		<u>-0-</u>		<u>(159,000)</u>
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182.1 The base budget for the Legislative
 182.2 Coordinating Commission shall be
 182.3 \$15,734,000 in fiscal year 2010 and
 182.4 \$15,734,000 in fiscal year 2011.

182.5 Sec. 4. **GOVERNOR** \$ -0- \$ (113,000)

182.6 The base budget for the office of the governor
 182.7 shall be \$3,701,000 in fiscal year 2010 and
 182.8 \$3,701,000 in fiscal year 2011.

182.9 Sec. 5. **STATE AUDITOR** \$ -0- \$ (42,000)

182.10 Sec. 6. **ATTORNEY GENERAL** \$ -0- \$ (749,000)

182.11 Sec. 7. **SECRETARY OF STATE** \$ -0- \$ (195,000)

182.12 The base budget for the secretary of state
 182.13 shall be \$6,134,000 in fiscal year 2010 and
 182.14 \$6,301,000 in fiscal year 2011.

182.15 Sec. 8. **OFFICE OF ENTERPRISE**

182.16 **TECHNOLOGY** \$ -0- \$ (313,000)

182.17 The base budget for the Office of Enterprise
 182.18 Technology shall be \$6,076,000 in fiscal year
 182.19 2010 and \$6,076,000 in fiscal year 2011.

182.20 Sec. 9. **ADMINISTRATION** \$ -0- \$ (1,274,000)

182.21 \$885,000 of the reduction is from the
 182.22 appropriation for Department of Public
 182.23 Safety relocation expenses.

182.24 By June 30, 2009, the commissioner
 182.25 of finance shall transfer \$1,000,000 of
 182.26 the balance in the facilities repair and
 182.27 replacement account in the special revenue
 182.28 fund to the general fund. This amount
 182.29 is in addition to amounts transferred

183.1 under Minnesota Statutes, section 16B.24,
183.2 subdivision 5, paragraph (d).

183.3 \$40,000 is to design and construct a workers
183.4 memorial on the Capitol grounds in St.
183.5 Paul. This appropriation is added to the
183.6 appropriation in Laws 2006, chapter 258,
183.7 section 12, subdivision 4.

183.8 \$40,000 is for a grant to the Capitol
183.9 Area Architectural and Planning Board to
183.10 design and construct a memorial to Hubert
183.11 H. Humphrey in the Capitol area. This
183.12 appropriation is added to the appropriations
183.13 for the same purpose in Laws 1993, chapter
183.14 192, section 16; and Laws 1999, chapter 250,
183.15 article 1, section 13, and is available until
183.16 expended.

183.17	Sec. 10. FINANCE	\$	-0-	\$	(624,000)
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183.18 After the Departments of Finance and
183.19 Employee Relations merge as directed in
183.20 Laws 2007, chapter 148, article 2, section 80,
183.21 the commissioner of finance may reallocate
183.22 fiscal year 2009 general fund appropriation
183.23 reductions among programs within the
183.24 merged agency. Any reallocation of funds
183.25 shall be shown in the program appropriations
183.26 base for fiscal years 2010 and 2011 according
183.27 to Minnesota Statutes, section 16A.11,
183.28 subdivision 3, paragraph (b).

183.29	Sec. 11. EMPLOYEE RELATIONS	\$	-0-	\$	(218,000)
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183.30 The base budget for employee relations
183.31 shall be \$5,241,000 in fiscal year 2010 and
183.32 \$5,241,000 in fiscal year 2011 to reflect the
183.33 reduction and a transfer to the Department of

184.1 Health for the merger in Laws 2007, chapter
 184.2 148, article 2, section 80.

184.3	Sec. 12. <u>REVENUE</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>6,120,000</u>
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184.4 \$7,000,000 is for additional activities to
 184.5 identify and collect tax liabilities from
 184.6 individuals and businesses that currently
 184.7 do not pay all taxes owed. This initiative
 184.8 is expected to result in new general fund
 184.9 revenues of \$21,000,000 for fiscal year 2009.

184.10 The department must report to the chairs of
 184.11 the house of representatives Ways and Means
 184.12 Committee and senate Finance Committee
 184.13 by March 1, 2009, and January 15, 2010, on
 184.14 the following performance indicators:

184.15 (1) the number of corporations noncompliant
 184.16 with the corporate tax system each year and
 184.17 the percentage and dollar amounts of valid
 184.18 tax liabilities collected;

184.19 (2) the number of businesses noncompliant
 184.20 with the sales and use tax system and the
 184.21 percentage and dollar amounts of the valid
 184.22 tax liabilities collected; and

184.23 (3) the number of individual noncompliant
 184.24 cases resolved and the percentage and dollar
 184.25 amounts of valid tax liabilities collected.

184.26 The reports must also identify base-level
 184.27 expenditures and staff positions related to
 184.28 compliance and audit activities, including
 184.29 baseline information as of January 1, 2006.
 184.30 The information must be provided at the
 184.31 budget activity level.

185.1 \$1,240,000 is a reduction from the
185.2 appropriation for the tax system management
185.3 program.

185.4 \$360,000 is for the costs of administering the
185.5 data match program under new Minnesota
185.6 Statutes, section 13B.07, including payments
185.7 to financial institutions in exchange for
185.8 performing data matches under that section.

185.9 Sec. 13. **[5.33] RETURNING COMBAT VETERANS.**

185.10 If any Minnesota business or nonprofit corporation, limited liability company,
185.11 cooperative, limited partnership, or limited liability partnership has been administratively
185.12 or statutorily dissolved, revoked, or terminated after December 31, 2006, for failure to file
185.13 an annual or periodic report with the Office of the Secretary of State during a calendar
185.14 year when an individual with substantial responsibility for the operation of the dissolved,
185.15 revoked, or terminated business or nonprofit corporation, limited liability company,
185.16 cooperative, limited partnership, or limited liability partnership was serving in active
185.17 military service in the armed forces of the United States, including the reserves or National
185.18 Guard, as defined in section 190.05, subdivision 5b or 5c, or was engaged in employment
185.19 outside of the United States essential to the prosecution of a war or to the national defense,
185.20 as designated by the United States Congress or the United States Department of Defense,
185.21 the secretary of state shall waive any reinstatement fee otherwise required by law.

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

185.23 Sec. 14. **[13B.07] TAX DEBTOR DATA MATCHES.**

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

185.25 (a) "Account" means demand deposit account, checking account, negotiable order of
185.26 withdrawal account, savings account, time deposit account, money market mutual fund
185.27 account, or certificate of deposit account located in Minnesota.

185.28 (b) "Account information" means the type of account, the account number, and
185.29 whether the account is singly or jointly owned.

185.30 (c) "Commissioner" means the commissioner of revenue.

185.31 (d) "Debtor" means a person for whom a notice of lien has been filed by the
185.32 commissioner as provided by section 270C.63, subdivision 2.

185.33 (e) "Financial institution" means any of the following that do business in this state:

(1) federal or state commercial banks and federal or state savings banks, including savings and loan associations and cooperative banks;

(2) federal and state chartered credit unions;

(3) safe deposit companies; or

(4) money market mutual funds.

(f) "Person" means a person as defined in section 270C.01, subdivision 6.

(g) "Service level agreement" means an agreement entered into between the commissioner and a financial institution that defines terms and conditions by which the financial institution will provide data matches to the commissioner.

Subd. 2. Data match system established. The commissioner shall establish a process for the comparison of account information data held by financial institutions with the Department of Revenue's database of debtors. The commissioner, in consultation with representatives from financial institutions, shall develop an implementation and administration plan for the data match system that attempts to minimize financial burdens on financial institutions for start-up and compliance costs and takes into consideration the financial institutions' existing data match systems. The commissioner shall inform the financial industry of the requirements of this section and the means by which financial institutions can comply no later than October 1, 2008, with the financial institutions receiving the first match requests no earlier than January 1, 2009. The commissioner may enter into service-level agreements with financial institutions.

Subd. 3. Duty to provide data. Within 30 days of a request by the commissioner, a financial institution shall provide to the commissioner the name, address, personal identifying information, and account information for each debtor or account holder, in accordance with the method chosen in subdivision 4, who maintains an account at the financial institution. The commissioner may request from a financial institution the data concerning any debtor not more than once every three months.

Subd. 4. Method to provide data. To comply with the requirements of this section, a financial institution must elect, in a manner authorized by the commissioner, to either:

(1) provide to the commissioner a list containing only the names and other necessary personal identifying information, including the debtor's address, Social Security number if an individual, and tax identification number if known, of all account holders for the commissioner to compare against its list of debtors for the purpose of identifying which debtors maintain an account at the financial institution; the names of the debtors who maintain an account at the institution shall then be transmitted to the financial institution which shall provide the commissioner with account information on those debtors; or

(2) obtain an electronic list of debtors from the commissioner that includes each debtor's name, address, Social Security number if an individual, and tax identification number if known, and compare that data to the data maintained at the financial institution to identify which of the identified debtors maintains an account at the financial institution.

Subd. 5. Means to provide data. A financial institution must provide the required data in encrypted form by secure electronic means or other means authorized by the commissioner.

Subd. 6. Access to data. (a) With regard to account information on all account holders provided by a financial institution under subdivision 4, clause (1), the commissioner shall retain the reported information only until the account information is compared against the commissioner's debtor database. Notwithstanding section 138.17, all account information that does not pertain to a debtor listed in the commissioner's database must be immediately destroyed and no retention or publication of that data shall be made by the commissioner. All account information that pertains to a debtor listed in the commissioner's database must be incorporated into the commissioner's database. Access to that data is governed by chapters 13 and 270B. Notwithstanding section 16D.06, data collected pursuant to this section is available for the collection of delinquent taxes only and is not available for other debt collection activities undertaken by the state.

(b) With regard to data on debtors provided by the commissioner to a financial institution under subdivision 4, clause (2), the financial institution shall retain the reported information only until the financial institution's database is compared against the commissioner's database. Data that does not pertain to an account holder at the financial institution must be immediately destroyed and no retention, publication, or any other use of that data shall be made by the financial institution.

Subd. 7. Fees. A financial institution may charge and collect a fee from the commissioner for providing account information to the commissioner. The commissioner may pay a financial institution up to \$150 each quarter. The commissioner shall develop procedures for the financial institutions to charge and collect the fee. Payment of the fee is limited by the amount of the appropriation for this purpose. If the appropriation is insufficient, or if fund availability in the fourth quarter would allow payments for actual costs in excess of \$150, the commissioner shall prorate the available funds among the financial institutions that have submitted a claim for the fee. No financial institution shall charge or collect a fee that exceeds its actual costs of complying with this section. The commissioner, together with an advisory group consisting of representatives of the financial institutions in the state, shall evaluate whether the fees paid to financial

188.1 institutions compensate them for their actual costs, including start-up costs, of complying
188.2 with this section, and shall evaluate whether the amount appropriated to the commissioner
188.3 for the costs of administering the data match system compensates the commissioner for
188.4 the costs incurred by the department. The advisory group shall submit a report to the
188.5 legislature by February 1, 2009, with a recommendation for retaining or modifying the fee.

188.6 Subd. 8. **Failure to respond to request for information.** The commissioner shall
188.7 send a written notice of noncompliance to a financial institution that fails to respond to
188.8 a first written request for information under this section. The notice must be sent by
188.9 certified mail and must explain the requirements of this section and advise the financial
188.10 institution of the penalty for noncompliance. A financial institution that receives a second
188.11 notice of noncompliance is subject to a civil penalty of \$1,000 for its failure to comply. A
188.12 financial institution that continues to fail to comply with this section is subject to a civil
188.13 penalty of \$5,000 for the third and each subsequent failure to comply. The penalties
188.14 imposed under this subdivision are collected in the same manner as taxes. A financial
188.15 institution that has been served with a notice of noncompliance and incurs a second or
188.16 subsequent notice of noncompliance has the right to a contested case hearing under
188.17 chapter 14. A financial institution has 20 days from the date of the service of the notice of
188.18 noncompliance to file a request for a contested case hearing with the commissioner. The
188.19 order of the administrative law judge constitutes the final decision in this case. A financial
188.20 institution is considered to be in compliance with this section if it demonstrates that it is
188.21 working in good faith to implement the data match program.

188.22 Subd. 9. **Confidentiality.** A financial institution furnishing a report to the
188.23 commissioner under this section is prohibited from disclosing to a debtor that the name of
188.24 the debtor has been received from or furnished to the commissioner.

188.25 Subd. 10. **Immunity.** A financial institution that provides or reasonably attempts to
188.26 provide information to the commissioner in compliance with this section is not liable to
188.27 any person for disclosing the information or for taking any other action in good faith as
188.28 authorized by this section.

188.29 **EFFECTIVE DATE.** This section is effective July 1, 2008, except that subdivision
188.30 8 is effective July 1, 2009.

188.31 Sec. 15. Minnesota Statutes 2006, section 15A.0815, subdivision 2, as amended by
188.32 Laws 2008, chapter 204, section 3, is amended to read:

188.33 Subd. 2. **Group I salary limits.** The salaries for positions in this subdivision may
188.34 not exceed 95 percent of the salary of the governor:

189.1 Commissioner of administration;
 189.2 Commissioner of agriculture;
 189.3 Commissioner of education;
 189.4 Commissioner of commerce;
 189.5 Commissioner of corrections;
 189.6 Commissioner of finance;
 189.7 Commissioner of health;
 189.8 Executive director, Minnesota Office of Higher Education;
 189.9 Commissioner, Housing Finance Agency;
 189.10 Commissioner of human rights;
 189.11 Commissioner of human services;
 189.12 Commissioner of labor and industry;
 189.13 Commissioner of natural resources;
 189.14 Director of Office of Strategic and Long-Range Planning;
 189.15 Commissioner, Pollution Control Agency;
 189.16 Executive director, Public Employees Retirement Association;
 189.17 Commissioner of public safety;
 189.18 Commissioner of revenue;
 189.19 Executive director, State Retirement System;
 189.20 Executive director, Teachers Retirement Association;
 189.21 Commissioner of employment and economic development;
 189.22 Commissioner of transportation; and
 189.23 Commissioner of veterans affairs.

189.24 Sec. 16. Minnesota Statutes 2006, section 15A.0815, subdivision 3, is amended to read:

189.25 Subd. 3. **Group II salary limits.** The salaries for positions in this subdivision may
 189.26 not exceed 85 percent of the salary of the governor:

189.27 Executive director of Gambling Control Board;
 189.28 Commissioner, Iron Range Resources and Rehabilitation Board;
 189.29 Commissioner, Bureau of Mediation Services;
 189.30 Ombudsman for Mental Health and Developmental Disabilities;
 189.31 Chair, Metropolitan Council;
 189.32 Executive director of pari-mutuel racing; and
 189.33 ~~Executive director, Public Employees Retirement Association;~~
 189.34 Commissioner, Public Utilities Commission;
 189.35 ~~Executive director, State Retirement System; and~~

~~Executive director, Teachers Retirement Association.~~

Sec. 17. Minnesota Statutes 2006, section 270B.085, is amended by adding a subdivision to read:

Subd. 4. **Data matching program for collection of tax debts.** The commissioner may disclose the name, last known address, and Social Security number of taxpayers who owe delinquent state taxes for the purpose of administering the tax debt data matching program with financial institutions under section 13B.07.

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

Sec. 18. Laws 2005, chapter 156, article 1, section 11, subdivision 2, is amended to read:

Subd. 2. State Facilities Services	16,070,000	10,946,000
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\$5,124,000 the first year is for onetime funding of agency relocation expenses. This amount is available until June 30, 2009.

The Department of Human Services will obtain federal reimbursement for associated relocation expenses. This amount, estimated to be \$1,870,000, will be deposited in the general fund.

\$7,888,000 the first year and \$7,888,000 the second year are for office space costs of the legislature and veterans organizations, for ceremonial space, and for statutorily free space.

\$2,000,000 of the balance in the state building code account in the state government special revenue fund is canceled to the general fund.

\$1,950,000 the first year and \$1,950,000 the second year of the balance in the facilities repair and replacement account in the special revenue fund is canceled to the general fund.

This is a onetime cancellation.

191.1 Sec. 19. Laws 2006, chapter 282, article 2, section 27, subdivision 4, is amended to
191.2 read:

191.3 Subd. 4. **Expiration.** The commission expires ~~December 31, 2008~~ June 30, 2009.

191.4 Sec. 20. Laws 2007, chapter 148, article 1, section 12, subdivision 4, is amended to
191.5 read:

191.6 Subd. 4. **Administrative Management Services** 5,672,000 5,218,000

191.7 (a) \$125,000 the first year is to create an
191.8 Office of Grants Management to standardize
191.9 state grants management policies and
191.10 procedures. For the fiscal year beginning
191.11 July 1, 2008, the commissioner ~~must~~ may
191.12 deduct up to \$125,000 from state grants
191.13 that are subject to Minnesota Statutes,
191.14 section 16B.97, to ~~nongovernmental~~
191.15 nonstate entities, as necessary to fund the
191.16 commissioner's duties under new Minnesota
191.17 Statutes, sections 16B.97 and 16B.98.
191.18 The amount deducted from appropriations
191.19 for these grants is transferred to the
191.20 commissioner for purposes of administering
191.21 these sections.

191.22 (b) \$250,000 the first year and \$250,000
191.23 the second year are to establish a small
191.24 agency resource team to consolidate and
191.25 streamline the human resources and financial
191.26 management activities for small state
191.27 agencies, boards, and councils.

191.28 (c) \$500,000 the first year is a onetime
191.29 appropriation for a targeted group business
191.30 disparity study. The commissioner
191.31 must cooperate with units of local
191.32 government conducting similar studies. The
191.33 commissioner shall ensure that the results of
191.34 the study are kept current and that any new or

192.1 upgraded accounting or procurement systems
192.2 properly record purchases from minority and
192.3 female-owned businesses through the use of
192.4 state contracts, and the availability of bids
192.5 from those businesses.

192.6 (d) \$74,000 the first year and \$74,000
192.7 the second year are for the Council on
192.8 Developmental Disabilities.

192.9 (e) \$140,000 in fiscal year 2008 and \$140,000
192.10 in fiscal year 2009 are for a grant to the
192.11 Council on Developmental Disabilities
192.12 for the purpose of establishing a statewide
192.13 self-advocacy network for persons with
192.14 intellectual and developmental disabilities
192.15 (ID/DD). The self-advocacy network shall:

192.16 (1) ensure that persons with ID/DD are
192.17 informed of their rights in employment,
192.18 housing, transportation, voting, government
192.19 policy, and other issues pertinent to the
192.20 ID/DD community;

192.21 (2) provide public education and awareness
192.22 of the civil and human rights issues persons
192.23 with ID/DD face;

192.24 (3) provide funds, technical assistance, and
192.25 other resources for self-advocacy groups
192.26 across the state; and

192.27 (4) organize systems of communications
192.28 to facilitate an exchange of information
192.29 between self-advocacy groups.

192.30 This appropriation is in addition to any other
192.31 appropriations and must be added to the base
192.32 appropriation beginning in fiscal year 2010.

192.33 Sec. 21. **PROFESSIONAL AND TECHNICAL CONTRACTS.**

By July 1, 2008, the commissioner of finance shall allocate a reduction of \$1,875,000 among the general fund appropriations for fiscal year 2009 to executive branch state agencies, as defined in Minnesota Statutes, section 16A.011, subdivision 12a. To the extent possible, this reduction must be achieved through reductions in expenditures for professional and technical contracts, as defined in Minnesota Statutes, section 16C.08, subdivision 1. Executive branch state agencies shall cooperate with the commissioner of finance in developing and implementing the reductions. Any reductions that cannot be achieved through savings in professional and technical contracts must be allocated proportionally across executive branch state agency operating budgets. For the purposes of defining the base under Minnesota Statutes, section 16A.11, subdivision 3, paragraph (b), \$575,000 each year must be allocated as a permanent reduction to state agency base appropriations for fiscal years 2010 and 2011. The reductions must be allocated in proportion to the fiscal year 2009 reduction. For purposes of this subdivision, "executive branch state agency" does not include the Minnesota State Colleges and Universities. By January 15, 2009, the commissioner of finance shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over finance regarding the amount of the reductions in professional and technical contract spending by each agency.

Sec. 22. **LEGISLATORS' FORUM.**

During the biennium ending June 30, 2009, the Legislative Coordinating Commission must pay expenses associated with Minnesota legislators' participation in a legislators' forum, through which Minnesota legislators meet with counterparts from South Dakota, North Dakota, and Manitoba to discuss issues of mutual concern.

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

ARTICLE 14
RESERVES AND TRANSFERS

Section 1. **BUDGET RESERVE REDUCTION.**

On July 1, 2008, the commissioner of finance shall cancel \$500,000,000 of the balance in the budget reserve account in Minnesota Statutes, section 16A.152, to the general fund.

Sec. 2. **DUPLICATE APPROPRIATIONS.**

Unless another act explicitly provides otherwise, appropriations and transfers made in this act and other acts must be implemented only once even if the provision or a similar

194.1 provision with the same fiscal effect in the same fiscal year is included in another act. This
194.2 section applies to laws enacted in the 2008 regular session.

194.3 Sec. 3. **SEVERABLE PROVISIONS.**

194.4 If any provision of this act is found to be unconstitutional, the remaining provisions
194.5 of this act remain valid.

194.6 **ARTICLE 15**
194.7 **CONTINUING CARE**

194.8 Section 1. Minnesota Statutes 2006, section 256B.0621, subdivision 2, is amended to
194.9 read:

194.10 Subd. 2. **Targeted case management; definitions.** For purposes of subdivisions 3
194.11 to 10, the following terms have the meanings given them:

194.12 (1) "home care service recipients" means those individuals receiving the following
194.13 services under sections 256B.0651 to 256B.0656: skilled nursing visits, home health aide
194.14 visits, private duty nursing, personal care assistants, or therapies provided through a
194.15 home health agency;

194.16 (2) "home care targeted case management" means the provision of targeted case
194.17 management services for the purpose of assisting home care service recipients to gain
194.18 access to needed services and supports so that they may remain in the community;

194.19 (3) "institutions" means hospitals, consistent with Code of Federal Regulations, title
194.20 42, section 440.10; regional treatment center inpatient services, consistent with section
194.21 245.474; nursing facilities; and intermediate care facilities for persons with developmental
194.22 disabilities;

194.23 (4) "relocation targeted case management" includes the provision of both county
194.24 targeted case management and public or private vendor service coordination services
194.25 for the purpose of assisting recipients to gain access to needed services and supports if
194.26 they choose to move from an institution to the community. Relocation targeted case
194.27 management may be provided during the lesser of:

194.28 (i) the last 180 consecutive days of an eligible recipient's institutional stay; or
194.29 (ii) the limits and conditions which apply to federal Medicaid funding for this
194.30 service; and

194.31 (5) "targeted case management" means case management services provided to help
194.32 recipients gain access to needed medical, social, educational, and other services and
194.33 supports.

194.34 Sec. 2. Minnesota Statutes 2006, section 256B.0621, subdivision 6, is amended to read:

Subd. 6. **Eligible services.** (a) Services eligible for medical assistance reimbursement as targeted case management include:

(1) assessment of the recipient's need for targeted case management services and for persons choosing to relocate, the county must provide service coordination provider options at the first contact and upon request;

(2) development, completion, and regular review of a written individual service plan, which is based upon the assessment of the recipient's needs and choices, and which will ensure access to medical, social, educational, and other related services and supports;

(3) routine contact or communication with the recipient, recipient's family, primary caregiver, legal representative, substitute care provider, service providers, or other relevant persons identified as necessary to the development or implementation of the goals of the individual service plan;

(4) coordinating referrals for, and the provision of, case management services for the recipient with appropriate service providers, consistent with section 1902(a)(23) of the Social Security Act;

(5) coordinating and monitoring the overall service delivery and engaging in advocacy as needed to ensure quality of services, appropriateness, and continued need;

(6) completing and maintaining necessary documentation that supports and verifies the activities in this subdivision;

(7) assisting individuals in order to access needed services, including travel to conduct a visit with the recipient or other relevant person necessary to develop or implement the goals of the individual service plan; and

(8) coordinating with the institution discharge planner ~~in the 180-day period~~ before the recipient's discharge.

(b) Relocation targeted county case management includes services under paragraph (a), clauses (1), (2), and (4). Relocation service coordination includes services under paragraph (a), clauses (3) and (5) to (8). Home care targeted case management includes services under paragraph (a), clauses (1) to (8).

Sec. 3. Minnesota Statutes 2006, section 256B.0621, subdivision 10, is amended to read:

Subd. 10. **Payment rates.** The commissioner shall set payment rates for targeted case management under this subdivision. Case managers may bill according to the following criteria:

(1) for relocation targeted case management, case managers may bill for direct case management activities, including face-to-face and telephone contacts, in the lesser of:

196.1 (i) 180 days preceding an eligible recipient's discharge from an institution; or
196.2 (ii) the limits and conditions which apply to federal Medicaid funding for this
196.3 service;

196.4 (2) for home care targeted case management, case managers may bill for direct case
196.5 management activities, including face-to-face and telephone contacts; and

196.6 (3) billings for targeted case management services under this subdivision shall not
196.7 duplicate payments made under other program authorities for the same purpose.

196.8 Sec. 4. Minnesota Statutes 2007 Supplement, section 256B.0625, subdivision 20,
196.9 is amended to read:

196.10 Subd. 20. **Mental health case management.** (a) To the extent authorized by rule
196.11 of the state agency, medical assistance covers case management services to persons with
196.12 serious and persistent mental illness and children with severe emotional disturbance.
196.13 Services provided under this section must meet the relevant standards in sections 245.461
196.14 to 245.4887, the Comprehensive Adult and Children's Mental Health Acts, Minnesota
196.15 Rules, parts 9520.0900 to 9520.0926, and 9505.0322, excluding subpart 10.

196.16 (b) Entities meeting program standards set out in rules governing family community
196.17 support services as defined in section 245.4871, subdivision 17, are eligible for medical
196.18 assistance reimbursement for case management services for children with severe
196.19 emotional disturbance when these services meet the program standards in Minnesota
196.20 Rules, parts 9520.0900 to 9520.0926 and 9505.0322, excluding subparts 6 and 10.

196.21 (c) Medical assistance and MinnesotaCare payment for mental health case
196.22 management shall be made on a monthly basis. In order to receive payment for an eligible
196.23 child, the provider must document at least a face-to-face contact with the child, the child's
196.24 parents, or the child's legal representative. To receive payment for an eligible adult, the
196.25 provider must document:

196.26 (1) at least a face-to-face contact with the adult or the adult's legal representative; or

196.27 (2) at least a telephone contact with the adult or the adult's legal representative and
196.28 document a face-to-face contact with the adult or the adult's legal representative within
196.29 the preceding two months.

196.30 (d) Payment for mental health case management provided by county or state staff
196.31 shall be based on the monthly rate methodology under section 256B.094, subdivision 6,
196.32 paragraph (b), with separate rates calculated for child welfare and mental health, and
196.33 within mental health, separate rates for children and adults.

197.1 (e) Payment for mental health case management provided by Indian health services
197.2 or by agencies operated by Indian tribes may be made according to this section or other
197.3 relevant federally approved rate setting methodology.

197.4 (f) Payment for mental health case management provided by vendors who contract
197.5 with a county or Indian tribe shall be based on a monthly rate negotiated by the host county
197.6 or tribe. The negotiated rate must not exceed the rate charged by the vendor for the same
197.7 service to other payers. If the service is provided by a team of contracted vendors, the
197.8 county or tribe may negotiate a team rate with a vendor who is a member of the team. The
197.9 team shall determine how to distribute the rate among its members. No reimbursement
197.10 received by contracted vendors shall be returned to the county or tribe, except to reimburse
197.11 the county or tribe for advance funding provided by the county or tribe to the vendor.

197.12 (g) If the service is provided by a team which includes contracted vendors, tribal
197.13 staff, and county or state staff, the costs for county or state staff participation in the team
197.14 shall be included in the rate for county-provided services. In this case, the contracted
197.15 vendor, the tribal agency, and the county may each receive separate payment for services
197.16 provided by each entity in the same month. In order to prevent duplication of services,
197.17 each entity must document, in the recipient's file, the need for team case management and
197.18 a description of the roles of the team members.

197.19 (h) Notwithstanding section 256B.19, subdivision 1, the nonfederal share of costs
197.20 for mental health case management shall be provided by the recipient's county of
197.21 responsibility, as defined in sections 256G.01 to 256G.12, from sources other than federal
197.22 funds or funds used to match other federal funds. If the service is provided by a tribal
197.23 agency, the nonfederal share, if any, shall be provided by the recipient's tribe. When this
197.24 service is paid by the state without a federal share through fee-for-service, 50 percent of
197.25 the cost shall be provided by the recipient's county of responsibility.

197.26 (i) Notwithstanding any administrative rule to the contrary, prepaid medical
197.27 assistance, general assistance medical care, and MinnesotaCare include mental health case
197.28 management. When the service is provided through prepaid capitation, the nonfederal
197.29 share is paid by the state and the county pays no share.

197.30 (j) The commissioner may suspend, reduce, or terminate the reimbursement to a
197.31 provider that does not meet the reporting or other requirements of this section. The county
197.32 of responsibility, as defined in sections 256G.01 to 256G.12, or, if applicable, the tribal
197.33 agency, is responsible for any federal disallowances. The county or tribe may share this
197.34 responsibility with its contracted vendors.

(k) The commissioner shall set aside a portion of the federal funds earned for county expenditures under this section to repay the special revenue maximization account under section 256.01, subdivision 2, clause (15). The repayment is limited to:

(1) the costs of developing and implementing this section; and

(2) programming the information systems.

(l) Payments to counties and tribal agencies for case management expenditures under this section shall only be made from federal earnings from services provided under this section. When this service is paid by the state without a federal share through fee-for-service, 50 percent of the cost shall be provided by the state. Payments to county-contracted vendors shall include the federal earnings, the state share, and the county share.

(m) Case management services under this subdivision do not include therapy, treatment, legal, or outreach services.

(n) If the recipient is a resident of a nursing facility, intermediate care facility, or hospital, and the recipient's institutional care is paid by medical assistance, payment for case management services under this subdivision is limited to the lesser of:

(1) the last 180 days of the recipient's residency in that facility and may not exceed more than six months in a calendar year; or

(2) the limits and conditions which apply to federal Medicaid funding for this service.

(o) Payment for case management services under this subdivision shall not duplicate payments made under other program authorities for the same purpose.

Sec. 5. **[256B.0658] HOUSING ACCESS GRANTS.**

The commissioner of human services shall award through a competitive process contracts for grants to public and private agencies to support and assist individuals eligible for publicly funded home and community-based services, including state plan home care, to access housing. Grants may be awarded to agencies that may include, but are not limited to, the following supports: assessment to assure suitability of housing, accompanying an individual to look at housing, filling out applications and rental agreements, meeting with landlords, helping with Section 8 or other program applications, helping to develop a budget, obtaining furniture and household goods, if necessary, and assisting with any problems that may arise with housing.

Sec. 6. Minnesota Statutes 2006, section 256B.0924, subdivision 4, is amended to read:

199.1 Subd. 4. **Targeted case management service activities.** (a) For persons with
199.2 developmental disabilities, targeted case management services must meet the provisions
199.3 of section 256B.092.

199.4 (b) For persons not eligible as a person with a developmental disability, targeted
199.5 case management service activities include:

199.6 (1) an assessment of the person's need for targeted case management services;
199.7 (2) the development of a written personal service plan;
199.8 (3) a regular review and revision of the written personal service plan with the
199.9 recipient and the recipient's legal representative, and others as identified by the recipient,
199.10 to ensure access to necessary services and supports identified in the plan;
199.11 (4) effective communication with the recipient and the recipient's legal representative
199.12 and others identified by the recipient;
199.13 (5) coordination of referrals for needed services with qualified providers;
199.14 (6) coordination and monitoring of the overall service delivery to ensure the quality
199.15 and effectiveness of services;
199.16 (7) assistance to the recipient and the recipient's legal representative to help make
199.17 an informed choice of services;
199.18 (8) advocating on behalf of the recipient when service barriers are encountered or
199.19 referring the recipient and the recipient's legal representative to an independent advocate;
199.20 (9) monitoring and evaluating services identified in the personal service plan to
199.21 ensure personal outcomes are met and to ensure satisfaction with services and service
199.22 delivery;
199.23 (10) conducting face-to-face monitoring with the recipient at least twice a year;
199.24 (11) completing and maintaining necessary documentation that supports and verifies
199.25 the activities in this section;
199.26 (12) coordinating with the medical assistance facility discharge planner ~~in the~~
199.27 ~~180-day period~~ prior to the recipient's discharge into the community; and
199.28 (13) a personal service plan developed and reviewed at least annually with the
199.29 recipient and the recipient's legal representative. The personal service plan must be revised
199.30 when there is a change in the recipient's status. The personal service plan must identify:
199.31 (i) the desired personal short and long-term outcomes;
199.32 (ii) the recipient's preferences for services and supports, including development of
199.33 a person-centered plan if requested; and
199.34 (iii) formal and informal services and supports based on areas of assessment, such
199.35 as: social, health, mental health, residence, family, educational and vocational, safety,

200.1 legal, self-determination, financial, and chemical health as determined by the recipient and
200.2 the recipient's legal representative and the recipient's support network.

200.3 Sec. 7. Minnesota Statutes 2006, section 256B.0924, subdivision 6, is amended to read:

200.4 Subd. 6. **Payment for targeted case management.** (a) Medical assistance and
200.5 MinnesotaCare payment for targeted case management shall be made on a monthly basis.
200.6 In order to receive payment for an eligible adult, the provider must document at least one
200.7 contact per month and not more than two consecutive months without a face-to-face
200.8 contact with the adult or the adult's legal representative, family, primary caregiver, or
200.9 other relevant persons identified as necessary to the development or implementation
200.10 of the goals of the personal service plan.

200.11 (b) Payment for targeted case management provided by county staff under this
200.12 subdivision shall be based on the monthly rate methodology under section 256B.094,
200.13 subdivision 6, paragraph (b), calculated as one combined average rate together with
200.14 adult mental health case management under section 256B.0625, subdivision 20, except
200.15 for calendar year 2002. In calendar year 2002, the rate for case management under this
200.16 section shall be the same as the rate for adult mental health case management in effect
200.17 as of December 31, 2001. Billing and payment must identify the recipient's primary
200.18 population group to allow tracking of revenues.

200.19 (c) Payment for targeted case management provided by county-contracted vendors
200.20 shall be based on a monthly rate negotiated by the host county. The negotiated rate must
200.21 not exceed the rate charged by the vendor for the same service to other payers. If the
200.22 service is provided by a team of contracted vendors, the county may negotiate a team rate
200.23 with a vendor who is a member of the team. The team shall determine how to distribute
200.24 the rate among its members. No reimbursement received by contracted vendors shall be
200.25 returned to the county, except to reimburse the county for advance funding provided by
200.26 the county to the vendor.

200.27 (d) If the service is provided by a team that includes contracted vendors and county
200.28 staff, the costs for county staff participation on the team shall be included in the rate for
200.29 county-provided services. In this case, the contracted vendor and the county may each
200.30 receive separate payment for services provided by each entity in the same month. In
200.31 order to prevent duplication of services, the county must document, in the recipient's file,
200.32 the need for team targeted case management and a description of the different roles of
200.33 the team members.

200.34 (e) Notwithstanding section 256B.19, subdivision 1, the nonfederal share of costs
200.35 for targeted case management shall be provided by the recipient's county of responsibility,

201.1 as defined in sections 256G.01 to 256G.12, from sources other than federal funds or
201.2 funds used to match other federal funds.

201.3 (f) The commissioner may suspend, reduce, or terminate reimbursement to a
201.4 provider that does not meet the reporting or other requirements of this section. The county
201.5 of responsibility, as defined in sections 256G.01 to 256G.12, is responsible for any federal
201.6 disallowances. The county may share this responsibility with its contracted vendors.

201.7 (g) The commissioner shall set aside five percent of the federal funds received under
201.8 this section for use in reimbursing the state for costs of developing and implementing
201.9 this section.

201.10 (h) Payments to counties for targeted case management expenditures under this
201.11 section shall only be made from federal earnings from services provided under this
201.12 section. Payments to contracted vendors shall include both the federal earnings and the
201.13 county share.

201.14 (i) Notwithstanding section 256B.041, county payments for the cost of case
201.15 management services provided by county staff shall not be made to the commissioner of
201.16 finance. For the purposes of targeted case management services provided by county staff
201.17 under this section, the centralized disbursement of payments to counties under section
201.18 256B.041 consists only of federal earnings from services provided under this section.

201.19 (j) If the recipient is a resident of a nursing facility, intermediate care facility, or
201.20 hospital, and the recipient's institutional care is paid by medical assistance, payment for
201.21 targeted case management services under this subdivision is limited to the lesser of:

201.22 (1) the last 180 days of the recipient's residency in that facility and may not exceed
201.23 more than six months in a calendar year; or

201.24 (2) the limits and conditions which apply to federal Medicaid funding for this service.

201.25 (k) Payment for targeted case management services under this subdivision shall not
201.26 duplicate payments made under other program authorities for the same purpose.

201.27 (l) Any growth in targeted case management services and cost increases under this
201.28 section shall be the responsibility of the counties.

201.29 Sec. 8. Minnesota Statutes 2006, section 256B.19, subdivision 1d, is amended to read:

201.30 Subd. 1d. **Portion of nonfederal share to be paid by certain counties.** (a)
201.31 In addition to the percentage contribution paid by a county under subdivision 1, the
201.32 governmental units designated in this subdivision shall be responsible for an additional
201.33 portion of the nonfederal share of medical assistance cost. For purposes of this
201.34 subdivision, "designated governmental unit" means the counties of Becker, Beltrami,

202.1 Clearwater, Cook, Dodge, Hubbard, Itasca, Lake, Pennington, Pipestone, Ramsey, St.
202.2 Louis, Steele, Todd, Traverse, and Wadena.

202.3 (b) Beginning in 1994, each of the governmental units designated in this subdivision
202.4 shall transfer before noon on May 31 to the state Medicaid agency an amount equal to the
202.5 number of licensed beds in any nursing home owned and operated by the county on that
202.6 date, with the county named as licensee, multiplied by \$5,723. If two or more counties own
202.7 and operate a nursing home, the payment shall be prorated. These sums shall be part of the
202.8 designated governmental unit's portion of the nonfederal share of medical assistance costs.

202.9 (c) Beginning in 2002, in addition to any transfer under paragraph (b), each of the
202.10 governmental units designated in this subdivision shall transfer before noon on May 31
202.11 to the state Medicaid agency an amount equal to the number of licensed beds in any
202.12 nursing home owned and operated by the county on that date, with the county named as
202.13 licensee, multiplied by \$10,784. The provisions of paragraph (b) apply to transfers under
202.14 this paragraph.

202.15 ~~(d) Beginning in 2003, in addition to any transfer under paragraphs (b) and (c), each~~
202.16 ~~of the governmental units designated in this subdivision shall transfer before noon on May~~
202.17 ~~31 to the state Medicaid agency an amount equal to the number of licensed beds in any~~
202.18 ~~nursing home owned and operated by the county on that date, with the county named as~~
202.19 ~~licensee, multiplied by \$2,230. The provisions of paragraph (b) apply to transfers under~~
202.20 ~~this paragraph.~~

202.21 ~~(e)~~ (d) The commissioner may reduce the intergovernmental transfers under
202.22 ~~paragraphs~~ paragraph (c) ~~and (d)~~ based on the commissioner's determination of the
202.23 payment rate in section 256B.431, subdivision 23, paragraphs (c); and (d); ~~and (e)~~. Any
202.24 adjustments must be made on a per-bed basis and must result in an amount equivalent to
202.25 the total amount resulting from the rate adjustment in section 256B.431, subdivision 23,
202.26 paragraphs (c); and (d); ~~and (e)~~.

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

202.28 Sec. 9. Minnesota Statutes 2006, section 256B.431, subdivision 23, is amended to read:

202.29 Subd. 23. **County nursing home payment adjustments.** (a) Beginning in 1994,
202.30 the commissioner shall pay a nursing home payment adjustment on May 31 after noon
202.31 to a county in which is located a nursing home that, on that date, was county-owned and
202.32 operated, with the county named as licensee by the commissioner of health, and had over
202.33 40 beds and medical assistance occupancy in excess of 50 percent during the reporting
202.34 year ending September 30, 1991. The adjustment shall be an amount equal to \$16 per
202.35 calendar day multiplied by the number of beds licensed in the facility on that date.

203.1 (b) Payments under paragraph (a) are excluded from medical assistance per diem
203.2 rate calculations. These payments are required notwithstanding any rule prohibiting
203.3 medical assistance payments from exceeding payments from private pay residents. A
203.4 facility receiving a payment under paragraph (a) may not increase charges to private pay
203.5 residents by an amount equivalent to the per diem amount payments under paragraph (a)
203.6 would equal if converted to a per diem.

203.7 (c) Beginning in 2002, in addition to any payment under paragraph (a), the
203.8 commissioner shall pay to a nursing facility described in paragraph (a) an adjustment in
203.9 an amount equal to \$29.55 per calendar day multiplied by the number of beds licensed
203.10 in the facility on that date. The provisions of paragraphs (a) and (b) apply to payments
203.11 under this paragraph.

203.12 ~~(d) Beginning in 2003, in addition to any payment under paragraphs (a) and (c), the~~
203.13 ~~commissioner shall pay to a nursing facility described in paragraph (a) an adjustment in~~
203.14 ~~an amount equal to \$6.11 per calendar day multiplied by the number of beds licensed in~~
203.15 ~~the facility on that date. The provisions of paragraphs (a) and (b) apply to payments~~
203.16 ~~under this paragraph.~~

203.17 ~~(e)~~ (d) The commissioner may reduce payments under ~~paragraphs~~ paragraph (c) and
203.18 ~~(d)~~ based on the commissioner's determination of Medicare upper payment limits. Any
203.19 adjustments must be proportional to adjustments made under section 256B.19, subdivision
203.20 1d, paragraph ~~(e)~~ (d).

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

203.22 Sec. 10. Minnesota Statutes 2007 Supplement, section 256B.441, subdivision 1,
203.23 is amended to read:

203.24 Subdivision 1. **Rebasing of nursing facility operating ~~cost~~ payment rates.** (a)
203.25 The commissioner shall rebase nursing facility operating ~~cost~~ payment rates to align
203.26 payments to facilities with the cost of providing care. The rebased operating ~~cost~~ payment
203.27 rates shall be calculated using the statistical and cost report filed by each nursing facility
203.28 for the report period ending one year prior to the rate year.

203.29 (b) The new operating ~~cost~~ payment rates based on this section shall take effect
203.30 beginning with the rate year beginning October 1, 2008, and shall be phased in over eight
203.31 rate years through October 1, 2015. For each year of the phase-in, the operating payment
203.32 rates shall be calculated using the statistical and cost report filed by each nursing facility
203.33 for the report period ending one year prior to the rate year.

203.34 (c) Operating ~~cost~~ payment rates shall be rebased on October 1, 2016, and every
203.35 two years after that date.

(d) Each cost reporting year shall begin on October 1 and end on the following September 30. Beginning in 2006, a statistical and cost report shall be filed by each nursing facility by January 15. Notice of rates shall be distributed by August 15 and the rates shall go into effect on October 1 for one year.

(e) Effective October 1, 2014, property rates shall be rebased in accordance with section 256B.431 and Minnesota Rules, chapter 9549. The commissioner shall determine what the property payment rate for a nursing facility would be had the facility not had its property rate determined under section 256B.434. The commissioner shall allow nursing facilities to provide information affecting this rate determination that would have been filed annually under Minnesota Rules, chapter 9549, and nursing facilities shall report information necessary to determine allowable debt. The commissioner shall use this information to determine the property payment rate.

Sec. 11. Minnesota Statutes 2007 Supplement, section 256B.441, subdivision 55, is amended to read:

Subd. 55. **Phase-in of rebased operating ~~cost~~ payment rates.** (a) For the rate years beginning October 1, 2008, to October 1, ~~2012~~ 2015, the operating ~~cost~~ payment rate calculated under this section shall be phased in by blending the operating ~~cost~~ rate with the operating ~~cost~~ payment rate determined under section 256B.434. For purposes of this subdivision, the rate to be used that is determined under section 256B.434 shall not include the portion of the operating payment rate related to performance-based incentive payments under section 256B.434, subdivision 4, paragraph (d). For the rate year beginning October 1, 2008, the operating ~~cost~~ payment rate for each facility shall be 13 percent of the operating ~~cost~~ payment rate from this section, and 87 percent of the operating ~~cost~~ payment rate from section 256B.434. For the rate year beginning October 1, 2009, the operating ~~cost~~ payment rate for each facility shall be 14 percent of the operating ~~cost~~ payment rate from this section, and 86 percent of the operating ~~cost~~ payment rate from section 256B.434. For the rate year beginning October 1, 2010, the operating ~~cost~~ payment rate for each facility shall be 14 percent of the operating ~~cost~~ payment rate from this section, and 86 percent of the operating ~~cost~~ payment rate from section 256B.434. For the rate year beginning October 1, 2011, the operating ~~cost~~ payment rate for each facility shall be 31 percent of the operating ~~cost~~ payment rate from this section, and 69 percent of the operating ~~cost~~ payment rate from section 256B.434. For the rate year beginning October 1, 2012, the operating ~~cost~~ payment rate for each facility shall be 48 percent of the operating ~~cost~~ payment rate from this section, and 52 percent of the operating ~~cost~~ payment rate from section 256B.434. For the rate year beginning October 1, 2013, the operating ~~cost~~

payment rate for each facility shall be 65 percent of the operating ~~cost~~ payment rate from this section, and 35 percent of the operating ~~cost~~ payment rate from section 256B.434. For the rate year beginning October 1, 2014, the operating ~~cost~~ payment rate for each facility shall be 82 percent of the operating ~~cost~~ payment rate from this section, and 18 percent of the operating ~~cost~~ payment rate from section 256B.434. For the rate year beginning October 1, 2015, the operating ~~cost~~ payment rate for each facility shall be the operating ~~cost~~ payment rate determined under this section. The blending of operating ~~cost~~ payment rates under this section shall be performed separately for each RUG's class.

(b) For the rate year beginning October 1, 2008, the commissioner shall apply limits to the operating payment rate increases under paragraph (a) by creating a minimum percentage increase and a maximum percentage increase.

(1) Each nursing facility that receives a blended October 1, 2008, operating payment rate increase under paragraph (a) of less than one percent, when compared to its operating payment rate on September 30, 2008, computed using rates with RUG's weight of 1.00, shall receive a rate adjustment of one percent.

(2) The commissioner shall determine a maximum percentage increase that will result in savings equal to the cost of allowing the minimum increase in clause (1). Nursing facilities with a blended October 1, 2008, operating payment rate increase under paragraph (a) greater than the maximum percentage increase determined by the commissioner, when compared to its operating payment rate on September 30, 2008, computed using rates with a RUG's weight of 1.00, shall receive the maximum percentage increase.

(3) Nursing facilities with a blended October 1, 2008, operating payment rate increase under paragraph (a) greater than one percent and less than the maximum percentage increase determined by the commissioner, when compared to its operating payment rate on September 30, 2008, computed using rates with a RUG's weight of 1.00, shall receive the blended October 1, 2008, operating payment rate increase determined under paragraph (a).

(4) The October 1, 2009, through October 1, 2015, operating payment rate for facilities receiving the maximum percentage increase determined in clause (2) shall be the amount determined under paragraph (a) less the difference between the amount determined under paragraph (a) for October 1, 2008, and the amount allowed under clause (2). This rate restriction does not apply to rate increases provided in any other section.

~~(b)~~ (c) A portion of the funds received under this subdivision that are in excess of operating ~~cost~~ payment rates that a facility would have received under section 256B.434, as determined in accordance with clauses (1) to (3), shall be subject to the requirements in section 256B.434, subdivision 19, paragraphs (b) to (h).

(1) Determine the amount of additional funding available to a facility, which shall be equal to total medical assistance resident days from the most recent reporting year times the difference between the blended rate determined in paragraph (a) for the rate year being computed and the blended rate for the prior year.

(2) Determine the portion of all operating costs, for the most recent reporting year, that are compensation related. If this value exceeds 75 percent, use 75 percent.

(3) Subtract the amount determined in clause (2) from 75 percent.

(4) The portion of the fund received under this subdivision that shall be subject to the requirements in section 256B.434, subdivision 19, paragraphs (b) to (h), shall equal the amount determined in clause (1) times the amount determined in clause (3).

Sec. 12. Minnesota Statutes 2007 Supplement, section 256B.441, subdivision 56, is amended to read:

Subd. 56. **Hold harmless.** For the rate years beginning October 1, 2008, to October 1, 2016, no nursing facility shall receive an operating cost payment rate less than its operating cost payment rate under section 256B.434. For rate years beginning between October 1, 2009, and October 1, 2015, no nursing facility shall receive an operating payment rate less than its operating payment rate in effect on September 30, 2009. The comparison of operating ~~cost~~ payment rates under this section shall be made for a RUG's rate with a weight of 1.00.

Sec. 13. Minnesota Statutes 2007 Supplement, section 256B.5012, subdivision 7, is amended to read:

Subd. 7. **ICF/MR rate increases effective October 1, 2007, and October 1, 2008.**

(a) For the rate year beginning October 1, 2007, the commissioner shall make available to each facility reimbursed under this section operating payment rate adjustments equal to 2.0 percent of the operating payment rates in effect on September 30, 2007. For the rate year beginning ~~July~~ October 1, 2008, the commissioner shall make available to each facility reimbursed under this section operating payment rate adjustments equal to 2.0 percent of the operating payment rates in effect on ~~June~~ September 30, 2008. For each facility, the commissioner shall make available an adjustment, based on occupied beds, using the percentage specified in this paragraph multiplied by the total payment rate, including the variable rate but excluding the property-related payment rate, in effect on the preceding day. The total payment rate shall include the adjustment provided in section 256B.501, subdivision 12. A facility whose payment rates are governed by closure

207.1 agreements, receivership agreements, or Minnesota Rules, part 9553.0075, is not eligible
207.2 for an adjustment otherwise granted under this subdivision.

207.3 (b) Seventy-five percent of the money resulting from the rate adjustments under
207.4 paragraph (a) must be used for increases in compensation-related costs for employees
207.5 directly employed by the facility on or after the effective date of the rate adjustments,
207.6 except:

207.7 (1) the administrator;

207.8 (2) persons employed in the central office of a corporation that has an ownership
207.9 interest in the facility or exercises control over the facility; and

207.10 (3) persons paid by the facility under a management contract.

207.11 (c) Two-thirds of the money available under paragraph (b) must be used for wage
207.12 increases for all employees directly employed by the facility on or after the effective
207.13 date of the rate adjustments, except those listed in paragraph (b), clauses (1) to (3). The
207.14 wage adjustment that employees receive under this paragraph must be paid as an equal
207.15 hourly percentage wage increase for all eligible employees. All wage increases under this
207.16 paragraph must be effective on the same date. Only costs associated with the portion of
207.17 the equal hourly percentage wage increase that goes to all employees shall qualify under
207.18 this paragraph. Costs associated with wage increases in excess of the amount of the equal
207.19 hourly percentage wage increase provided to all employees shall be allowed only for
207.20 meeting the requirements in paragraph (b). This paragraph shall not apply to employees
207.21 covered by a collective bargaining agreement.

207.22 (d) The commissioner shall allow as compensation-related costs all costs for:

207.23 (1) wages and salaries;

207.24 (2) FICA taxes, Medicare taxes, state and federal unemployment taxes, and workers'
207.25 compensation;

207.26 (3) the employer's share of health and dental insurance, life insurance, disability
207.27 insurance, long-term care insurance, uniform allowance, and pensions; and

207.28 (4) other benefits provided, subject to the approval of the commissioner.

207.29 (e) The portion of the rate adjustments under paragraph (a) that is not subject to the
207.30 requirements in paragraphs (b) and (c) shall be provided to facilities effective October
207.31 1 of each year.

207.32 (f) Facilities may apply for the portion of the rate adjustments under paragraph
207.33 (a) that is subject to the requirements in paragraphs (b) and (c). The application
207.34 must be submitted to the commissioner within six months of the effective date of the
207.35 rate adjustments, and the facility must provide additional information required by
207.36 the commissioner within nine months of the effective date of the rate adjustments.

208.1 The commissioner must respond to all applications within three weeks of receipt.

208.2 The commissioner may waive the deadlines in this paragraph under extraordinary
208.3 circumstances, to be determined at the sole discretion of the commissioner. The
208.4 application must contain:

208.5 (1) an estimate of the amounts of money that must be used as specified in paragraphs
208.6 (b) and (c);

208.7 (2) a detailed distribution plan specifying the allowable compensation-related and
208.8 wage increases the facility will implement to use the funds available in clause (1);

208.9 (3) a description of how the facility will notify eligible employees of the contents of
208.10 the approved application, which must provide for giving each eligible employee a copy of
208.11 the approved application, excluding the information required in clause (1), or posting a
208.12 copy of the approved application, excluding the information required in clause (1), for
208.13 a period of at least six weeks in an area of the facility to which all eligible employees
208.14 have access; and

208.15 (4) instructions for employees who believe they have not received the
208.16 compensation-related or wage increases specified in clause (2), as approved by the
208.17 commissioner, and which must include a mailing address, e-mail address, and the
208.18 telephone number that may be used by the employee to contact the commissioner or the
208.19 commissioner's representative.

208.20 (g) The commissioner shall ensure that cost increases in distribution plans under
208.21 paragraph (f), clause (2), that may be included in approved applications, comply with
208.22 requirements in clauses (1) to (4):

208.23 (1) costs to be incurred during the applicable rate year resulting from wage and
208.24 salary increases effective after October 1, 2006, and prior to the first day of the facility's
208.25 payroll period that includes October 1 of each year shall be allowed if they were not used
208.26 in the prior year's application and they meet the requirements of paragraphs (b) and (c);

208.27 (2) a portion of the costs resulting from tenure-related wage or salary increases
208.28 may be considered to be allowable wage increases, according to formulas that the
208.29 commissioner shall provide, where employee retention is above the average statewide
208.30 rate of retention of direct care employees;

208.31 (3) the annualized amount of increases in costs for the employer's share of health
208.32 and dental insurance, life insurance, disability insurance, and workers' compensation shall
208.33 be allowable compensation-related increases if they are effective on or after April 1 of
208.34 the year in which the rate adjustments are effective and prior to April 1 of the following
208.35 year; and

(4) for facilities in which employees are represented by an exclusive bargaining representative, the commissioner shall approve the application only upon receipt of a letter of acceptance of the distribution plan, as regards members of the bargaining unit, signed by the exclusive bargaining agent and dated after May 25, 2007. Upon receipt of the letter of acceptance, the commissioner shall deem all requirements of this section as having been met in regard to the members of the bargaining unit.

(h) The commissioner shall review applications received under paragraph (f) and shall provide the portion of the rate adjustments under paragraphs (b) and (c) if the requirements of this subdivision have been met. The rate adjustments shall be effective October 1 of each year. Notwithstanding paragraph (a), if the approved application distributes less money than is available, the amount of the rate adjustment shall be reduced so that the amount of money made available is equal to the amount to be distributed.

Sec. 14. Minnesota Statutes 2006, section 256B.69, subdivision 6, is amended to read:

Subd. 6. **Service delivery.** (a) Each demonstration provider shall be responsible for the health care coordination for eligible individuals. Demonstration providers:

(1) shall authorize and arrange for the provision of all needed health services including but not limited to the full range of services listed in sections 256B.02, subdivision 8, and 256B.0625 in order to ensure appropriate health care is delivered to enrollees. Notwithstanding section 256B.0621, demonstration providers that provide nursing home and community-based services under this section shall provide relocation service coordination to enrolled persons age 65 and over;

(2) shall accept the prospective, per capita payment from the commissioner in return for the provision of comprehensive and coordinated health care services for eligible individuals enrolled in the program;

(3) may contract with other health care and social service practitioners to provide services to enrollees; and

(4) shall institute recipient grievance procedures according to the method established by the project, utilizing applicable requirements of chapter 62D. Disputes not resolved through this process shall be appealable to the commissioner as provided in subdivision 11.

(b) Demonstration providers must comply with the standards for claims settlement under section 72A.201, subdivisions 4, 5, 7, and 8, when contracting with other health care and social service practitioners to provide services to enrollees. A demonstration provider must pay a clean claim, as defined in Code of Federal Regulations, title 42, section 447.45(b), within 30 business days of the date of acceptance of the claim.

210.1 Sec. 15. Minnesota Statutes 2006, section 256D.44, subdivision 2, is amended to read:

210.2 Subd. 2. **Standard of assistance for persons eligible for medical assistance**
210.3 **waivers or at risk of placement in a group residential housing facility.** The state
210.4 standard of assistance for a person who: (1) is eligible for a medical assistance home and
210.5 community-based services waiver or a person who; (2) has been determined by the local
210.6 agency to meet the plan requirements for placement in a group residential housing facility
210.7 under section 256I.04, subdivision 1a; or (3) is eligible for a shelter needy payment
210.8 under subdivision 5, paragraph (f), is the standard established in subdivision 3, paragraph
210.9 (a) or (b).

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

210.11 Sec. 16. Minnesota Statutes 2006, section 256D.44, subdivision 5, is amended to read:

210.12 Subd. 5. **Special needs.** In addition to the state standards of assistance established in
210.13 subdivisions 1 to 4, payments are allowed for the following special needs of recipients of
210.14 Minnesota supplemental aid who are not residents of a nursing home, a regional treatment
210.15 center, or a group residential housing facility.

210.16 (a) The county agency shall pay a monthly allowance for medically prescribed
210.17 diets if the cost of those additional dietary needs cannot be met through some other
210.18 maintenance benefit. The need for special diets or dietary items must be prescribed by
210.19 a licensed physician. Costs for special diets shall be determined as percentages of the
210.20 allotment for a one-person household under the thrifty food plan as defined by the United
210.21 States Department of Agriculture. The types of diets and the percentages of the thrifty
210.22 food plan that are covered are as follows:

210.23 (1) high protein diet, at least 80 grams daily, 25 percent of thrifty food plan;

210.24 (2) controlled protein diet, 40 to 60 grams and requires special products, 100 percent
210.25 of thrifty food plan;

210.26 (3) controlled protein diet, less than 40 grams and requires special products, 125
210.27 percent of thrifty food plan;

210.28 (4) low cholesterol diet, 25 percent of thrifty food plan;

210.29 (5) high residue diet, 20 percent of thrifty food plan;

210.30 (6) pregnancy and lactation diet, 35 percent of thrifty food plan;

210.31 (7) gluten-free diet, 25 percent of thrifty food plan;

210.32 (8) lactose-free diet, 25 percent of thrifty food plan;

210.33 (9) antidumping diet, 15 percent of thrifty food plan;

210.34 (10) hypoglycemic diet, 15 percent of thrifty food plan; or

210.35 (11) ketogenic diet, 25 percent of thrifty food plan.

211.1 (b) Payment for nonrecurring special needs must be allowed for necessary home
211.2 repairs or necessary repairs or replacement of household furniture and appliances using
211.3 the payment standard of the AFDC program in effect on July 16, 1996, for these expenses,
211.4 as long as other funding sources are not available.

211.5 (c) A fee for guardian or conservator service is allowed at a reasonable rate
211.6 negotiated by the county or approved by the court. This rate shall not exceed five percent
211.7 of the assistance unit's gross monthly income up to a maximum of \$100 per month. If the
211.8 guardian or conservator is a member of the county agency staff, no fee is allowed.

211.9 (d) The county agency shall continue to pay a monthly allowance of \$68 for
211.10 restaurant meals for a person who was receiving a restaurant meal allowance on June 1,
211.11 1990, and who eats two or more meals in a restaurant daily. The allowance must continue
211.12 until the person has not received Minnesota supplemental aid for one full calendar month
211.13 or until the person's living arrangement changes and the person no longer meets the criteria
211.14 for the restaurant meal allowance, whichever occurs first.

211.15 (e) A fee of ten percent of the recipient's gross income or \$25, whichever is less,
211.16 is allowed for representative payee services provided by an agency that meets the
211.17 requirements under SSI regulations to charge a fee for representative payee services. This
211.18 special need is available to all recipients of Minnesota supplemental aid regardless of
211.19 their living arrangement.

211.20 (f) (1) Notwithstanding the language in this subdivision, an amount equal to the
211.21 maximum allotment authorized by the federal Food Stamp Program for a single individual
211.22 which is in effect on the first day of ~~January~~ July of the ~~previous~~ each year will be added to
211.23 the standards of assistance established in subdivisions 1 to 4 for ~~individuals~~ adults under
211.24 the age of 65 who qualify as shelter needy and are: (i) relocating from an institution, or an
211.25 adult mental health residential treatment program under section 256B.0622, ~~and who are~~
211.26 ~~shelter needy~~; (ii) eligible for the self-directed supports option as defined under section
211.27 256B.0657, subdivision 2; or (iii) home and community-based waiver recipients living in
211.28 their own home or rented or leased apartment which is not owned, operated, or controlled
211.29 by a provider of service not related by blood or marriage.

211.30 (2) Notwithstanding subdivision 3, paragraph (c), an individual eligible for the
211.31 shelter needy benefit under this paragraph is considered a household of one. An eligible
211.32 individual who receives this benefit prior to age 65 may continue to receive the benefit
211.33 after the age of 65.

211.34 (3) "Shelter needy" means that the assistance unit incurs monthly shelter costs that
211.35 exceed 40 percent of the assistance unit's gross income before the application of this
211.36 special needs standard. "Gross income" for the purposes of this section is the applicant's or

212.1 recipient's income as defined in section 256D.35, subdivision 10, or the standard specified
212.2 in subdivision 3, paragraph (a) or (b), whichever is greater. A recipient of a federal or
212.3 state housing subsidy, that limits shelter costs to a percentage of gross income, shall not be
212.4 considered shelter needy for purposes of this paragraph.

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

212.6 Sec. 17. Laws 2007, chapter 147, article 7, section 71, is amended to read:

212.7 Sec. 71. **PROVIDER RATE INCREASES.**

212.8 (a) The commissioner of human services shall increase allocations, reimbursement
212.9 rates, or rate limits, as applicable, by 2.0 percent beginning October 1, 2007, and by 2.0
212.10 percent beginning ~~July~~ October 1, 2008, effective for services rendered on or after those
212.11 dates. County contracts for services specified in this section must be amended to pass
212.12 through these rate adjustments within 60 days of the effective date of the increase and
212.13 must be retroactive from the effective date of the rate adjustment.

212.14 (b) The annual rate increases described in this section must be provided to:

212.15 (1) home and community-based waived services for persons with developmental
212.16 disabilities or related conditions, including consumer-directed community supports, under
212.17 Minnesota Statutes, section 256B.501;

212.18 (2) home and community-based waived services for the elderly, including
212.19 consumer-directed community supports, under Minnesota Statutes, section 256B.0915;

212.20 (3) waived services under community alternatives for disabled individuals,
212.21 including consumer-directed community supports, under Minnesota Statutes, section
212.22 256B.49;

212.23 (4) community alternative care waived services, including consumer-directed
212.24 community supports, under Minnesota Statutes, section 256B.49;

212.25 (5) traumatic brain injury waived services, including consumer-directed
212.26 community supports, under Minnesota Statutes, section 256B.49;

212.27 (6) nursing services and home health services under Minnesota Statutes, section
212.28 256B.0625, subdivision 6a;

212.29 (7) personal care services and qualified professional supervision of personal care
212.30 services under Minnesota Statutes, section 256B.0625, subdivision 19a;

212.31 (8) private duty nursing services under Minnesota Statutes, section 256B.0625,
212.32 subdivision 7;

212.33 (9) day training and habilitation services for adults with developmental disabilities
212.34 or related conditions under Minnesota Statutes, sections 252.40 to 252.46, including the

213.1 additional cost of rate adjustments on day training and habilitation services, provided as a
213.2 social service under Minnesota Statutes, section 256M.60;

213.3 (10) alternative care services under Minnesota Statutes, section 256B.0913;

213.4 (11) adult residential program grants under Minnesota Statutes, section 245.73;

213.5 (12) children's community-based mental health services grants and adult community
213.6 support and case management services grants under Minnesota Rules, parts 9535.1700
213.7 to 9535.1760;

213.8 (13) the group residential housing supplementary service rate under Minnesota
213.9 Statutes, section 256I.05, subdivision 1a;

213.10 (14) adult mental health integrated fund grants under Minnesota Statutes, section
213.11 245.4661;

213.12 (15) semi-independent living services (SILS) under Minnesota Statutes, section
213.13 252.275, including SILS funding under county social services grants formerly funded
213.14 under Minnesota Statutes, chapter 256I;

213.15 (16) community support services for deaf and hard-of-hearing adults with mental
213.16 illness who use or wish to use sign language as their primary means of communication
213.17 under Minnesota Statutes, section 256.01, subdivision 2; and deaf and hard-of-hearing
213.18 grants under Minnesota Statutes, sections 256C.233 and 256C.25; Laws 1985, chapter 9,
213.19 article 1; and Laws 1997, First Special Session chapter 5, section 20;

213.20 (17) living skills training programs for persons with intractable epilepsy who need
213.21 assistance in the transition to independent living under Laws 1988, chapter 689;

213.22 (18) physical therapy services under sections 256B.0625, subdivision 8, and
213.23 256D.03, subdivision 4;

213.24 (19) occupational therapy services under sections 256B.0625, subdivision 8a, and
213.25 256D.03, subdivision 4;

213.26 (20) speech-language therapy services under section 256D.03, subdivision 4, and
213.27 Minnesota Rules, part 9505.0390;

213.28 (21) respiratory therapy services under section 256D.03, subdivision 4, and
213.29 Minnesota Rules, part 9505.0295;

213.30 (22) adult rehabilitative mental health services under section 256B.0623;

213.31 (23) children's therapeutic services and support services under section 256B.0943;

213.32 (24) tier I chemical health services under Minnesota Statutes, chapter 254B;

213.33 (25) consumer support grants under Minnesota Statutes, section 256.476;

213.34 (26) family support grants under Minnesota Statutes, section 252.32;

213.35 (27) grants for case management services to persons with HIV or AIDS under
213.36 Minnesota Statutes, section 256.01, subdivision 19; and

214.1 (28) aging grants under Minnesota Statutes, sections 256.975 to 256.977, 256B.0917,
214.2 and 256B.0928.

214.3 (c) For services funded through Minnesota disability health options, the rate
214.4 increases under this section apply to all medical assistance payments, including former
214.5 group residential housing supplementary rates under Minnesota Statutes, chapter 256I.

214.6 (d) The commissioner may recoup payments made under this section from a provider
214.7 that does not comply with paragraphs (f) and (g).

214.8 (e) A managed care plan receiving state payments for the services in this section
214.9 must include these increases in their payments to providers on a prospective basis,
214.10 effective on January 1 following the effective date of the rate increase.

214.11 (f) Providers that receive a rate increase under this section shall use 75 percent of
214.12 the additional revenue to increase compensation-related costs for employees directly
214.13 employed by the program on or after the effective date of the rate adjustments, except:

214.14 (1) the administrator;

214.15 (2) persons employed in the central office of a corporation or entity that has an
214.16 ownership interest in the provider or exercises control over the provider; and

214.17 (3) persons paid by the provider under a management contract.

214.18 Compensation-related costs include: wages and salaries; FICA taxes, Medicare taxes,
214.19 state and federal unemployment taxes, and workers' compensation; and the employer's
214.20 share of health and dental insurance, life insurance, disability insurance, long-term care
214.21 insurance, uniform allowance, and pensions.

214.22 (g) Two-thirds of the money available under paragraph (f) must be used for wage
214.23 increases for all employees directly employed by the provider on or after the effective
214.24 date of the rate adjustments, except those listed in paragraph (f), clauses (1) to (3). The
214.25 wage adjustment that employees receive under this paragraph must be paid as an equal
214.26 hourly percentage wage increase for all eligible employees. All wage increases under this
214.27 paragraph must be effective on the same date. This paragraph shall not apply to employees
214.28 covered by a collective bargaining agreement.

214.29 (h) For public employees, the increase for wages and benefits for certain staff is
214.30 available and pay rates must be increased only to the extent that they comply with laws
214.31 governing public employees collective bargaining. Money received by a provider for pay
214.32 increases under this section may be used only for increases implemented on or after the
214.33 first day of the rate period in which the increase is available and must not be used for
214.34 increases implemented prior to that date.

214.35 (i) The commissioner shall amend state grant contracts that include direct
214.36 personnel-related grant expenditures to include the allocation for the portion of the contract

that is employee compensation related. Grant contracts for compensation-related services must be amended to pass through these adjustments within 60 days of the effective date of the increase and must be retroactive to the effective date of the rate adjustment.

(j) The Board on Aging and its Area Agencies on Aging shall amend their grants that include direct personnel-related grant expenditures to include the rate adjustment for the portion of the grant that is employee compensation related. Grants for compensation-related services must be amended to pass through these adjustments within 60 days of the effective date of the increase and must be retroactive to the effective date of the rate adjustment.

(k) The calendar year 2008 rate for vendors reimbursed under Minnesota Statutes, chapter 254B, shall be at least 2.0 percent above the rate in effect on January 1, 2007. The calendar year 2009 rate shall be at least 2.0 percent above the rate in effect on January 1, 2008.

(l) Providers that receive a rate adjustment under paragraph (a) that is subject to paragraphs (f) and (g) shall provide to the commissioner, and those counties with whom they have a contract, within six months after the effective date of each rate adjustment, a letter, in a format specified by the commissioner, that provides assurances that the provider has developed and implemented a compensation plan and complied with paragraphs (f) and (g). The provider shall keep on file, and produce for the commissioner or county upon request, its plan, which must specify:

(1) an estimate of the amounts of money that must be used as specified in paragraphs (f) and (g); and

(2) a detailed distribution plan specifying the allowable compensation-related and wage increases the provider will implement to use the funds available in clause (1).

(m) Within six months after the effective date of each rate adjustment, the provider shall post this plan, excluding the information required in paragraph (l), clause (1), for a period of at least six weeks in an area of the provider's operation to which all eligible employees have access and provide instructions for employees who believe they have not received the wage and other compensation-related increases specified in paragraph (l), clause (2). Instructions must include a mailing address, e-mail address, and the telephone number that may be used by the employee to contact the commissioner or the commissioner's representative. Providers shall also make assurances to the commissioner and counties with whom they have a contract that they have complied with the requirement in this paragraph.

Sec. 18. **MORATORIUM EXCEPTION PROPOSAL; WAIVER.**

216.1 The commissioner of health may waive the six-mile limit in Minnesota Statutes,
216.2 section 144A.073, subdivision 5, paragraph (e), when considering a moratorium exception
216.3 proposal submitted under Minnesota Statutes, section 144A.073, to allow a nursing
216.4 facility providing specialty care in Minneapolis to close and relocate beds to a new facility
216.5 in Robbinsdale under common ownership.

ARTICLE 16
CHILDREN AND FAMILY SERVICES

216.8 Section 1. Minnesota Statutes 2007 Supplement, section 256.741, subdivision 1,
216.9 is amended to read:

216.10 Subdivision 1. ~~Public assistance~~ **Definitions.** (a) The term "direct support" as used
216.11 in this chapter and chapters 257, 518, 518A, and 518C refers to an assigned support
216.12 payment from an obligor which is paid directly to a recipient of ~~TANF or MFIP~~ **public**
216.13 **assistance.**

(b) The term "public assistance" as used in this chapter and chapters 257, 518, 518A, and 518C, includes any form of assistance provided under the AFDC program formerly codified in sections 256.72 to 256.87, MFIP and MFIP-R formerly codified under chapter 256, MFIP under chapter 256J, work first program formerly codified under chapter 256K; child care assistance provided through the child care fund under chapter 119B; any form of medical assistance under chapter 256B; MinnesotaCare under chapter 256L; and foster care as provided under title IV-E of the Social Security Act.

216.21 (c) The term "child support agency" as used in this section refers to the public
216.22 authority responsible for child support enforcement.

216.23 (d) The term "public assistance agency" as used in this section refers to a public
216.24 authority providing public assistance to an individual.

216.25 (e) The terms "child support" and "arrear" as used in this section have the meanings
216.26 provided in section 518A.26.

216.27 (f) The term "maintenance" as used in this section has the meaning provided in
216.28 section 518.003.

216.29 Sec. 2. Minnesota Statutes 2006, section 256.741, subdivision 2, is amended to read:

Subd. 2. **Assignment of support and maintenance rights.** (a) An individual receiving public assistance in the form of assistance under any of the following programs: the AFDC program formerly codified in sections 256.72 to 256.87, MFIP under chapter 256J, MFIP-R and MFIP formerly codified under chapter 256, or work first program formerly codified under chapter 256K is considered to have assigned to the state at the

time of application all rights to child support and maintenance from any other person the applicant or recipient may have in the individual's own behalf or in the behalf of any other family member for whom application for public assistance is made. An assistance unit is ineligible for the Minnesota family investment program unless the caregiver assigns all rights to child support and ~~spousal~~ maintenance benefits according to this section.

~~(1) An~~ The assignment made according to this section is effective as to:

~~(i) any current child support and current spousal maintenance; and~~

~~(ii) any accrued child support and spousal maintenance arrears.~~

~~(2) An assignment made after September 30, 1997, is effective as to:~~

~~(i) any current child support and current spousal maintenance;~~

~~(ii) any accrued child support and spousal maintenance arrears collected before October 1, 2000, or the date the individual terminates assistance, whichever is later; and~~

~~(iii) any accrued child support and spousal maintenance arrears collected under federal tax intercept.~~

(2) Any child support or maintenance arrears that accrue while an individual is receiving public assistance in the form of assistance under any of the programs listed in this paragraph are permanently assigned to the state.

(3) The assignment of current child support and current maintenance ends on the date the individual ceases to receive or is no longer eligible to receive public assistance under any of the programs listed in this paragraph.

(b) An individual receiving public assistance in the form of medical assistance, including MinnesotaCare, is considered to have assigned to the state at the time of application all rights to medical support from any other person the individual may have in the individual's own behalf or in the behalf of any other family member for whom medical assistance is provided.

(1) An assignment made after September 30, 1997, is effective as to any medical support accruing after the date of medical assistance or MinnesotaCare eligibility.

(2) Any medical support arrears that accrue while an individual is receiving public assistance in the form of medical assistance, including MinnesotaCare, are permanently assigned to the state.

(3) The assignment of current medical support ends on the date the individual ceases to receive or is no longer eligible to receive public assistance in the form of medical assistance or MinnesotaCare.

(c) An individual receiving public assistance in the form of child care assistance under the child care fund pursuant to chapter 119B is considered to have assigned to the state at the time of application all rights to child care support from any other person the

individual may have in the individual's own behalf or in the behalf of any other family member for whom child care assistance is provided.

~~An (1) The assignment made according to this paragraph is effective as to:~~

~~(1) any current child care support and any child care support arrears assigned and accruing after July 1, 1997, that are collected before October 1, 2000; and.~~

~~(2) any accrued child care support arrears collected under federal tax intercept. Any child care support arrears that accrue while an individual is receiving public assistance in the form of child care assistance under the child care fund in chapter 119B are permanently assigned to the state.~~

~~(3) The assignment of current child care support ends on the date the individual ceases to receive or is no longer eligible to receive public assistance in the form of child care assistance under the child care fund under chapter 119B.~~

Sec. 3. Minnesota Statutes 2006, section 256.741, subdivision 2a, is amended to read:

Subd. 2a. ~~Families-first~~ **Distribution of child support arrearages.** (a) The state shall distribute current child support and maintenance received by the state to an individual who assigns the right to that support under subdivision 2, paragraph (a).

(b) When the public authority collects child support arrearages on behalf of an individual who is receiving public assistance provided under MFIP or MFIP-R under this chapter, MFIP under chapter 256J, or work first under chapter 256K, and the public authority has the option of applying the collection to arrears permanently assigned to the state or to arrears temporarily assigned to the state, the public authority shall first apply the collection to satisfy those arrears that are permanently assigned to the state.

(c) When the public authority collects child support arrearages on behalf of an individual who is not receiving public assistance, the public authority shall first apply the collection to satisfy those arrears that are not permanently assigned to the state.

(d) When the public authority collects child support arrearages certified under the federal tax offset, the public authority shall first apply the collection to satisfy those arrears that are permanently assigned to the state.

Sec. 4. Minnesota Statutes 2006, section 256.741, subdivision 3, is amended to read:

Subd. 3. **Existing assignments.** Assignments based on the receipt of public assistance in existence prior to July 1, 1997, are permanently assigned to the state. Arrears that accrued prior to the receipt of assistance that were assigned to the state between July 1, 1997, and October 1, 2009, must no longer be assigned as of October 1, 2009.

EFFECTIVE DATE. This section is effective October 1, 2009.

219.1 Sec. 5. Minnesota Statutes 2007 Supplement, section 256J.621, is amended to read:

219.2 **256J.621 WORK PARTICIPATION ~~BONUS~~ CASH BENEFITS.**

219.3 (a) Effective October 1, 2009, upon exiting the diversionary work program (DWP)
219.4 or upon terminating ~~MFIP cash assistance~~ the Minnesota family investment program with
219.5 earnings, a participant who is employed may be eligible for ~~transitional assistance~~ work
219.6 participation cash benefits of \$75 per month to assist in meeting the family's basic needs
219.7 as the participant continues to move toward self-sufficiency.

219.8 (b) To be eligible for a ~~transitional assistance payment~~ work participation cash
219.9 benefits, the participant shall not receive MFIP ~~cash assistance~~ or diversionary work
219.10 program assistance during the month and the participant or participants must meet the
219.11 following work requirements:

219.12 (1) if the participant is a single caregiver and has a child under six years of age, the
219.13 participant must be employed at least 87 hours per month;

219.14 (2) if the participant is a single caregiver and does not have a child under six years of
219.15 age, the participant must be employed at least 130 hours per month; or

219.16 (3) if the household is a two-parent family, at least one of the parents must be
219.17 employed an average of at least 130 hours per month.

219.18 Whenever a participant exits the diversionary work program or is terminated from
219.19 MFIP ~~cash assistance~~ and meets the other criteria in this section, ~~transitional assistance is~~
219.20 work participation cash benefits are available for up to 24 consecutive months.

219.21 (c) Expenditures on the program are maintenance of effort state funds for participants
219.22 under paragraph (b), clauses (1) and (2). Expenditures for participants under paragraph
219.23 (b), clause (3), are nonmaintenance of effort funds. Months in which a participant receives
219.24 ~~transitional assistance~~ work participation cash benefits under this section do not count
219.25 toward the participant's MFIP 60-month time limit.

219.26 Sec. 6. Minnesota Statutes 2006, section 518A.50, is amended to read:

219.27 **518A.50 PAYMENT TO PUBLIC AGENCY.**

219.28 (a) This section applies to all proceedings involving a support order, including, but
219.29 not limited to, a support order establishing an order for past support or reimbursement
219.30 of public assistance.

219.31 (b) The court shall direct that all payments ordered for maintenance or support
219.32 be made to the public authority responsible for child support enforcement so long as
219.33 the obligee is receiving or has applied for public assistance, or has applied for child
219.34 support or maintenance collection services. Public authorities responsible for child
219.35 support enforcement may act on behalf of other public authorities responsible for child

220.1 support enforcement, including the authority to represent the legal interests of or execute
220.2 documents on behalf of the other public authority in connection with the establishment,
220.3 enforcement, and collection of child support, maintenance, or medical support, and
220.4 collection on judgments.

220.5 (c) Payments made to the public authority ~~other than payments under section~~
220.6 ~~518A.53~~ must be credited as of the date the payment is received by the central collections
220.7 unit, except that payments made under section 518A.53 may be considered to have been
220.8 paid as of the date the obligor received the remainder of the income.

220.9 (d) Monthly amounts received by the public agency responsible for child support
220.10 enforcement from the obligor that are greater than the monthly amount of public assistance
220.11 granted to the obligee must be remitted to the obligee.

220.12 **EFFECTIVE DATE.** This section is effective October 1, 2009.

220.13 Sec. 7. Minnesota Statutes 2006, section 518A.53, subdivision 5, is amended to read:

220.14 Subd. 5. **Payor of funds responsibilities.** (a) An order for or notice of withholding
220.15 is binding on a payor of funds upon receipt. Withholding must begin no later than the first
220.16 pay period that occurs after 14 days following the date of receipt of the order for or notice
220.17 of withholding. In the case of a financial institution, preauthorized transfers must occur in
220.18 accordance with a court-ordered payment schedule.

220.19 (b) A payor of funds shall withhold from the income payable to the obligor the
220.20 amount specified in the order or notice of withholding and amounts specified under
220.21 subdivisions 6 and 9 and shall remit the amounts withheld to the public authority within
220.22 seven business days of the date the obligor is paid the remainder of the income. The payor
220.23 of funds shall include with the remittance the Social Security number of the obligor, the
220.24 case type indicator as provided by the public authority and the date the obligor is paid
220.25 the remainder of the income. ~~The obligor is considered to have paid the amount withheld~~
220.26 ~~as of the date the obligor received the remainder of the income.~~ A payor of funds may
220.27 combine all amounts withheld from one pay period into one payment to each public
220.28 authority, but shall separately identify each obligor making payment.

220.29 (c) A payor of funds shall not discharge, or refuse to hire, or otherwise discipline an
220.30 employee as a result of wage or salary withholding authorized by this section. A payor of
220.31 funds shall be liable to the obligee for any amounts required to be withheld. A payor of
220.32 funds that fails to withhold or transfer funds in accordance with this section is also liable
220.33 to the obligee for interest on the funds at the rate applicable to judgments under section
220.34 549.09, computed from the date the funds were required to be withheld or transferred.
220.35 A payor of funds is liable for reasonable attorney fees of the obligee or public authority

incurred in enforcing the liability under this paragraph. A payor of funds that has failed to comply with the requirements of this section is subject to contempt sanctions under section 518A.73. If the payor of funds is an employer or independent contractor and violates this subdivision, a court may award the obligor twice the wages lost as a result of this violation. If a court finds a payor of funds violated this subdivision, the court shall impose a civil fine of not less than \$500. The liabilities in this paragraph apply to intentional noncompliance with this section.

(d) If a single employee is subject to multiple withholding orders or multiple notices of withholding for the support of more than one child, the payor of funds shall comply with all of the orders or notices to the extent that the total amount withheld from the obligor's income does not exceed the limits imposed under the Consumer Credit Protection Act, United States Code, title 15, section 1673(b), giving priority to amounts designated in each order or notice as current support as follows:

(1) if the total of the amounts designated in the orders for or notices of withholding as current support exceeds the amount available for income withholding, the payor of funds shall allocate to each order or notice an amount for current support equal to the amount designated in that order or notice as current support, divided by the total of the amounts designated in the orders or notices as current support, multiplied by the amount of the income available for income withholding; and

(2) if the total of the amounts designated in the orders for or notices of withholding as current support does not exceed the amount available for income withholding, the payor of funds shall pay the amounts designated as current support, and shall allocate to each order or notice an amount for past due support, equal to the amount designated in that order or notice as past due support, divided by the total of the amounts designated in the orders or notices as past due support, multiplied by the amount of income remaining available for income withholding after the payment of current support.

(e) When an order for or notice of withholding is in effect and the obligor's employment is terminated, the obligor and the payor of funds shall notify the public authority of the termination within ten days of the termination date. The termination notice shall include the obligor's home address and the name and address of the obligor's new payor of funds, if known.

(f) A payor of funds may deduct one dollar from the obligor's remaining salary for each payment made pursuant to an order for or notice of withholding under this section to cover the expenses of withholding.

EFFECTIVE DATE. This section is effective October 1, 2009.

222.1 Sec. 8. **REPEALER.**

222.2 Minnesota Statutes 2006, section 256.741, subdivision 15, is repealed.

222.3 **ARTICLE 17**
222.4 **HEALTH CARE**

222.5 Section 1. **[62U.10] HEALTH CARE TRANSFER, SAVINGS, AND REPAYMENT.**

222.6 Subdivision 1. **Health Care Access Fund Transfer.** On June 30, 2009, the
222.7 commissioner of finance shall transfer \$50,000,000 from the health care access fund
222.8 to the general fund.

222.9 Subd. 2. **Projected spending baseline.** (a) By June 1, 2009, the commissioner of
222.10 health shall calculate the annual projected total private and public health care spending for
222.11 residents of this state and establish a health care spending baseline, beginning for calendar
222.12 year 2008 and for the next ten years based on the annual projected growth in spending.

222.13 (b) In establishing the health care spending baseline, the commissioner shall use the
222.14 Centers for Medicare and Medicaid Services forecast for total growth in national health
222.15 care expenditures and adjust this forecast to reflect the demographics, health status, and
222.16 other factors deemed necessary by the commissioner. The commissioner shall contract
222.17 with an actuarial consultant to make recommendations for the adjustments needed to
222.18 specifically reflect projected spending for residents of this state.

222.19 (c) The commissioner may adjust the projected baseline as necessary to reflect any
222.20 updated federal projections or account for unanticipated changes in federal policy.

222.21 (d) Medicare and long-term care spending must not be included in the calculations
222.22 required under this section.

222.23 Subd. 3. **Actual spending and savings determination.** By June 1, 2010, and each
222.24 June 1 thereafter until June 1, 2020, the commissioner of health shall determine the actual
222.25 total private and public health care spending for residents of this state for the calendar
222.26 year two years before the current calendar year, based on data collected under chapter 62J,
222.27 and shall determine the difference between the projected spending, as determined under
222.28 subdivision 2, and the actual spending for that year. The actual spending must be certified
222.29 by an independent actuarial consultant. If the actual spending is less than the projected
222.30 spending, the commissioner shall determine, based on the proportion of spending for
222.31 state-administered health care programs to total private and public health care spending
222.32 for the calendar year two years before the current calendar year, the percentage of the
222.33 calculated aggregate savings amount accruing to state-administered health care programs.

223.1 Subd. 4. **Repayment of transfer.** When accumulated savings accruing to
223.2 state-administered health care programs, as calculated under subdivision 3, meet or exceed
223.3 \$50,000,000, the commissioner of health shall certify that event to the commissioner of
223.4 finance. In the next fiscal year following the certification, the commissioner of finance
223.5 shall transfer \$50,000,000 from the general fund to the health care access fund. The
223.6 amount necessary to make the transfer is appropriated from the general fund to the
223.7 commissioner of finance.

223.8 Subd. 5. **Definitions.** (a) For purposes of this section, the following definitions
223.9 apply.

223.10 (b) "Public health care spending" means spending for a state-administered health
223.11 care program.

223.12 (c) "State-administered health care program" means medical assistance,
223.13 MinnesotaCare, general assistance medical care, and the state employee group insurance
223.14 program.

223.15 Sec. 2. **[144.058] INTERPRETER SERVICES QUALITY INITIATIVE.**

223.16 (a) The commissioner of health shall establish a voluntary statewide roster, and
223.17 develop a plan for a registry and certification process for interpreters who provide
223.18 high quality, spoken language health care interpreter services. The roster, registry, and
223.19 certification process shall be based on the findings and recommendations set forth by
223.20 the Interpreter Services Work Group required under Laws 2007, chapter 147, article
223.21 12, section 13.

223.22 (b) By January 1, 2009, the commissioner shall establish a roster of all available
223.23 interpreters to address access concerns, particularly in rural areas.

223.24 (c) By January 15, 2010, the commissioner shall:

223.25 (1) develop a plan for a registry of spoken language health care interpreters,
223.26 including:

223.27 (i) development of standards for registration that set forth educational requirements,
223.28 training requirements, demonstration of language proficiency and interpreting skills,
223.29 agreement to abide by a code of ethics, and a criminal background check;

223.30 (ii) recommendations for appropriate alternate requirements in languages for which
223.31 testing and training programs do not exist;

223.32 (iii) recommendations for appropriate fees; and

223.33 (iv) recommendations for establishing and maintaining the standards for inclusion
223.34 in the registry; and

224.1 (2) develop a plan for implementing a certification process based on national
224.2 testing and certification processes for spoken language interpreters 12 months after the
224.3 establishment of a national certification process.

224.4 (d) The commissioner shall consult with the Interpreter Stakeholder Group of the
224.5 Upper Midwest Translators and Interpreters Association for advice on the standards
224.6 required to plan for the development of a registry and certification process.

224.7 (e) The commissioner shall charge an annual fee of \$50 to include an interpreter in
224.8 the roster. Fee revenue shall be deposited in the state government special revenue fund.

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

224.10 Sec. 3. Minnesota Statutes 2007 Supplement, section 144E.45, subdivision 2, is
224.11 amended to read:

224.12 Subd. 2. **Potential allocations.** (a) On November 1, annually, the board or the
224.13 board's designee under section 144E.40, subdivision 2, shall determine the amount of the
224.14 allocation of the prior year's accumulation to each qualified ambulance service person.
224.15 The prior year's net investment gain or loss under paragraph (b) must be allocated
224.16 and that year's general fund appropriation, plus any transfer from the Cooper/Sams
224.17 volunteer ambulance account under section 144E.42, subdivision 2, and after deduction of
224.18 administrative expenses, also must be allocated.

224.19 (b) The difference in the market value of the assets of the Cooper/Sams volunteer
224.20 ambulance trust account as of the immediately previous June 30 and the June 30 occurring
224.21 12 months earlier must be reported on or before August 15 by the State Board of
224.22 Investment. The market value gain or loss must be expressed as a percentage of the total
224.23 potential award accumulations as of the immediately previous June 30, and that positive or
224.24 negative percentage must be applied to increase or decrease the recorded potential award
224.25 accumulation of each qualified ambulance service person.

224.26 (c) The appropriation for this purpose, after deduction of administrative expenses,
224.27 must be divided by the total number of additional ambulance service personnel years
224.28 of service recognized since the last allocation or 1,000 years of service, whichever is
224.29 greater. If the allocation is based on the 1,000 years of service, any allocation not made
224.30 for a qualified ambulance service person must be credited to the Cooper/Sams volunteer
224.31 ambulance account under section 144E.42, subdivision 2. A qualified ambulance service
224.32 person must be credited with a year of service if the person is certified by the chief
224.33 administrative officer of the ambulance service as having rendered active ambulance
224.34 service during the 12 months ending as of the immediately previous June 30. If the person
224.35 has rendered prior active ambulance service, the person must be additionally credited with

one-fifth of a year of service for each year of active ambulance service rendered before June 30, 1993, but not to exceed in any year one additional year of service or to exceed in total five years of prior service. Prior active ambulance service means employment by or the provision of service to a licensed ambulance service before June 30, 1993, as determined by the person's current ambulance service based on records provided by the person that were contemporaneous to the service. The prior ambulance service must be reported on or before August 1 to the board in an affidavit from the chief administrative officer of the ambulance service.

(d) Effective July 1, 2008, notwithstanding paragraphs (a) to (c), the value of each service credit shall be \$447.19.

Sec. 4. Minnesota Statutes 2006, section 145.9255, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** To the extent funds are available for the purposes of this subdivision, the commissioner of health, in consultation with a representative from Minnesota planning, the commissioner of human services, and the commissioner of education, shall develop and implement the Minnesota education now and babies later (MN ENABL) program, targeted to adolescents ages 12 to 14, with the goal of reducing the incidence of adolescent pregnancy in the state and promoting abstinence until marriage. The program must provide a multifaceted, primary prevention, community health promotion approach to educating and supporting adolescents in the decision to postpone sexual involvement modeled after the ENABL program in California. The commissioner of health shall consult with the chief of the health education section of the California Department of Health Services for general guidance in developing and implementing the program.

Sec. 5. Minnesota Statutes 2006, section 256.969, subdivision 2b, is amended to read:

Subd. 2b. **Operating payment rates.** In determining operating payment rates for admissions occurring on or after the rate year beginning January 1, 1991, and every two years after, or more frequently as determined by the commissioner, the commissioner shall obtain operating data from an updated base year and establish operating payment rates per admission for each hospital based on the cost-finding methods and allowable costs of the Medicare program in effect during the base year. Rates under the general assistance medical care, medical assistance, and MinnesotaCare programs shall not be rebased to more current data on January 1, 1997, ~~and~~ January 1, 2005, and for the first 24 months of the rebased period beginning January 1, 2009. The base year operating payment rate per admission is standardized by the case mix index and adjusted by the

226.1 hospital cost index, relative values, and disproportionate population adjustment. The
226.2 cost and charge data used to establish operating rates shall only reflect inpatient services
226.3 covered by medical assistance and shall not include property cost information and costs
226.4 recognized in outlier payments.

226.5 Sec. 6. Minnesota Statutes 2006, section 256.969, subdivision 3a, is amended to read:

226.6 Subd. 3a. **Payments.** (a) Acute care hospital billings under the medical
226.7 assistance program must not be submitted until the recipient is discharged. However,
226.8 the commissioner shall establish monthly interim payments for inpatient hospitals that
226.9 have individual patient lengths of stay over 30 days regardless of diagnostic category.
226.10 Except as provided in section 256.9693, medical assistance reimbursement for treatment
226.11 of mental illness shall be reimbursed based on diagnostic classifications. Individual
226.12 hospital payments established under this section and sections 256.9685, 256.9686, and
226.13 256.9695, in addition to third party and recipient liability, for discharges occurring during
226.14 the rate year shall not exceed, in aggregate, the charges for the medical assistance covered
226.15 inpatient services paid for the same period of time to the hospital. This payment limitation
226.16 shall be calculated separately for medical assistance and general assistance medical
226.17 care services. The limitation on general assistance medical care shall be effective for
226.18 admissions occurring on or after July 1, 1991. Services that have rates established under
226.19 subdivision 11 or 12, must be limited separately from other services. After consulting with
226.20 the affected hospitals, the commissioner may consider related hospitals one entity and
226.21 may merge the payment rates while maintaining separate provider numbers. The operating
226.22 and property base rates per admission or per day shall be derived from the best Medicare
226.23 and claims data available when rates are established. The commissioner shall determine
226.24 the best Medicare and claims data, taking into consideration variables of recency of the
226.25 data, audit disposition, settlement status, and the ability to set rates in a timely manner.
226.26 The commissioner shall notify hospitals of payment rates by December 1 of the year
226.27 preceding the rate year. The rate setting data must reflect the admissions data used to
226.28 establish relative values. Base year changes from 1981 to the base year established for the
226.29 rate year beginning January 1, 1991, and for subsequent rate years, shall not be limited
226.30 to the limits ending June 30, 1987, on the maximum rate of increase under subdivision
226.31 1. The commissioner may adjust base year cost, relative value, and case mix index data
226.32 to exclude the costs of services that have been discontinued by the October 1 of the year
226.33 preceding the rate year or that are paid separately from inpatient services. Inpatient stays
226.34 that encompass portions of two or more rate years shall have payments established based
226.35 on payment rates in effect at the time of admission unless the date of admission preceded

the rate year in effect by six months or more. In this case, operating payment rates for services rendered during the rate year in effect and established based on the date of admission shall be adjusted to the rate year in effect by the hospital cost index.

(b) For fee-for-service admissions occurring on or after July 1, 2002, the total payment, before third-party liability and spenddown, made to hospitals for inpatient services is reduced by .5 percent from the current statutory rates.

(c) In addition to the reduction in paragraph (b), the total payment for fee-for-service admissions occurring on or after July 1, 2003, made to hospitals for inpatient services before third-party liability and spenddown, is reduced five percent from the current statutory rates. Mental health services within diagnosis related groups 424 to 432, and facilities defined under subdivision 16 are excluded from this paragraph.

(d) In addition to the reduction in paragraphs (b) and (c), the total payment for fee-for-service admissions occurring on or after July 1, 2005, made to hospitals for inpatient services before third-party liability and spenddown, is reduced 6.0 percent from the current statutory rates. Mental health services within diagnosis related groups 424 to 432 and facilities defined under subdivision 16 are excluded from this paragraph. Notwithstanding section 256.9686, subdivision 7, for purposes of this paragraph, medical assistance does not include general assistance medical care. Payments made to managed care plans shall be reduced for services provided on or after January 1, 2006, to reflect this reduction.

(e) In addition to the reductions in paragraphs (b), (c), and (d), the total payment for fee-for-service admissions occurring on or after July 1, 2008, through June 30, 2009, made to hospitals for inpatient services before third-party liability and spenddown, is reduced 3.46 percent from the current statutory rates. Mental health services with diagnosis related groups 424 to 432 and facilities defined under subdivision 16 are excluded from this paragraph. Payments made to managed care plans shall be reduced for services provided on or after January 1, 2009, through June 30, 2009, to reflect this reduction.

(f) In addition to the reductions in paragraphs (b), (c), and (d), the total payment for fee-for-service admissions occurring on or after July 1, 2009, through June 30, 2010, made to hospitals for inpatient services before third-party liability and spenddown, is reduced 1.9 percent from the current statutory rates. Mental health services with diagnosis related groups 424 to 432 and facilities defined under subdivision 16 are excluded from this paragraph. Payments made to managed care plans shall be reduced for services provided on or after July 1, 2009, through June 30, 2010, to reflect this reduction.

(g) In addition to the reductions in paragraphs (b), (c), and (d), the total payment for fee-for-service admissions occurring on or after July 1, 2010, made to hospitals for

228.1 inpatient services before third-party liability and spenddown, is reduced 1.79 percent
228.2 from the current statutory rates. Mental health services with diagnosis related groups
228.3 424 to 432 and facilities defined under subdivision 16 are excluded from this paragraph.
228.4 Payments made to managed care plans shall be reduced for services provided on or after
228.5 July 1, 2010, to reflect this reduction.

228.6 Sec. 7. Minnesota Statutes 2006, section 256B.0571, subdivision 8, is amended to read:

228.7 Subd. 8. **Program established.** (a) The commissioner, in cooperation with the
228.8 commissioner of commerce, shall establish the Minnesota partnership for long-term care
228.9 program to provide for the financing of long-term care through a combination of private
228.10 insurance and medical assistance.

228.11 (b) An individual who meets the requirements in this paragraph is eligible to
228.12 participate in the partnership program. The individual must:

228.13 (1) be a Minnesota resident at the time coverage first became effective under the
228.14 partnership policy; and

228.15 (2) be a beneficiary of a partnership policy that (i) is issued on or after the effective
228.16 date of the state plan amendment implementing the partnership program in Minnesota, or
228.17 (ii) qualifies as a partnership policy under the provisions of subdivision 8a; and

228.18 ~~(3) have exhausted all of the benefits under the partnership policy as described in this~~
228.19 ~~section. Benefits received under a long-term care insurance policy before July 1, 2006, do~~
228.20 ~~not count toward the exhaustion of benefits required in this subdivision.~~

228.21 Sec. 8. Minnesota Statutes 2006, section 256B.0571, subdivision 9, is amended to read:

228.22 Subd. 9. **Medical assistance eligibility.** (a) Upon application for medical assistance
228.23 program payment of long-term care services by an individual who meets the requirements
228.24 described in subdivision 8, the commissioner shall determine the individual's eligibility
228.25 for medical assistance according to paragraphs (b) to (i).

228.26 (b) After determining assets subject to the asset limit under section 256B.056,
228.27 subdivision 3 or 3c, or 256B.057, subdivision 9 or 10, the commissioner shall allow the
228.28 individual to designate assets to be protected from recovery under subdivisions 13 and
228.29 15 up to the dollar amount of the benefits utilized under the partnership policy as of the
228.30 effective date of eligibility for medical assistance program payment of long-term care
228.31 services. Benefits utilized under a long-term care insurance policy before July 1, 2006,
228.32 do not count for the purpose of determining the amount of assets that can be designated.
228.33 Designated assets shall be disregarded for purposes of determining eligibility for payment

of long-term care services. The dollar amount of benefits utilized must be equal to the amount of claims paid by the issuer under the policy as verified by the issuer.

(c) The individual shall identify the designated assets and the full fair market value of those assets and designate them as assets to be protected at the time of ~~initial~~ application for medical assistance payment of long-term care services. The full fair market value of real property or interests in real property shall be based on the most recent full assessed value for property tax purposes for the real property, unless the individual provides a complete professional appraisal by a licensed appraiser to establish the full fair market value. The extent of a life estate in real property shall be determined using the life estate table in the health care program's manual. Ownership of any asset in joint tenancy shall be treated as ownership as tenants in common for purposes of its designation as a disregarded asset. The unprotected value of any protected asset is subject to estate recovery according to subdivisions 13 and 15.

(d) The right to designate assets to be protected is personal to the individual and ends when the individual dies, except as otherwise provided in subdivisions 13 and 15. It does not include the increase in the value of the protected asset and the income, dividends, or profits from the asset. It may be exercised by the individual or by anyone with the legal authority to do so on the individual's behalf. It shall not be sold, assigned, transferred, or given away.

~~(e) If the dollar amount of the benefits utilized under a partnership policy is greater than the full fair market value of all assets protected at the time of the application for medical assistance long-term care services, As the individual continues to utilize benefits under a partnership policy after eligibility for medical assistance payment of long-term care services begins, the individual may designate, for additional protection, an increase in the value of protected assets and additional assets that become available during the individual's lifetime for protection under this section up to the amount of additional benefits utilized. The individual must make the designation in writing to the county agency no later than the last date on which the individual must report a change in circumstances to the county agency, as provided for under the medical assistance program. Any excess used for this purpose shall not be available to the individual's estate to protect assets in the estate from recovery under section 256B.15 or 524.3-1202, or otherwise. The amount used for this purpose must reduce the unused amount of asset protection available to protect assets in the individual's estate from recovery under section 256B.15 or 524.3-1202, or otherwise.~~

(f) This section applies only to estate recovery under United States Code, title 42, section 1396p, subsections (a) and (b), and does not apply to recovery authorized by other provisions of federal law, including, but not limited to, recovery from trusts under United

230.1 States Code, title 42, section 1396p, subsection (d)(4)(A) and (C), or to recovery from
230.2 annuities, or similar legal instruments, subject to section 6012, subsections (a) and (b), of
230.3 the Deficit Reduction Act of 2005, Public Law 109-171.

230.4 (g) An individual's protected assets owned by the individual's spouse who applies
230.5 for payment of medical assistance long-term care services shall not be protected assets or
230.6 disregarded for purposes of eligibility of the individual's spouse solely because they were
230.7 protected assets of the individual.

230.8 (h) Assets designated under this subdivision shall not be subject to penalty under
230.9 section 256B.0595.

230.10 (i) The commissioner shall otherwise determine the individual's eligibility
230.11 for payment of long-term care services according to medical assistance eligibility
230.12 requirements.

230.13 Sec. 9. Minnesota Statutes 2006, section 256B.0625, subdivision 13e, is amended to
230.14 read:

230.15 Subd. 13e. **Payment rates.** (a) The basis for determining the amount of payment
230.16 shall be the lower of the actual acquisition costs of the drugs plus a fixed dispensing fee;
230.17 the maximum allowable cost set by the federal government or by the commissioner plus
230.18 the fixed dispensing fee; or the usual and customary price charged to the public. The
230.19 amount of payment basis must be reduced to reflect all discount amounts applied to the
230.20 charge by any provider/insurer agreement or contract for submitted charges to medical
230.21 assistance programs. The net submitted charge may not be greater than the patient liability
230.22 for the service. The pharmacy dispensing fee shall be \$3.65, except that the dispensing fee
230.23 for intravenous solutions which must be compounded by the pharmacist shall be \$8 per
230.24 bag, \$14 per bag for cancer chemotherapy products, and \$30 per bag for total parenteral
230.25 nutritional products dispensed in one liter quantities, or \$44 per bag for total parenteral
230.26 nutritional products dispensed in quantities greater than one liter. Actual acquisition
230.27 cost includes quantity and other special discounts except time and cash discounts.
230.28 Effective July 1, 2008, the actual acquisition cost of a drug shall be estimated by the
230.29 commissioner, at average wholesale price minus ~~12~~ 14 percent. The actual acquisition
230.30 cost of antihemophilic factor drugs shall be estimated at the average wholesale price
230.31 minus 30 percent. The maximum allowable cost of a multisource drug may be set by the
230.32 commissioner and it shall be comparable to, but no higher than, the maximum amount
230.33 paid by other third-party payors in this state who have maximum allowable cost programs.
230.34 Establishment of the amount of payment for drugs shall not be subject to the requirements
230.35 of the Administrative Procedure Act.

231.1 (b) An additional dispensing fee of \$.30 may be added to the dispensing fee paid
231.2 to pharmacists for legend drug prescriptions dispensed to residents of long-term care
231.3 facilities when a unit dose blister card system, approved by the department, is used. Under
231.4 this type of dispensing system, the pharmacist must dispense a 30-day supply of drug.
231.5 The National Drug Code (NDC) from the drug container used to fill the blister card must
231.6 be identified on the claim to the department. The unit dose blister card containing the
231.7 drug must meet the packaging standards set forth in Minnesota Rules, part 6800.2700,
231.8 that govern the return of unused drugs to the pharmacy for reuse. The pharmacy provider
231.9 will be required to credit the department for the actual acquisition cost of all unused
231.10 drugs that are eligible for reuse. Over-the-counter medications must be dispensed in the
231.11 manufacturer's unopened package. The commissioner may permit the drug clozapine to be
231.12 dispensed in a quantity that is less than a 30-day supply.

231.13 (c) Whenever a generically equivalent product is available, payment shall be on the
231.14 basis of the actual acquisition cost of the generic drug, or on the maximum allowable cost
231.15 established by the commissioner.

231.16 (d) The basis for determining the amount of payment for drugs administered in an
231.17 outpatient setting shall be the lower of the usual and customary cost submitted by the
231.18 provider or the amount established for Medicare by the United States Department of
231.19 Health and Human Services pursuant to title XVIII, section 1847a of the federal Social
231.20 Security Act.

231.21 (e) The commissioner may negotiate lower reimbursement rates for specialty
231.22 pharmacy products than the rates specified in paragraph (a). The commissioner may
231.23 require individuals enrolled in the health care programs administered by the department
231.24 to obtain specialty pharmacy products from providers with whom the commissioner has
231.25 negotiated lower reimbursement rates. Specialty pharmacy products are defined as those
231.26 used by a small number of recipients or recipients with complex and chronic diseases
231.27 that require expensive and challenging drug regimens. Examples of these conditions
231.28 include, but are not limited to: multiple sclerosis, HIV/AIDS, transplantation, hepatitis
231.29 C, growth hormone deficiency, Crohn's Disease, rheumatoid arthritis, and certain forms
231.30 of cancer. Specialty pharmaceutical products include injectable and infusion therapies,
231.31 biotechnology drugs, high-cost therapies, and therapies that require complex care. The
231.32 commissioner shall consult with the formulary committee to develop a list of specialty
231.33 pharmacy products subject to this paragraph. In consulting with the formulary committee
231.34 in developing this list, the commissioner shall take into consideration the population
231.35 served by specialty pharmacy products, the current delivery system and standard of care in

232.1 the state, and access to care issues. The commissioner shall have the discretion to adjust
232.2 the reimbursement rate to prevent access to care issues.

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

232.4 Sec. 10. Minnesota Statutes 2007 Supplement, section 256B.0631, subdivision 1,
232.5 is amended to read:

232.6 Subdivision 1. **Co-payments.** (a) Except as provided in subdivision 2, the medical
232.7 assistance benefit plan shall include the following co-payments for all recipients, effective
232.8 for services provided on or after October 1, 2003, and before January 1, 2009:

232.9 (1) \$3 per nonpreventive visit. For purposes of this subdivision, a visit means an
232.10 episode of service which is required because of a recipient's symptoms, diagnosis, or
232.11 established illness, and which is delivered in an ambulatory setting by a physician or
232.12 physician ancillary, chiropractor, podiatrist, nurse midwife, advanced practice nurse,
232.13 audiologist, optician, or optometrist;

232.14 (2) \$3 for eyeglasses;

232.15 (3) \$6 for nonemergency visits to a hospital-based emergency room; and

232.16 (4) \$3 per brand-name drug prescription and \$1 per generic drug prescription,
232.17 subject to a \$12 per month maximum for prescription drug co-payments. No co-payments
232.18 shall apply to antipsychotic drugs when used for the treatment of mental illness.

232.19 (b) Except as provided in subdivision 2, the medical assistance benefit plan shall
232.20 include the following co-payments for all recipients, effective for services provided on
232.21 or after January 1, 2009:

232.22 (1) \$6 for nonemergency visits to a hospital-based emergency room; ~~and~~

232.23 (2) \$3 per brand-name drug prescription and \$1 per generic drug prescription,
232.24 subject to a \$7 per month maximum for prescription drug co-payments. No co-payments
232.25 shall apply to antipsychotic drugs when used for the treatment of mental illness; and

232.26 (3) for individuals identified by the commissioner with income at or below 100
232.27 percent of the federal poverty guidelines, total monthly co-payments must not exceed five
232.28 percent of family income. For purposes of this paragraph, family income is the total
232.29 earned and unearned income of the individual and the individual's spouse, if the spouse is
232.30 enrolled in medical assistance and also subject to the five percent limit on co-payments.

232.31 (c) Recipients of medical assistance are responsible for all co-payments in this
232.32 subdivision.

232.33 Sec. 11. Minnesota Statutes 2007 Supplement, section 256B.0631, subdivision 3,
232.34 is amended to read:

Subd. 3. **Collection.** (a) The medical assistance reimbursement to the provider shall be reduced by the amount of the co-payment, except that ~~reimbursement for prescription drugs~~ reimbursements shall not be reduced:

(1) once a recipient has reached the \$12 per month maximum or the \$7 per month maximum effective January 1, 2009, for prescription drug co-payments; or

(2) for a recipient identified by the commissioner under 100 percent of the federal poverty guidelines who has met their monthly five percent co-payment limit.

(b) The provider collects the co-payment from the recipient. Providers may not deny services to recipients who are unable to pay the co-payment.

(c) Medical assistance reimbursement to fee-for-service providers and payments to managed care plans shall not be increased as a result of the removal of the co-payments effective January 1, 2009.

Sec. 12. **[256B.194] FEDERAL PAYMENTS.**

The commissioner may require medical assistance and MinnesotaCare providers to provide any information necessary to determine Medicaid-related costs, and require the cooperation of providers in any audit or review necessary to ensure payments are limited to cost. This section does not apply to providers who are exempt from the provisions of the CMS final rule, published May 29, 2007, at Federal Register, Vol. 72, No. 100, governing payments to providers that are units of government. This section becomes effective when the CMS final rule goes into effect at the end of the moratorium imposed by Congress.

Sec. 13. Minnesota Statutes 2006, section 256B.32, subdivision 1, is amended to read:

Subdivision 1. **Facility fee for hospital emergency room and clinic visit.** (a) The commissioner shall establish a facility fee payment mechanism that will pay a facility fee to all enrolled outpatient hospitals for each emergency room or outpatient clinic visit provided on or after July 1, 1989. This payment mechanism may not result in an overall increase in outpatient payment rates. This section does not apply to federally mandated maximum payment limits, department-approved program packages, or services billed using a nonoutpatient hospital provider number.

(b) For fee-for-service services provided on or after July 1, 2002, the total payment, before third-party liability and spenddown, made to hospitals for outpatient hospital facility services is reduced by .5 percent from the current statutory rates.

(c) In addition to the reduction in paragraph (b), the total payment for fee-for-service services provided on or after July 1, 2003, made to hospitals for outpatient hospital facility services before third-party liability and spenddown, is reduced five percent from

234.1 the current statutory rates. Facilities defined under section 256.969, subdivision 16, are
234.2 excluded from this paragraph.

234.3 (d) In addition to the reductions in paragraphs (b) and (c), the total payment for
234.4 fee-for-service services provided on or after July 1, 2008, made to hospitals for outpatient
234.5 hospital facility services before third-party liability and spenddown, is reduced three
234.6 percent from the current statutory rates. Mental health services and facilities defined under
234.7 section 256.969, subdivision 16, are excluded from this paragraph.

234.8 Sec. 14. Minnesota Statutes 2006, section 256B.69, subdivision 5a, is amended to read:

234.9 Subd. 5a. **Managed care contracts.** (a) Managed care contracts under this section
234.10 and sections 256L.12 and 256D.03, shall be entered into or renewed on a calendar year
234.11 basis beginning January 1, 1996. Managed care contracts which were in effect on June
234.12 30, 1995, and set to renew on July 1, 1995, shall be renewed for the period July 1, 1995
234.13 through December 31, 1995 at the same terms that were in effect on June 30, 1995. The
234.14 commissioner may issue separate contracts with requirements specific to services to
234.15 medical assistance recipients age 65 and older.

234.16 (b) A prepaid health plan providing covered health services for eligible persons
234.17 pursuant to chapters 256B, 256D, and 256L, is responsible for complying with the terms
234.18 of its contract with the commissioner. Requirements applicable to managed care programs
234.19 under chapters 256B, 256D, and 256L, established after the effective date of a contract
234.20 with the commissioner take effect when the contract is next issued or renewed.

234.21 (c) Effective for services rendered on or after January 1, 2003, the commissioner
234.22 shall withhold five percent of managed care plan payments under this section for the
234.23 prepaid medical assistance and general assistance medical care programs pending
234.24 completion of performance targets. Each performance target must be quantifiable,
234.25 objective, measurable, and reasonably attainable, except in the case of a performance
234.26 target based on a federal or state law or rule. Criteria for assessment of each performance
234.27 target must be outlined in writing prior to the contract effective date. The withheld funds
234.28 must be returned no sooner than July of the following year if performance targets in the
234.29 contract are achieved. The commissioner may exclude special demonstration projects
234.30 under subdivision 23. A managed care plan or a county-based purchasing plan under
234.31 section 256B.692 may include as admitted assets under section 62D.044 any amount
234.32 withheld under this paragraph that is reasonably expected to be returned.

234.33 (d)(1) Effective for services rendered on or after January 1, 2009, the commissioner
234.34 shall withhold three percent of managed care plan payments under this section for the
234.35 prepaid medical assistance and general assistance medical care programs. The withheld

235.1 funds must be returned no sooner than July 1 and no later than July 31 of the following
235.2 year. The commissioner may exclude special demonstration projects under subdivision 23.
235.3 (2) A managed care plan or a county-based purchasing plan under section 256B.692
235.4 may include as admitted assets under section 62D.044 any amount withheld under
235.5 this paragraph. The return of the withhold under this paragraph is not subject to the
235.6 requirements of paragraph (c).

235.7 Sec. 15. Minnesota Statutes 2006, section 256B.75, is amended to read:

235.8 **256B.75 HOSPITAL OUTPATIENT REIMBURSEMENT.**

235.9 (a) For outpatient hospital facility fee payments for services rendered on or after
235.10 October 1, 1992, the commissioner of human services shall pay the lower of (1) submitted
235.11 charge, or (2) 32 percent above the rate in effect on June 30, 1992, except for those
235.12 services for which there is a federal maximum allowable payment. Effective for services
235.13 rendered on or after January 1, 2000, payment rates for nonsurgical outpatient hospital
235.14 facility fees and emergency room facility fees shall be increased by eight percent over the
235.15 rates in effect on December 31, 1999, except for those services for which there is a federal
235.16 maximum allowable payment. Services for which there is a federal maximum allowable
235.17 payment shall be paid at the lower of (1) submitted charge, or (2) the federal maximum
235.18 allowable payment. Total aggregate payment for outpatient hospital facility fee services
235.19 shall not exceed the Medicare upper limit. If it is determined that a provision of this
235.20 section conflicts with existing or future requirements of the United States government with
235.21 respect to federal financial participation in medical assistance, the federal requirements
235.22 prevail. The commissioner may, in the aggregate, prospectively reduce payment rates to
235.23 avoid reduced federal financial participation resulting from rates that are in excess of
235.24 the Medicare upper limitations.

235.25 (b) Notwithstanding paragraph (a), payment for outpatient, emergency, and
235.26 ambulatory surgery hospital facility fee services for critical access hospitals designated
235.27 under section 144.1483, clause (10), shall be paid on a cost-based payment system that is
235.28 based on the cost-finding methods and allowable costs of the Medicare program.

235.29 (c) Effective for services provided on or after July 1, 2003, rates that are based
235.30 on the Medicare outpatient prospective payment system shall be replaced by a budget
235.31 neutral prospective payment system that is derived using medical assistance data. The
235.32 commissioner shall provide a proposal to the 2003 legislature to define and implement
235.33 this provision.

(d) For fee-for-service services provided on or after July 1, 2002, the total payment, before third-party liability and spenddown, made to hospitals for outpatient hospital facility services is reduced by .5 percent from the current statutory rate.

(e) In addition to the reduction in paragraph (d), the total payment for fee-for-service services provided on or after July 1, 2003, made to hospitals for outpatient hospital facility services before third-party liability and spenddown, is reduced five percent from the current statutory rates. Facilities defined under section 256.969, subdivision 16, are excluded from this paragraph.

(f) In addition to the reductions in paragraphs (d) and (e), the total payment for fee-for-service services provided on or after July 1, 2008, made to hospitals for outpatient hospital facility services before third-party liability and spenddown, is reduced three percent from the current statutory rates. Mental health services and facilities defined under section 256.969, subdivision 16, are excluded from this paragraph.

ARTICLE 18
HEALTH AND HUMAN SERVICES APPROPRIATIONS

Section 1. **SUMMARY OF APPROPRIATIONS.**

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

	<u>2008</u>	<u>2009</u>	<u>Total</u>
<u>General</u>	\$ (46,789,000)	\$ (124,196,000)	\$ (170,985,000)
<u>State Government Special</u>			
<u>Revenue</u>	114,000	667,000	781,000
<u>Health Care Access</u>	-0-	(770,000)	(770,000)
<u>Federal TANF</u>	29,919,000	56,356,000	86,275,000
<u>Total</u>	\$ (16,756,000)	\$ (67,943,000)	\$ (84,699,000)

Sec. 2. **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 147, or other law to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2008" and "2009" used in this article mean that the addition or subtraction from appropriations listed under them are available for

238.1	<u>Financial Operations</u>	<u>-0-</u>	<u>(5,867,000)</u>
238.2	<u>Transfer from Special Revenue Fund.</u>		
238.3	<u>\$1,098,000 of the amount transferred into the</u>		
238.4	<u>special revenue fund from nongrant operating</u>		
238.5	<u>balances of general fund appropriations</u>		
238.6	<u>carried forward under Laws 2007, chapter</u>		
238.7	<u>147, article 19, section 20, must be</u>		
238.8	<u>transferred to the general fund by June 30,</u>		
238.9	<u>2009.</u>		
238.10	<u>Base Adjustment.</u> <u>The general fund base</u>		
238.11	<u>is increased \$23,000 in fiscal year 2010 and</u>		
238.12	<u>\$26,000 in fiscal year 2011.</u>		
238.13	<u>Subd. 3. Revenue and Pass-Through Revenue</u>		
238.14	<u>Expenditures</u>		
238.15	<u>Federal TANF</u>	<u>-0-</u>	<u>950,000</u>
238.16	<u>TANF Transfer to Federal Child Care</u>		
238.17	<u>and Development Fund.</u> <u>The following</u>		
238.18	<u>TANF fund amounts are appropriated to the</u>		
238.19	<u>commissioner for the purposes of MFIP and</u>		
238.20	<u>transition year child care under Minnesota</u>		
238.21	<u>Statutes, section 119B.05:</u>		
238.22	<u>(1) fiscal year 2009, \$950,000; and</u>		
238.23	<u>(2) fiscal year 2010, \$1,085,000.</u>		
238.24	<u>The commissioner shall authorize the</u>		
238.25	<u>transfer of sufficient TANF funds to the</u>		
238.26	<u>federal child care and development fund to</u>		
238.27	<u>meet this appropriation and shall ensure that</u>		
238.28	<u>all transferred funds are expended according</u>		
238.29	<u>to federal child care and development fund</u>		
238.30	<u>regulations.</u>		
238.31	<u>Subd. 4. Children and Economic Assistance</u>		
238.32	<u>Grants</u>		

239.1 (a) MFIP/DWP Grants

239.2 Appropriations by Fund

239.3 General (29,919,000) (50,060,000)

239.4 Federal TANF 29,919,000 47,946,000

239.5 These appropriation adjustments replace the
239.6 appropriation adjustments in Laws 2008,
239.7 chapter 232.

239.8 (b) Support Services Grants; TANF -0- 7,100,000

239.9 **Supported Work.** (1) Of the TANF
239.10 appropriation, \$7,100,000 in fiscal year 2009
239.11 is for supported work for MFIP participants,
239.12 to be allocated to counties and tribes based
239.13 on the criteria under clauses (1) and (2) and is
239.14 available until expended. This appropriation
239.15 shall become part of base level funding to the
239.16 commissioner for the biennium beginning
239.17 July 1, 2009. Paid transitional work
239.18 experience and other supported employment
239.19 under this clause shall provide a continuum of
239.20 employment assistance, including outreach
239.21 and recruitment, program orientation
239.22 and intake, testing and assessment, job
239.23 development and marketing, preworksite
239.24 training, supported worksite experience, job
239.25 coaching, and postplacement follow-up, in
239.26 addition to extensive case management and
239.27 referral services. The base for this program
239.28 shall be \$7,100,000 in fiscal year 2010 and
239.29 zero in fiscal year 2011.

239.30 (2) A county or tribe is eligible to receive an
239.31 allocation under clause (1) if:

240.1 (i) the county or tribe is not meeting the
 240.2 federal work participation rate;

240.3 (ii) the county or tribe has participants who
 240.4 are required to perform work activities under
 240.5 Minnesota Statutes, chapter 256J, but are not
 240.6 meeting hourly work requirements; and

240.7 (iii) the county or tribe has assessed
 240.8 participants who have completed six weeks
 240.9 of job search or are required to perform
 240.10 work activities and are not meeting the
 240.11 hourly requirements, and the county or tribe
 240.12 has determined that the participant would
 240.13 benefit from working in a supported work
 240.14 environment.

240.15 (3) A county or tribe may also be eligible for
 240.16 funds in order to contract for supplemental
 240.17 hours of paid work at the participant's child's
 240.18 place of education, child care location, or the
 240.19 child's physical or mental health treatment
 240.20 facility or office. Grants to counties and
 240.21 tribes under this clause are specifically for
 240.22 MFIP participants who need to work up
 240.23 to five hours more per week in order to
 240.24 meet the hourly work requirement, and the
 240.25 participant's employer cannot or will not
 240.26 offer more hours to the participant.

240.27 **(c) Basic Sliding Fee Child Care Assistance**
 240.28 **Grants**

-0- (9,227,000)

240.29 **Child Care and Development Fund**
 240.30 **Unexpended Balance.** In addition to
 240.31 the amount provided in this section, the
 240.32 commissioner shall expend \$9,227,000
 240.33 in fiscal year 2009 from the federal child
 240.34 care and development fund unexpended

241.1	<u>balance for basic sliding fee child care under</u>		
241.2	<u>Minnesota Statutes, section 119B.03. The</u>		
241.3	<u>commissioner shall ensure that all child</u>		
241.4	<u>care and development funds are expended</u>		
241.5	<u>according to the federal child care and</u>		
241.6	<u>development fund regulations.</u>		
241.7	<u>Base Adjustment.</u> <u>The general fund base is</u>		
241.8	<u>increased by \$9,444,000 in fiscal year 2010</u>		
241.9	<u>and \$9,227,000 in fiscal year 2011.</u>		
241.10	<u>(d) Child Care Development Grants</u>	<u>-0-</u>	<u>(360,000)</u>
241.11	<u>Grants Reduction.</u> <u>Effective July 1, 2008,</u>		
241.12	<u>base level funding for nonforecast, general</u>		
241.13	<u>fund child care development grants issued</u>		
241.14	<u>under this paragraph shall be reduced by 1.8</u>		
241.15	<u>percent at the allotment level.</u>		
241.16	<u>Prekindergarten Exploratory Projects.</u>		
241.17	<u>Of this appropriation reduction, \$250,000</u>		
241.18	<u>in fiscal year 2009 is from the general fund</u>		
241.19	<u>appropriation for prekindergarten exploratory</u>		
241.20	<u>projects in Laws 2007, chapter 147, article</u>		
241.21	<u>19, section 3, subdivision 4, paragraph (e).</u>		
241.22	<u>Base Adjustment.</u> <u>Of the general fund</u>		
241.23	<u>reduction, \$328,000 is onetime.</u>		
241.24	<u>(e) Children's Services Grants</u>	<u>(311,000)</u>	<u>(1,898,000)</u>
241.25	<u>Base Adjustment.</u> <u>The general fund base is</u>		
241.26	<u>increased by \$1,688,000 in each year of the</u>		
241.27	<u>fiscal year 2010 and 2011 biennium.</u>		
241.28	<u>Funding Usage.</u> <u>Up to 75 percent of the</u>		
241.29	<u>fiscal year 2010 appropriation for children's</u>		
241.30	<u>mental health screening grants may be used</u>		
241.31	<u>to fund calendar year 2009 allocations for</u>		
241.32	<u>these programs, with the resulting calendar</u>		

242.1	<u>year funding pattern continuing into the</u>		
242.2	<u>future.</u>		
242.3	<u>Grants Reduction.</u> <u>Effective July 1, 2008,</u>		
242.4	<u>base level funding for nonforecast, general</u>		
242.5	<u>fund children's services grants issued under</u>		
242.6	<u>this paragraph, excluding children's mental</u>		
242.7	<u>health grants, adoption assistance grants, and</u>		
242.8	<u>relative custody assistance grants, shall be</u>		
242.9	<u>reduced by 1.8 percent at the allotment level.</u>		
242.10	<u>(f) Children and Community Services Grants</u>	<u>-0-</u>	<u>(1,345,000)</u>
242.11	<u>Base Adjustment.</u> <u>The general fund base</u>		
242.12	<u>is decreased by \$98,000 in each year of the</u>		
242.13	<u>fiscal year 2010 and 2011 biennium.</u>		
242.14	<u>Grants Reduction.</u> <u>Effective July 1, 2008,</u>		
242.15	<u>base level funding for nonforecast, general</u>		
242.16	<u>fund children and community services grants</u>		
242.17	<u>issued under this paragraph shall be reduced</u>		
242.18	<u>by 1.8 percent at the allotment level.</u>		
242.19	<u>(g) Minnesota Supplemental Aid Grants</u>	<u>-0-</u>	<u>201,000</u>
242.20	<u>Group Residential Housing Grants</u>	<u>-0-</u>	<u>(133,000)</u>
242.21	<u>(h) Other Children's and Economic Assistance</u>		
242.22	<u>Grants</u>		
242.23	<u>Appropriations by Fund</u>		
242.24	<u>General</u>	<u>-0-</u>	<u>352,000</u>
242.25	<u>Federal TANF</u>	<u>-0-</u>	<u>360,000</u>
242.26	<u>Grants Reduction.</u> <u>Effective July 1, 2008,</u>		
242.27	<u>base level funding for nonforecast, general</u>		
242.28	<u>fund other children's and economic assistance</u>		
242.29	<u>grants issued under this paragraph shall be</u>		
242.30	<u>reduced by 1.8 percent at the allotment level.</u>		

243.1 The base for grants impacted by this
243.2 reduction shall increase by \$4,000 in fiscal
243.3 year 2010 and \$14,000 in fiscal year 2011.

243.4 **Foodshelf Programs.** Of the general fund
243.5 appropriation, \$500,000 in fiscal year 2009
243.6 is for foodshelf programs under Minnesota
243.7 Statutes, section 256E.34. This is a onetime
243.8 appropriation and is available until expended.

243.9 **Long-Term Homeless Supportive Services.**
243.10 \$145,000 from the general fund and \$360,000
243.11 from TANF in fiscal year 2009 is for the
243.12 long-term homeless supportive services fund
243.13 under Minnesota Statutes, section 256K.26.
243.14 This is a onetime appropriation and is
243.15 available until expended.

243.16 **Subd. 5. Basic Health Care Grants**

243.17 **(a) MinnesotaCare Grants**

243.18	<u>Health Care Access</u>	<u>-0-</u>	<u>(770,000)</u>
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243.19 **Incentive Program and Outreach Grants.**
243.20 Of the appropriation for the Minnesota health
243.21 care outreach program in Laws 2007, chapter
243.22 147, article 19, section 3, subdivision 7,
243.23 paragraph (b):

243.24 (1) \$400,000 in fiscal year 2009 from the
243.25 general fund and \$200,000 in fiscal year 2009
243.26 from the health care access fund are for the
243.27 incentive program under Minnesota Statutes,
243.28 section 256.962, subdivision 5. For the
243.29 biennium beginning July 1, 2009, base level
243.30 funding for this activity shall be \$360,000
243.31 from the general fund and \$160,000 from the
243.32 health care access fund; and

244.1 (2) \$100,000 in fiscal year 2009 from the
 244.2 general fund and \$50,000 in fiscal year 2009
 244.3 from the health care access fund are for the
 244.4 outreach grants under Minnesota Statutes,
 244.5 section 256.962, subdivision 2. For the
 244.6 biennium beginning July 1, 2009, base level
 244.7 funding for this activity shall be \$90,000
 244.8 from the general fund and \$40,000 from the
 244.9 health care access fund.

244.10 (b) MA Basic Health Care Grants - Families
 244.11 and Children

-0- (17,280,000)

244.12 **Third-Party Liability.** (a) During
 244.13 fiscal year 2009, the commissioner shall
 244.14 employ a contractor paid on a percentage
 244.15 basis to improve third-party collections.
 244.16 Improvement initiatives may include, but not
 244.17 be limited to, efforts to improve postpayment
 244.18 collection from nonresponsive claims and
 244.19 efforts to uncover third-party payers the
 244.20 commissioner has been unable to identify.

244.21 (b) In fiscal year 2009, the first \$1,098,000
 244.22 of recoveries, after contract payments and
 244.23 federal repayments, is appropriated to
 244.24 the commissioner for technology-related
 244.25 expenses.

244.26 **Administrative Costs.** (a) For contracts
 244.27 effective on or after January 1, 2009,
 244.28 the commissioner shall limit aggregate
 244.29 administrative costs paid to managed care
 244.30 plans under Minnesota Statutes, section
 244.31 256B.69, and to county-based purchasing
 244.32 plans under Minnesota Statutes, section
 244.33 256B.692, to an overall average of 6.6
 244.34 percent of total contract payments under

245.1	<u>Minnesota Statutes, sections 256B.69 and</u>		
245.2	<u>256B.692, for each calendar year. For</u>		
245.3	<u>purposes of this paragraph, administrative</u>		
245.4	<u>costs do not include premium taxes paid</u>		
245.5	<u>under Minnesota Statutes, section 297I.05,</u>		
245.6	<u>subdivision 5, and provider surcharges paid</u>		
245.7	<u>under Minnesota Statutes, section 256.9657,</u>		
245.8	<u>subdivision 3.</u>		
245.9	<u>(b) Notwithstanding any law to the contrary,</u>		
245.10	<u>the commissioner may reduce or eliminate</u>		
245.11	<u>administrative requirements to meet the</u>		
245.12	<u>administrative target under paragraph (a).</u>		
245.13	<u>(c) Notwithstanding any contrary provision</u>		
245.14	<u>of this article, this rider shall not expire.</u>		
245.15	<u>Hospital Payment Delay.</u> <u>Notwithstanding</u>		
245.16	<u>Laws 2005, First Special Session chapter 4,</u>		
245.17	<u>article 9, section 2, subdivision 6, payments</u>		
245.18	<u>from the Medicaid Management Information</u>		
245.19	<u>System that would otherwise have been made</u>		
245.20	<u>for inpatient hospital services for medical</u>		
245.21	<u>assistance enrollees are delayed as follows:</u>		
245.22	<u>(1) for fiscal year 2008, June payments must</u>		
245.23	<u>be included in the first payments in fiscal</u>		
245.24	<u>year 2009; and (2) for fiscal year 2009,</u>		
245.25	<u>June payments must be included in the first</u>		
245.26	<u>payment of fiscal year 2010. The provisions</u>		
245.27	<u>of Minnesota Statutes, section 16A.124,</u>		
245.28	<u>do not apply to these delayed payments.</u>		
245.29	<u>Notwithstanding any contrary provision in</u>		
245.30	<u>this article, this paragraph expires on June</u>		
245.31	<u>30, 2010.</u>		
245.32	<u>(c) MA Basic Health Care Grants - Elderly and</u>		
245.33	<u>Disabled</u>	<u>(14,028,000)</u>	<u>(9,368,000)</u>

246.1 **Minnesota Disability Health Options Rate**
246.2 **Setting Methodology.** The commissioner
246.3 shall develop and implement a methodology
246.4 for risk adjusting payments for community
246.5 alternatives for disabled individuals (CADI)
246.6 and traumatic brain injury (TBI) home
246.7 and community-based waiver services
246.8 delivered under the Minnesota disability
246.9 health options program (MnDHO) effective
246.10 January 1, 2009. The commissioner shall
246.11 take into account the weighting system used
246.12 to determine county waiver allocations in
246.13 developing the new payment methodology.
246.14 Growth in the number of enrollees receiving
246.15 CADI or TBI waiver payments through
246.16 MnDHO is limited to an increase of 200
246.17 enrollees in each calendar year from January
246.18 2009 through December 2011. If those limits
246.19 are reached, additional members may be
246.20 enrolled in MnDHO for basic care services
246.21 only as defined under Minnesota Statutes,
246.22 section 256B.69, subdivision 28, and the
246.23 commissioner may establish a waiting list for
246.24 future access of MnDHO members to those
246.25 waiver services.

246.26 **MA Basic Elderly and Disabled**
246.27 **Adjustments.** For the fiscal year ending June
246.28 30, 2009, the commissioner may adjust the
246.29 rates for each service affected by rate changes
246.30 under this section in such a manner across
246.31 the fiscal year to achieve the necessary cost
246.32 savings and minimize disruption to service
246.33 providers, notwithstanding the requirements
246.34 of Laws 2007, chapter 147, article 7, section
246.35 71.

247.1	<u>(d) General Assistance Medical Care Grants</u>	<u>-0-</u>	<u>(6,971,000)</u>
247.2	<u>(e) Other Health Care Grants</u>	<u>-0-</u>	<u>(17,000)</u>
247.3	<u>MinnesotaCare Outreach Grants Special</u>		
247.4	<u>Revenue Account.</u> The balance in the		
247.5	<u>MinnesotaCare outreach grants special</u>		
247.6	<u>revenue account on July 1, 2009, estimated</u>		
247.7	<u>to be \$900,000, must be transferred to the</u>		
247.8	<u>general fund.</u>		
247.9	<u>Grants Reduction.</u> Effective July 1, 2008,		
247.10	<u>base level funding for nonforecast, general</u>		
247.11	<u>fund health care grants issued under this</u>		
247.12	<u>paragraph shall be reduced by 1.8 percent at</u>		
247.13	<u>the allotment level.</u>		
247.14	<u>Subd. 6. Continuing Care Grants</u>		
247.15	<u>(a) Aging and Adult Services Grants</u>	<u>-0-</u>	<u>(337,000)</u>
247.16	<u>Base Adjustment.</u> The general fund base is		
247.17	<u>increased by \$71,000 in fiscal year 2010 and</u>		
247.18	<u>\$70,000 in fiscal year 2011.</u>		
247.19	<u>Grants Reduction.</u> Effective July 1, 2008,		
247.20	<u>base level funding for nonforecast, general</u>		
247.21	<u>fund aging and adult services state grants</u>		
247.22	<u>issued under this paragraph shall be reduced</u>		
247.23	<u>by 1.8 percent at the allotment level.</u>		
247.24	<u>Aging and Adult Services Adjustments.</u>		
247.25	<u>For the fiscal year ending June 30, 2009,</u>		
247.26	<u>the commissioner may allocate each grant</u>		
247.27	<u>affected by rate changes under this section</u>		
247.28	<u>in such a manner across the fiscal year</u>		
247.29	<u>to achieve the necessary cost savings</u>		
247.30	<u>and minimize disruption to grantees. To</u>		
247.31	<u>implement this paragraph, the commissioner</u>		
247.32	<u>may waive the requirements of Laws 2007,</u>		

248.1 chapter 147, article 7, section 71, including
248.2 the employee compensation-related cost
248.3 requirements.

248.4 **Living-At-Home/Block Nurse Program**
248.5 **Funding.** Notwithstanding the provisions
248.6 of Minnesota Statutes, section 256B.0917,
248.7 subdivision 8, for the fiscal year beginning
248.8 July 1, 2008, the commissioner of human
248.9 services shall transfer \$240,000 from the
248.10 community service grant program under
248.11 Minnesota Statutes, section 256B.0917,
248.12 subdivision 13, to the living-at-home/block
248.13 nurse program under Minnesota Statutes,
248.14 section 256B.0917, subdivision 8, to provide
248.15 \$20,000 each for 12 living-at-home/block
248.16 nurse programs currently operating without
248.17 base funding. This is onetime funding.

248.18	<u>Alternative Care Grants</u>	<u>-0-</u>	<u>(198,000)</u>
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248.19 This reduction is onetime.

248.20	<u>(b) MA Long-Term Care Facilities Grants</u>	<u>(2,306,000)</u>	<u>3,045,000</u>
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248.21 **Nursing Facility Rate Increase.** (a) For
248.22 the rate year beginning October 1, 2008,
248.23 the commissioner shall make available
248.24 to each nursing facility reimbursed under
248.25 Minnesota Statutes, section 256B.434,
248.26 operating payment rate adjustments equal to
248.27 1.00 percent of the operating payment rates
248.28 determined by the blending in Minnesota
248.29 Statutes, section 256B.441, subdivision 55,
248.30 paragraph (a).

248.31 (b) Seventy-five percent of the money
248.32 resulting from the rate adjustment under
248.33 paragraph (a) must be used for increases in

249.1 compensation-related costs for employees
249.2 directly employed by the nursing facility
249.3 on or after the effective date of the rate
249.4 adjustment, except:
249.5 (1) the administrator;
249.6 (2) persons employed in the central office of
249.7 a corporation that has an ownership interest
249.8 in the nursing facility or exercises control
249.9 over the nursing facility; and
249.10 (3) persons paid by the nursing facility under
249.11 a management contract.
249.12 (c) Two-thirds of the money available
249.13 under paragraph (b) must be used for wage
249.14 increases for all employees directly employed
249.15 by the nursing facility on or after the effective
249.16 date of the rate adjustment, except those
249.17 listed in paragraph (b), clauses (1) to (3).
249.18 The wage adjustment that employees receive
249.19 under this paragraph must be paid as an
249.20 equal hourly percentage wage increase for
249.21 all eligible employees. All wage increases
249.22 under this paragraph must be effective on
249.23 the same date. Only costs associated with
249.24 the portion of the equal hourly percentage
249.25 wage increase that goes to all employees
249.26 shall qualify under this paragraph. Costs
249.27 associated with wage increases in excess of
249.28 the amount of the equal hourly percentage
249.29 wage increase provided to all employees shall
249.30 be allowed only for meeting the requirements
249.31 in paragraph (b). This paragraph shall not
249.32 apply to employees covered by a collective
249.33 bargaining agreement.
249.34 (d) The commissioner shall allow as
249.35 compensation-related costs all costs for:

250.1 (1) wages and salaries;
250.2 (2) FICA taxes, Medicare taxes, state and
250.3 federal unemployment taxes, and workers'
250.4 compensation;
250.5 (3) the employer's share of health and
250.6 dental insurance, life insurance, disability
250.7 insurance, long-term care insurance, uniform
250.8 allowance, and pensions; and
250.9 (4) other benefits provided, subject to the
250.10 approval of the commissioner.
250.11 (e) The portion of the rate adjustment under
250.12 paragraph (a) that is not subject to the
250.13 requirements in paragraphs (b) and (c) shall
250.14 be provided to nursing facilities effective
250.15 October 1, 2008.
250.16 (f) Nursing facilities may apply for the
250.17 portion of the rate adjustment under
250.18 paragraph (a) that is subject to the
250.19 requirements in paragraphs (b) and (c).
250.20 The application must be submitted to the
250.21 commissioner within six months of the
250.22 effective date of the rate adjustment, and
250.23 the nursing facility must provide additional
250.24 information required by the commissioner
250.25 within nine months of the effective date
250.26 of the rate adjustment. The commissioner
250.27 must respond to all applications within
250.28 three weeks of receipt. The commissioner
250.29 may waive the deadlines in this paragraph
250.30 under extraordinary circumstances, to be
250.31 determined at the sole discretion of the
250.32 commissioner. The application must contain:

251.1 (1) an estimate of the amounts of money that
251.2 must be used as specified in paragraphs (b)
251.3 and (c);

251.4 (2) a detailed distribution plan specifying the
251.5 allowable compensation-related and wage
251.6 increases the nursing facility will implement
251.7 to use the funds available in clause (1);

251.8 (3) a description of how the nursing facility
251.9 will notify eligible employees of the contents
251.10 of the approved application, which must
251.11 provide for giving each eligible employee a
251.12 copy of the approved application, excluding
251.13 the information required in clause (1), or
251.14 posting a copy of the approved application,
251.15 excluding the information required in clause
251.16 (1), for a period of at least six weeks in
251.17 an area of the nursing facility to which all
251.18 eligible employees have access; and

251.19 (4) instructions for employees who
251.20 believe they have not received the
251.21 compensation-related or wage increases
251.22 specified in clause (2), as approved by the
251.23 commissioner, and which must include a
251.24 mailing address, e-mail address, and the
251.25 telephone number that may be used by the
251.26 employee to contact the commissioner or the
251.27 commissioner's representative.

251.28 (g) The commissioner shall ensure that
251.29 cost increases in distribution plans under
251.30 paragraph (f), clause (2), that may be
251.31 included in approved applications, comply
251.32 with the following requirements:

251.33 (1) costs to be incurred during the applicable
251.34 rate year resulting from wage and salary
251.35 increases effective after October 1, 2007, and

252.1 prior to the first day of the nursing facility's
252.2 payroll period that includes October 1, 2008,
252.3 shall be allowed if they were not used in the
252.4 prior year's application;

252.5 (2) a portion of the costs resulting from
252.6 tenure-related wage or salary increases
252.7 may be considered to be allowable wage
252.8 increases, according to formulas that the
252.9 commissioner shall provide, where employee
252.10 retention is above the average statewide rate
252.11 of retention of direct care employees;

252.12 (3) the annualized amount of increases in
252.13 costs for the employer's share of health and
252.14 dental insurance, life insurance, disability
252.15 insurance, and workers' compensation shall
252.16 be allowable compensation-related increases
252.17 if they are effective on or after April 1, 2008,
252.18 and prior to April 1, 2009; and

252.19 (4) for nursing facilities in which employees
252.20 are represented by an exclusive bargaining
252.21 representative, the commissioner shall
252.22 approve the application only upon receipt of
252.23 a letter of acceptance of the distribution plan,
252.24 in regard to members of the bargaining unit,
252.25 signed by the exclusive bargaining agent and
252.26 dated after May 25, 2008. Upon receipt of
252.27 the letter of acceptance, the commissioner
252.28 shall deem all requirements of this rider as
252.29 having been met in regard to the members
252.30 of the bargaining unit.

252.31 (h) The commissioner shall review
252.32 applications received under paragraph (f)
252.33 and shall provide the portion of the rate
252.34 adjustment under paragraphs (b) and (c)
252.35 if the requirements of this rider have been

253.1 met. The rate adjustment shall be effective
253.2 October 1, 2008. Notwithstanding paragraph
253.3 (a), if the approved application distributes
253.4 less money than is available, the amount of
253.5 the rate adjustment shall be reduced so that
253.6 the amount of money made available is equal
253.7 to the amount to be distributed.

253.8 (i) Of the general fund appropriation,
253.9 \$2,877,000 in fiscal year 2009 is for the
253.10 purposes of paragraphs (a) to (h).

253.11 (j) Notwithstanding any contrary provision
253.12 of this article, this rider shall not expire.

253.13 **Nursing Facility Temporary Rate**
253.14 **Adjustment.** (a) Of the general fund
253.15 appropriation, \$2,877,000 for fiscal year
253.16 2009 is to make available to nursing
253.17 facilities reimbursed under Minnesota
253.18 Statutes, section 256B.434, for the rate year
253.19 beginning October 1, 2008, a temporary
253.20 rate adjustment equal to 1.0 percent of the
253.21 operating payment rates determined by the
253.22 blending in Minnesota Statutes, section
253.23 256B.441, subdivision 55, paragraph (a).
253.24 This rate adjustment shall be removed from
253.25 the facility's operating payment rate for the
253.26 rate year beginning October 1, 2009.

253.27 (b) Seventy-five percent of the money
253.28 resulting from the rate adjustment under
253.29 paragraph (a) must be used to provide
253.30 quarterly bonus payments, and to pay
253.31 for associated employer costs and other
253.32 benefits as specified in Minnesota Statutes,
253.33 section 256B.434, subdivision 19, paragraph
253.34 (d), clauses (2) to (4), for all employees
253.35 directly employed by the nursing facility on

254.1 December 31, 2008; March 31, 2009; June
254.2 30, 2009; and September 30, 2009, except:

254.3 (1) the administrator;

254.4 (2) persons employed in the central office of
254.5 a corporation that has an ownership interest
254.6 in the nursing facility or exercises control
254.7 over the nursing facility; and

254.8 (3) persons paid by the nursing facility under
254.9 a management contract.

254.10 (c) Two-thirds of the money available under
254.11 paragraph (b) must be used for an equal
254.12 hourly percentage wage bonus for all eligible
254.13 employees.

254.14 (d) Nursing facilities may apply for the
254.15 portion of the rate adjustment subject to
254.16 paragraphs (b) and (c), and the commissioner
254.17 shall review and act on applications,
254.18 according to the procedures specified in
254.19 Minnesota Statutes, section 256B.434,
254.20 subdivision 19. The portion of the rate
254.21 adjustment under paragraph (a) that is not
254.22 subject to the requirements in paragraphs (b)
254.23 and (c) shall be provided to nursing facilities
254.24 effective October 1, 2008.

254.25 (e) Notwithstanding any contrary provision
254.26 in this article, this rider expires December
254.27 31, 2009.

254.28 **(c) MA Long-Term Care Waivers and Home**
254.29 **Care Grants**

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(10,643,000)

254.30 **Manage Growth in TBI and CADI Waiver.**
254.31 During the fiscal years beginning on July
254.32 1, 2008, July 1, 2009, and July 1, 2010,
254.33 the commissioner shall allocate money

255.1 for home and community-based programs
 255.2 covered under Minnesota Statutes, section
 255.3 256B.49, to ensure a reduction in state
 255.4 spending that is equivalent to limiting the
 255.5 caseload growth of the traumatic brain injury
 255.6 (TBI) waiver to 200 allocations in each
 255.7 year of the biennium and the community
 255.8 alternatives for disabled individuals (CADI)
 255.9 waiver to 1,500 allocations each year of the
 255.10 biennium. Priorities for the allocation of
 255.11 funds must be for individuals anticipated to
 255.12 be discharged from institutional settings or
 255.13 who are at imminent risk of a placement in
 255.14 an institutional setting. Notwithstanding any
 255.15 contrary section in this article, this provision
 255.16 expires June 30, 2011.

255.17	<u>(d) Mental Health Grants</u>	<u>-0-</u>	<u>(4,823,000)</u>
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255.18 **Base Adjustment.** This reduction is
 255.19 onetime.

255.20 **Funding Usage.** Up to 75 percent of the
 255.21 fiscal year 2010 appropriation for adult
 255.22 mental health grants may be used to fund
 255.23 calendar year 2009 allocations for these
 255.24 programs, with the resulting calendar year
 255.25 funding pattern continuing into the future.

255.26	<u>(e) Chemical Dependency Entitlement Grants</u>	<u>-0-</u>	<u>(2,069,000)</u>
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255.27 **Payments for Substance Abuse Treatment.**
 255.28 For services provided in fiscal year 2009,
 255.29 county-negotiated rates and provider claims
 255.30 to the consolidated chemical dependency
 255.31 fund must not exceed rates charged for
 255.32 services in excess of those in effect on
 255.33 May 31, 2008. If statutes authorize a
 255.34 cost-of-living adjustment during fiscal year

256.1 2009, then notwithstanding any law to the
256.2 contrary, fiscal year 2009 rates may not
256.3 exceed those in effect on May 31, 2008, plus
256.4 any authorized cost-of-living adjustments.

256.5 **Chemical Dependency Treatment Fund**
256.6 **Special Revenue Account.** The lesser of
256.7 the balance of the consolidated chemical
256.8 dependency treatment fund at the close of
256.9 the fiscal year 2008, or \$2,784,000 must be
256.10 transferred and deposited into the general
256.11 fund by September 1, 2008. The lesser of
256.12 the balance of the consolidated chemical
256.13 dependency treatment fund at the close of
256.14 the fiscal year 2009, or \$2,009,000 must be
256.15 transferred and deposited into the general
256.16 fund by September 1, 2009.

256.17	<u>(f) Chemical Dependency Nonentitlement</u>		
256.18	<u>Grants</u>	<u>-0-</u>	<u>1,967,000</u>

256.19 **Base Level Adjustment.** The general
256.20 fund base for chemical dependency
256.21 nonentitlement treatment grants must be
256.22 reduced by \$1,686,000 for fiscal year 2010
256.23 and by \$1,686,000 for fiscal year 2011.

256.24 **White Earth treatment facility.** \$2,000,000
256.25 is appropriated from the general fund to
256.26 the commissioner of human services for a
256.27 grant to the White Earth tribe to purchase
256.28 or develop one or more culturally specific
256.29 treatment programs or capital facilities, or
256.30 both, designed to serve youth from native
256.31 cultures. This appropriation is onetime and
256.32 is available until spent.

256.33 **Grants Reduction.** Effective July 1, 2008,
256.34 base level funding for nonforecast, general

257.1 fund chemical dependency nonentitlement
 257.2 grants issued under this paragraph shall be
 257.3 reduced by 1.8 percent at the allotment level.

257.4 **(g) Other Continuing Care Grants** -0- (4,729,000)

257.5 **Base Level Adjustment.** The general fund
 257.6 base is increased by \$7,283,000 in fiscal year
 257.7 2010 and \$4,921,000 in fiscal year 2011.

257.8 **Housing Access Grants.** Of the general
 257.9 fund appropriation, \$250,000 is appropriated
 257.10 in fiscal year 2009 for housing access
 257.11 grants under Minnesota Statutes, section
 257.12 256B.0658.

257.13 **Funding Usage.** Up to 75 percent of
 257.14 the fiscal year 2010 appropriation for
 257.15 semi-independent living services grants and
 257.16 family support grants may be used to fund
 257.17 calendar year 2009 allocations for these
 257.18 programs, with the resulting calendar year
 257.19 funding pattern continuing into the future.

257.20 **Grants Reduction.** Effective July 1, 2008,
 257.21 base level funding for nonforecast, general
 257.22 fund other continuing care grants issued
 257.23 under this paragraph, except for HIV grants,
 257.24 shall be reduced by 1.8 percent at the
 257.25 allotment level. HIV grants shall be reduced
 257.26 by 1.7 percent at the allotment level effective
 257.27 July 1, 2009.

257.28 **Other Continuing Care Grant**
 257.29 **Adjustments.** For the fiscal year ending June
 257.30 30, 2009, the commissioner may allocate
 257.31 each grant affected by rate changes under
 257.32 this section in such a manner across the fiscal
 257.33 year to achieve the necessary cost savings
 257.34 and minimize disruption to grantees. To

258.1 implement this paragraph, the commissioner
258.2 may waive the requirements of Laws 2007,
258.3 chapter 147, article 7, section 71, including
258.4 the employee compensation-related cost
258.5 requirements.

258.6 **Subd. 7. State-Operated Services**

258.7 **County Past Due Receivables.** The
258.8 commissioner is authorized to withhold
258.9 county federal administrative reimbursement
258.10 when the county of financial responsibility
258.11 for cost-of-care payments due to the state
258.12 under Minnesota Statutes, section 246.54
258.13 or 253B.045, is 90 days past due. The
258.14 commissioner shall deposit the withheld
258.15 federal administrative earnings for the county
258.16 into the general fund to settle the claims with
258.17 the county of financial responsibility. The
258.18 process for withholding funds is governed by
258.19 Minnesota Statutes, section 256.017.

258.20 **Internet-Based Resource.** Notwithstanding
258.21 Laws 2005, First Special Session chapter 4,
258.22 article 9, section 2, subdivision 10, base level
258.23 funding for the fiscal year beginning July 1,
258.24 2008, is zero for the evidence-based practice
258.25 for the treatment of methamphetamine
258.26 abuse at the state-operated services chemical
258.27 dependency program at Willmar. The
258.28 Internet-based resource developed as part
258.29 of the evidence-based practice must be
258.30 maintained by the commissioner.

258.31 **Community Behavioral Health Hospitals.**
258.32 Under Minnesota Statutes, section 246.51,
258.33 subdivision 1, a determination order for
258.34 clients in the community behavioral hospital
258.35 operated by the commissioner is only

259.1	<u>required when a client's third-party mental</u>		
259.2	<u>health coverage has been exhausted.</u>		
259.3	<u>(a) Mental Health Services</u>	<u>(225,000)</u>	<u>(300,000)</u>
259.4	<u>(b) Minnesota Sex Offender Services</u>	<u>-0-</u>	<u>-0-</u>
259.5	<u>Sex Offender Program. Base level funding</u>		
259.6	<u>for the Minnesota sex offender program</u>		
259.7	<u>under Minnesota Statutes, chapter 246B,</u>		
259.8	<u>is reduced by \$2,329,000 for fiscal years</u>		
259.9	<u>beginning on or after July 1, 2009. This</u>		
259.10	<u>reduction does not apply to the portion of the</u>		
259.11	<u>per diem related to professional treatment</u>		
259.12	<u>service costs.</u>		
259.13	Sec. 4. <u>COMMISSIONER OF HEALTH</u>		
259.14	<u>Subdivision 1. Total Appropriation</u>	<u>\$ -0-</u>	<u>\$ (3,663,000)</u>
259.15	<u>Appropriations by Fund</u>		
259.16		<u>2008</u>	<u>2009</u>
259.17	<u>General</u>	<u>-0-</u>	<u>(4,130,000)</u>
259.18	<u>State Government</u>		
259.19	<u>Special Revenue</u>	<u>-0-</u>	<u>467,000</u>
259.20	<u>The appropriation additions or reductions</u>		
259.21	<u>for each purpose are shown in the following</u>		
259.22	<u>subdivisions.</u>		
259.23	<u>Subd. 2. Community and Family Health</u>		
259.24	<u>Promotion</u>	<u>-0-</u>	<u>(843,000)</u>
259.25	<u>Minnesota ENABL Program.</u>		
259.26	<u>Notwithstanding Laws 2007, chapter</u>		
259.27	<u>147, article 19, section 4, subdivision 2, base</u>		
259.28	<u>level funding for the Minnesota ENABL</u>		
259.29	<u>program under Minnesota Statutes, section</u>		

260.1 145.9255, for the fiscal year beginning July
260.2 1, 2008, is zero.

260.3 **Grants Reduction.** Effective July 1,
260.4 2008, base level funding for general fund
260.5 community and family health grants issued
260.6 under this paragraph shall be reduced by 1.8
260.7 percent at the allotment level.

260.8 **Subd. 3. Policy, Quality, and Compliance**

260.9	<u>Appropriations by Fund</u>		
260.10	<u>General</u>	<u>-0-</u>	<u>(2,070,000)</u>
260.11	<u>State Government</u>		
260.12	<u>Special Revenue</u>	<u>-0-</u>	<u>32,000</u>

260.13 **Grants Reduction.** Effective July 1, 2008,
260.14 base level funding for general fund policy,
260.15 quality, and compliance grants issued under
260.16 this paragraph, excluding medical education
260.17 and research costs transition funding grants
260.18 to the Mayo Clinic, shall be reduced by 1.8
260.19 percent at the allotment level.

260.20 **Interpreter Services Quality Initiative. Of**
260.21 the state government special revenue fund
260.22 appropriation, \$32,000 in fiscal year 2009 is
260.23 for the interpreter services quality initiative
260.24 under Minnesota Statutes, section 144.058.

260.25 **MERC Federal Compliance.**
260.26 Notwithstanding Laws 2007, chapter
260.27 147, article 19, section 4, subdivision 3, the
260.28 general fund appropriation in fiscal year
260.29 2009 for the commissioner to distribute to
260.30 the Mayo Clinic for the purpose of providing
260.31 transition funding while federal compliance
260.32 changes are made to the medical education
260.33 and research cost funding distribution

261.1 formula in Minnesota Statutes, section
261.2 62J.692, shall be \$4,250,000. Base level
261.3 funding for this activity for fiscal years 2010
261.4 and 2011 shall be \$1,000,000 each year. This
261.5 funding shall not become part of the base
261.6 in 2012 and 2013. Notwithstanding any
261.7 contrary provision of this article, this rider
261.8 expires on June 30, 2012.

261.9 **Base Adjustment.** The state government
261.10 special revenue base is decreased by \$11,000
261.11 in both fiscal years 2010 and 2011.

261.12 **Subd. 4. Health Protection**

261.13	<u>Appropriations by Fund</u>		
261.14	<u>General</u>	<u>-0-</u>	<u>(40,000)</u>
261.15	<u>State Government</u>		
261.16	<u>Special Revenue</u>	<u>-0-</u>	<u>435,000</u>

261.17 **Grants Reduction.** Effective July 1, 2008,
261.18 base level funding for general fund health
261.19 protection grants issued under this paragraph
261.20 shall be reduced by 1.8 percent at the
261.21 allotment level.

261.22 **Inspection Delegation.** \$435,000 from the
261.23 state government special revenue fund in
261.24 fiscal year 2009 is for the St. Louis County
261.25 inspection delegation. The base funding for
261.26 this appropriation shall increase by \$89,000
261.27 in each of fiscal years 2010 and 2011.

261.28	<u>Subd. 5. Minority and Multicultural Health</u>	<u>-0-</u>	<u>(77,000)</u>
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261.29 **Grants Reduction.** Effective July 1, 2008,
261.30 base level funding for general fund minority
261.31 and multicultural health grants issued under
261.32 this paragraph shall be reduced by 1.8
261.33 percent at the allotment level.

262.1	Subd. 6. <u>Administrative Support Services</u>	<u>0</u>	<u>(1,100,000)</u>
262.2	<u>Base Adjustment.</u> The general fund base is		
262.3	<u>increased \$46,000 in fiscal years 2010 and</u>		
262.4	<u>2011.</u>		
262.5	Sec. 5. <u>HEALTH RELATED BOARDS</u>		
262.6	Subdivision 1. <u>Total Appropriation</u>	<u>\$ 114,000</u>	<u>\$ 200,000</u>
262.7	<u>Appropriations by Fund</u>		
262.8		<u>2008</u>	<u>2009</u>
262.9	<u>General</u>	<u>-0-</u>	<u>-0-</u>
262.10	<u>State Government</u>		
262.11	<u>Special Revenue</u>	<u>114,000</u>	<u>200,000</u>
262.12	<u>Transfer from Special Revenue Fund.</u>		
262.13	<u>During the fiscal year beginning July 1, 2008,</u>		
262.14	<u>the commissioner of finance shall transfer</u>		
262.15	<u>\$3,219,000 from the state government</u>		
262.16	<u>special revenue fund to the general fund.</u>		
262.17	Subd. 2. <u>Board of Nursing Home</u>		
262.18	<u>Administrators</u>		
262.19	<u>State Government Special Revenue</u>	<u>100,000</u>	<u>200,000</u>
262.20	<u>Administrative Services Unit.</u> The amounts		
262.21	<u>appropriated are for the administrative</u>		
262.22	<u>services unit to pay for costs of contested</u>		
262.23	<u>case hearings and other unanticipated</u>		
262.24	<u>costs of legal proceedings involving</u>		
262.25	<u>health-related boards funded under Laws</u>		
262.26	<u>2007, chapter 147, article 19, section 6. Upon</u>		
262.27	<u>certification of a health-related board to the</u>		
262.28	<u>administrative services unit that the costs</u>		
262.29	<u>will be incurred and that there is insufficient</u>		

263.1 money available to pay for the costs out of
263.2 money currently available to that board, the
263.3 administrative services unit is authorized
263.4 to transfer money from this appropriation
263.5 to the board for payment of those costs
263.6 with the approval of the commissioner of
263.7 finance. This appropriation does not cancel.
263.8 Any unencumbered and unspent balances
263.9 remain available for these expenditures in
263.10 subsequent fiscal years.

263.11 Subd. 3. **Board of Marriage and Family**
263.12 **Therapy**

263.13 State Government Special Revenue 14,000 -0-

263.14 Sec. 6. **EMERGENCY MEDICAL SERVICES**
263.15 **BOARD**

263.16 **Longevity Award and Incentive Program.**
263.17 For the fiscal year beginning July 1, 2008,
263.18 \$6,200,000 must be transferred from the
263.19 ambulance service personnel longevity
263.20 award and incentive trust to the general fund.

263.21 Sec. 7. Laws 2007, chapter 147, article 19, section 3, subdivision 4, is amended to read:

263.22 Subd. 4. **Children and Economic Assistance**
263.23 **Grants**

263.24 The amounts that may be spent from this
263.25 appropriation for each purpose are as follows:

263.26 (a) **MFIP/DWP Grants**

263.27 Appropriations by Fund

263.28	General	62,069,000	62,405,000
263.29	Federal TANF	75,904,000	80,841,000

264.1 **(b) Support Services Grants**

264.2 Appropriations by Fund

264.3	General	8,715,000	8,715,000
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264.4	Federal TANF	113,429,000	115,902,000
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264.5 **TANF Prior Appropriation Cancellation.**

264.6 Notwithstanding Laws 2001, First Special
264.7 Session chapter 9, article 17, section
264.8 2, subdivision 11, paragraph (b), any
264.9 unexpended TANF funds appropriated to the
264.10 commissioner to contract with the Board of
264.11 Trustees of Minnesota State Colleges and
264.12 Universities, to provide tuition waivers to
264.13 employees of health care and human service
264.14 providers that are members of qualifying
264.15 consortia operating under Minnesota
264.16 Statutes, sections 116L.10 to 116L.15, must
264.17 cancel at the end of fiscal year 2007.

264.18 **MFIP Pilot Program.** Of the TANF
264.19 appropriation, \$100,000 in fiscal year 2008
264.20 and \$750,000 in fiscal year 2009 are for a
264.21 grant to the Stearns-Benton Employment and
264.22 Training Council for the Workforce U pilot
264.23 program. Base level funding for this program
264.24 shall be \$750,000 in 2010 and \$0 in 2011.

264.25 **Supported Work.** (1) Of the TANF
264.26 appropriation, \$5,468,000 in fiscal year 2008
264.27 ~~and \$7,291,000 in fiscal year 2009 are~~ is for
264.28 supported work for MFIP participants, to
264.29 be allocated to counties and tribes based on
264.30 the criteria under clauses (2) and (3), and is
264.31 available until expended. Paid transitional
264.32 work experience and other supported
264.33 employment under this rider provides

265.1 a continuum of employment assistance,
265.2 including outreach and recruitment,
265.3 program orientation and intake, testing and
265.4 assessment, job development and marketing,
265.5 preworksite training, supported worksite
265.6 experience, job coaching, and postplacement
265.7 follow-up, in addition to extensive case
265.8 management and referral services. * **(The**
265.9 **preceding text "and \$7,291,000 in fiscal**
265.10 **year 2009" was indicated as vetoed by the**
265.11 **governor.)**

265.12 (2) A county or tribe is eligible to receive an
265.13 allocation under this rider if:

265.14 (i) the county or tribe is not meeting the
265.15 federal work participation rate;

265.16 (ii) the county or tribe has participants who
265.17 are required to perform work activities under
265.18 Minnesota Statutes, chapter 256J, but are not
265.19 meeting hourly work requirements; and

265.20 (iii) the county or tribe has assessed
265.21 participants who have completed six weeks
265.22 of job search or are required to perform
265.23 work activities and are not meeting the
265.24 hourly requirements, and the county or tribe
265.25 has determined that the participant would
265.26 benefit from working in a supported work
265.27 environment.

265.28 (3) A county or tribe may also be eligible for
265.29 funds in order to contract for supplemental
265.30 hours of paid work at the participant's child's
265.31 place of education, child care location, or the
265.32 child's physical or mental health treatment
265.33 facility or office. This grant to counties and
265.34 tribes is specifically for MFIP participants
265.35 who need to work up to five hours more

266.1 per week in order to meet the hourly work
266.2 requirement, and the participant's employer
266.3 cannot or will not offer more hours to the
266.4 participant.

266.5 **Work Study.** Of the TANF appropriation,
266.6 \$750,000 each year are to the commissioner
266.7 to contract with the Minnesota Office of
266.8 Higher Education for the biennium beginning
266.9 July 1, 2007, for work study grants under
266.10 Minnesota Statutes, section 136A.233,
266.11 specifically for low-income individuals who
266.12 receive assistance under Minnesota Statutes,
266.13 chapter 256J, and for grants to opportunities
266.14 industrialization centers. * **(The preceding**
266.15 **text beginning "Work Study. Of the TANF**
266.16 **appropriation," was indicated as vetoed**
266.17 **by the governor.)**

266.18 **Integrated Service Projects.** \$2,500,000
266.19 in fiscal year 2008 and \$2,500,000 in fiscal
266.20 year 2009 are appropriated from the TANF
266.21 fund to the commissioner to continue to
266.22 fund the existing integrated services projects
266.23 for MFIP families, and if funding allows,
266.24 additional similar projects.

266.25 **Base Adjustment.** The TANF base for fiscal
266.26 year 2010 is \$115,902,000 and for fiscal year
266.27 2011 is \$115,152,000.

266.28 **(c) MFIP Child Care Assistance Grants**

266.29	General	74,654,000	71,951,000
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266.30 **(d) Basic Sliding Fee Child Care Assistance**
266.31 **Grants**

266.32	General	42,995,000	45,008,000
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267.1 **Base Adjustment.** The general fund base
267.2 is \$44,881,000 for fiscal year 2010 and
267.3 \$44,852,000 for fiscal year 2011.

267.4 **At-Home Infant Care Program.** No
267.5 funding shall be allocated to or spent on
267.6 the at-home infant care program under
267.7 Minnesota Statutes, section 119B.035.

267.8 **(e) Child Care Development Grants**

267.9 General	4,390,000	6,390,000
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267.10 **Prekindergarten Exploratory Projects.** Of
267.11 the general fund appropriation, \$2,000,000
267.12 the first year and \$4,000,000 the second
267.13 year are for grants to the city of St. Paul,
267.14 Hennepin County, and Blue Earth County to
267.15 establish scholarship demonstration projects
267.16 to be conducted in partnership with the
267.17 Minnesota Early Learning Foundation to
267.18 promote children's school readiness. This
267.19 appropriation is available until June 30, 2009.

267.20 **Child Care Services Grants.** Of this
267.21 appropriation, \$500,000 each year are for
267.22 the purpose of providing child care services
267.23 grants under Minnesota Statutes, section
267.24 119B.21, subdivision 5. This appropriation
267.25 is for the 2008-2009 biennium only, and does
267.26 not increase the base funding.

267.27 **Early Childhood Professional**
267.28 **Development System.** Of this appropriation,
267.29 \$500,000 each year are for purposes of the
267.30 early childhood professional development
267.31 system, which increases the quality and
267.32 continuum of professional development
267.33 opportunities for child care practitioners.

268.1 This appropriation is for the 2008-2009
268.2 biennium only, and does not increase the
268.3 base funding.

268.4 **Base Adjustment.** The general fund base
268.5 is \$1,515,000 for each of fiscal years 2010
268.6 and 2011.

268.7 **(f) Child Support Enforcement Grants**

268.8	General	11,038,000	3,705,000
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268.9 **Child Support Enforcement.** \$7,333,000
268.10 for fiscal year 2008 is to make grants to
268.11 counties for child support enforcement
268.12 programs to make up for the loss under the
268.13 2005 federal Deficit Reduction Act of federal
268.14 matching funds for federal incentive funds
268.15 passed on to the counties by the state.

268.16 This appropriation is available until June 30,
268.17 2009.

268.18 **(g) Children's Services Grants**

268.19	Appropriations by Fund		
268.20	General	63,647,000	71,147,000
268.21	Health Care Access	250,000	-0-
268.22	TANF	240,000	340,000

268.23 **Grants for Programs Serving Young**
268.24 **Parents.** Of the TANF fund appropriation,
268.25 \$140,000 each year is for a grant to a program
268.26 or programs that provide comprehensive
268.27 services through a private, nonprofit agency
268.28 to young parents in Hennepin County who
268.29 have dropped out of school and are receiving
268.30 public assistance. The program administrator
268.31 shall report annually to the commissioner on

269.1 skills development, education, job training,
269.2 and job placement outcomes for program
269.3 participants.

269.4 **County Allocations for Rate Increases.**

269.5 County Children and Community Services
269.6 Act allocations shall be increased by
269.7 \$197,000 effective October 1, 2007, and
269.8 \$696,000 effective October 1, 2008, to help
269.9 counties pay for the rate adjustments to
269.10 day training and habilitation providers for
269.11 participants paid by county social service
269.12 funds. Notwithstanding the provisions of
269.13 Minnesota Statutes, section 256M.40, the
269.14 allocation to a county shall be based on
269.15 the county's proportion of social services
269.16 spending for day training and habilitation
269.17 services as determined in the most recent
269.18 social services expenditure and grant
269.19 reconciliation report.

269.20 **Privatized Adoption Grants.** Federal
269.21 reimbursement for privatized adoption grant
269.22 and foster care recruitment grant expenditures
269.23 is appropriated to the commissioner for
269.24 adoption grants and foster care and adoption
269.25 administrative purposes.

269.26 **Adoption Assistance Incentive Grants.**

269.27 Federal funds available during fiscal year
269.28 2008 and fiscal year 2009 for the adoption
269.29 incentive grants are appropriated to the
269.30 commissioner for these purposes.

269.31 **Adoption Assistance and Relative Custody**
269.32 **Assistance.** The commissioner may transfer
269.33 unencumbered appropriation balances for
269.34 adoption assistance and relative custody

270.1 assistance between fiscal years and between
270.2 programs.

270.3 **Children's Mental Health Grants.** Of the
270.4 general fund appropriation, \$5,913,000 in
270.5 fiscal year 2008 and \$6,825,000 in fiscal year
270.6 2009 are for children's mental health grants.
270.7 The purpose of these grants is to increase and
270.8 maintain the state's children's mental health
270.9 service capacity, especially for school-based
270.10 mental health services. The commissioner
270.11 shall require grantees to utilize all available
270.12 third party reimbursement sources as a
270.13 condition of using state grant funds. At
270.14 least 15 percent of these funds shall be
270.15 used to encourage efficiencies through early
270.16 intervention services. At least another 15
270.17 percent shall be used to provide respite care
270.18 services for children with severe emotional
270.19 disturbance at risk of out-of-home placement.

270.20 **Mental Health Crisis Services.** Of the
270.21 general fund appropriation, \$2,528,000 in
270.22 fiscal year 2008 and \$2,850,000 in fiscal year
270.23 2009 are for statewide funding of children's
270.24 mental health crisis services. Providers must
270.25 utilize all available funding streams.

270.26 **Children's Mental Health Evidence-Based**
270.27 **and Best Practices.** Of the general fund
270.28 appropriation, \$375,000 in fiscal year 2008
270.29 and \$750,000 in fiscal year 2009 are for
270.30 children's mental health evidence-based and
270.31 best practices including, but not limited
270.32 to: Adolescent Integrated Dual Diagnosis
270.33 Treatment services; school-based mental
270.34 health services; co-location of mental
270.35 health and physical health care, and; the

271.1 use of technological resources to better
271.2 inform diagnosis and development of
271.3 treatment plan development by mental
271.4 health professionals. The commissioner
271.5 shall require grantees to utilize all available
271.6 third-party reimbursement sources as a
271.7 condition of using state grant funds.

271.8 **Culturally Specific Mental Health**

271.9 **Treatment Grants.** Of the general fund
271.10 appropriation, \$75,000 in fiscal year 2008
271.11 and \$300,000 in fiscal year 2009 are for
271.12 children's mental health grants to support
271.13 increased availability of mental health
271.14 services for persons from cultural and
271.15 ethnic minorities within the state. The
271.16 commissioner shall use at least 20 percent
271.17 of these funds to help members of cultural
271.18 and ethnic minority communities to become
271.19 qualified mental health professionals and
271.20 practitioners. The commissioner shall assist
271.21 grantees to meet third-party credentialing
271.22 requirements and require them to utilize all
271.23 available third-party reimbursement sources
271.24 as a condition of using state grant funds.

271.25 **Mental Health Services for Children with**
271.26 **Special Treatment Needs.** Of the general
271.27 fund appropriation, \$50,000 in fiscal year
271.28 2008 and \$200,000 in fiscal year 2009 are
271.29 for children's mental health grants to support
271.30 increased availability of mental health
271.31 services for children with special treatment
271.32 needs. These shall include, but not be limited
271.33 to: victims of trauma, including children
271.34 subjected to abuse or neglect, veterans and
271.35 their families, and refugee populations;
271.36 persons with complex treatment needs, such

272.1 as eating disorders; and those with low
272.2 incidence disorders.

272.3 **MFIP and Children's Mental Health**

272.4 **Pilot Project.** Of the TANF appropriation,
272.5 \$100,000 in fiscal year 2008 and \$200,000
272.6 in fiscal year 2009 are to fund the MFIP
272.7 and children's mental health pilot project.
272.8 Of these amounts, up to \$100,000 may be
272.9 expended on evaluation of this pilot.

272.10 **Prenatal Alcohol or Drug Use.** Of the
272.11 general fund appropriation, \$75,000 each
272.12 year is to award grants beginning July 1,
272.13 2007, to programs that provide services
272.14 under Minnesota Statutes, section 254A.171,
272.15 in Pine, Kanabec, and Carlton Counties. This
272.16 appropriation shall become part of the base
272.17 appropriation.

272.18 **Base Adjustment.** The general fund base
272.19 is \$62,572,000 in fiscal year 2010 and
272.20 \$62,575,000 in fiscal year 2011.

272.21 **(h) Children and Community Services Grants**

272.22 General 101,369,000 69,208,000

272.23 **Base Adjustment.** The general fund base
272.24 is \$69,274,000 in each of fiscal years 2010
272.25 and 2011.

272.26 **Targeted Case Management Temporary**
272.27 **Funding.** (a) Of the general fund
272.28 appropriation, \$32,667,000 in fiscal year
272.29 2008 is transferred to the targeted case
272.30 management contingency reserve account in
272.31 the general fund to be allocated to counties
272.32 and tribes affected by reductions in targeted
272.33 case management federal Medicaid revenue

273.1 as a result of the provisions in the federal
273.2 Deficit Reduction Act of 2005, Public Law
273.3 109-171.

273.4 (b) Contingent upon (1) publication by the
273.5 federal Centers for Medicare and Medicaid
273.6 Services of final regulations implementing
273.7 the targeted case management provisions
273.8 of the federal Deficit Reduction Act of
273.9 2005, Public Law 109-171, or (2) the
273.10 issuance of a finding by the Centers for
273.11 Medicare and Medicaid Services of federal
273.12 Medicaid overpayments for targeted case
273.13 management expenditures, up to \$32,667,000
273.14 is appropriated to the commissioner of human
273.15 services. Prior to distribution of funds, the
273.16 commissioner shall estimate and certify the
273.17 amount by which the federal regulations or
273.18 federal disallowance will reduce targeted
273.19 case management Medicaid revenue over the
273.20 2008-2009 biennium.

273.21 (c) Within 60 days of a contingency described
273.22 in paragraph (b), the commissioner shall
273.23 distribute the grants proportionate to each
273.24 affected county or tribe's targeted case
273.25 management federal earnings for calendar
273.26 year 2005, not to exceed the lower of (1) the
273.27 amount of the estimated reduction in federal
273.28 revenue or (2) \$32,667,000.

273.29 (d) These funds are available in either year of
273.30 the biennium. Counties and tribes shall use
273.31 these funds to pay for social service-related
273.32 costs, but the funds are not subject to
273.33 provisions of the Children and Community
273.34 Services Act grant under Minnesota Statutes,
273.35 chapter 256M.

274.1 (e) This appropriation shall be available to
274.2 pay counties and tribes for expenses incurred
274.3 on or after July 1, 2007. The appropriation
274.4 shall be available until expended.

274.5 (i) **General Assistance Grants**

274.6	General	37,876,000	38,253,000
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274.7 **General Assistance Standard.** The
274.8 commissioner shall set the monthly standard
274.9 of assistance for general assistance units
274.10 consisting of an adult recipient who is
274.11 childless and unmarried or living apart
274.12 from parents or a legal guardian at \$203.
274.13 The commissioner may reduce this amount
274.14 according to Laws 1997, chapter 85, article
274.15 3, section 54.

274.16 **Emergency General Assistance.** The
274.17 amount appropriated for emergency general
274.18 assistance funds is limited to no more
274.19 than \$7,889,812 in fiscal year 2008 and
274.20 \$7,889,812 in fiscal year 2009. Funds
274.21 to counties must be allocated by the
274.22 commissioner using the allocation method
274.23 specified in Minnesota Statutes, section
274.24 256D.06.

274.25 (j) **Minnesota Supplemental Aid Grants**

274.26	General	30,505,000	30,812,000
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274.27 **Emergency Minnesota Supplemental**
274.28 **Aid Funds.** The amount appropriated for
274.29 emergency Minnesota supplemental aid
274.30 funds is limited to no more than \$1,100,000
274.31 in fiscal year 2008 and \$1,100,000 in fiscal
274.32 year 2009. Funds to counties must be

275.1 allocated by the commissioner using the
275.2 allocation method specified in Minnesota
275.3 Statutes, section 256D.46.

275.4 (k) **Group Residential Housing Grants**

275.5	General	91,069,000	98,671,000
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275.6 **People Incorporated.** Of the general fund
275.7 appropriation, \$460,000 each year is to
275.8 augment community support and mental
275.9 health services provided to individuals
275.10 residing in facilities under Minnesota
275.11 Statutes, section 256I.05, subdivision 1m.

275.12 (l) **Other Children and Economic Assistance**
275.13 **Grants**

275.14	General	20,183,000	16,333,000
275.15	Federal TANF	1,500,000	1,500,000

275.16 **Base Adjustment.** The general fund base
275.17 shall be \$16,033,000 in fiscal year 2010 and
275.18 \$15,533,000 in fiscal year 2011. The TANF
275.19 base shall be \$1,500,000 in fiscal year 2010
275.20 and \$1,181,000 in fiscal year 2011.

275.21 **Homeless and Runaway Youth.** Of the
275.22 general fund appropriation, \$500,000 each
275.23 year are for the Runaway and Homeless
275.24 Youth Act under Minnesota Statutes, section
275.25 256K.45. Funds shall be spent in each area
275.26 of the continuum of care to ensure that
275.27 programs are meeting the greatest need. This
275.28 is a onetime appropriation.

275.29 **Long-Term Homelessness.** Of the general
275.30 fund appropriation, ~~\$1,500,000 each year~~
275.31 ~~are~~ \$2,000,000 in fiscal year 2008 is for

276.1 implementation of programs to address
276.2 long-term homelessness and is available in
276.3 either year of the biennium. This is a onetime
276.4 appropriation.

276.5 **Minnesota Community Action Grants. (a)**
276.6 Of the general fund appropriation, \$250,000
276.7 each year is for the purposes of Minnesota
276.8 community action grants under Minnesota
276.9 Statutes, sections 256E.30 to 256E.32. This
276.10 is a onetime appropriation.

276.11 (b) Of the TANF appropriation, \$1,500,000
276.12 each year is for community action agencies
276.13 for auto repairs, auto loans, and auto
276.14 purchase grants to individuals who are
276.15 eligible to receive benefits under Minnesota
276.16 Statutes, chapter 256J, or who have lost
276.17 eligibility for benefits under Minnesota
276.18 Statutes, chapter 256J, due to earnings in the
276.19 prior 12 months. Base level funding for this
276.20 activity shall be \$1,500,000 in fiscal year
276.21 2010 and \$1,181,000 in fiscal year 2011. *

276.22 **(The preceding text beginning "(b) Of the**
276.23 **TANF appropriation," was indicated as**
276.24 **vetoed by the governor.)**

276.25 (c) Money appropriated under paragraphs (a)
276.26 and (b) that is not spent in the first year does
276.27 not cancel but is available for the second
276.28 year.

276.29 Sec. 8. **SUNSET OF UNCODIFIED LANGUAGE.**

276.30 All uncoded language contained in this article expires on June 30, 2009, unless a
276.31 different expiration date is specified.

278.1	<u>Subd. 3. Children and Economic Assistance</u>		
278.2	<u>Grants</u>		
278.3	<u>General</u>	<u>(4,960,000)</u>	<u>5,925,000</u>
278.4	<u>Federal TANF</u>	<u>(29,614,000)</u>	<u>(8,948,000)</u>
278.5	<u>The amounts that may be spent from this</u>		
278.6	<u>appropriation for each purpose are as follows:</u>		
278.7	<u>(a) MFIP/DWP Grants</u>		
278.8	<u>General</u>	<u>25,139,000</u>	<u>11,665,000</u>
278.9	<u>Federal TANF</u>	<u>(29,614,000)</u>	<u>(8,948,000)</u>
278.10	<u>(b) MFIP Child Care Assistance Grants</u>	<u>(26,141,000)</u>	<u>(10,710,000)</u>
278.11	<u>(c) General Assistance Grants</u>	<u>2,529,000</u>	<u>6,033,000</u>
278.12	<u>(d) Minnesota Supplemental Aid Grants</u>	<u>299,000</u>	<u>500,000</u>
278.13	<u>(e) Group Residential Housing Grants</u>	<u>(6,786,000)</u>	<u>(1,563,000)</u>
278.14	<u>Subd. 4. Basic Health Care Grants</u>		
278.15	<u>General</u>	<u>30,075,000</u>	<u>48,389,000</u>
278.16	<u>Health Care Access</u>	<u>(84,156,000)</u>	<u>(96,019,000)</u>
278.17	<u>The amounts that may be spent from this</u>		
278.18	<u>appropriation for each purpose are as follows:</u>		
278.19	<u>(a) MinnesotaCare</u>		
278.20	<u>Health Care Access</u>	<u>(84,156,000)</u>	<u>(96,019,000)</u>
278.21	<u>(b) MA Basic Health Care - Families and</u>		
278.22	<u>Children</u>	<u>13,525,000</u>	<u>7,005,000</u>
278.23	<u>(c) MA Basic Health Care - Elderly and</u>		
278.24	<u>Disabled</u>	<u>(2,292,000)</u>	<u>5,479,000</u>

279.1	<u>(d) General Assistance Medical Care</u>	<u>18,842,000</u>	<u>35,905,000</u>
279.2	<u>Subd. 5. Continuing Care Grants</u>	<u>(18,376,000)</u>	<u>(1,964,000)</u>
279.3	<u>The amounts that may be spent from this</u>		
279.4	<u>appropriation for each purpose are as follows:</u>		
279.5	<u>(a) MA Long-Term Care Facilities</u>	<u>(10,986,000)</u>	<u>(2,148,000)</u>
279.6	<u>(b) MA Long-Term Care Waivers</u>	<u>(18,484,000)</u>	<u>(13,598,000)</u>
279.7	<u>(c) Chemical Dependency Entitlement Grants</u>	<u>11,094,000</u>	<u>13,782,000"</u>
279.8	Delete the title and insert:		
279.9	"A bill for an act		
279.10	relating to the financing of state government; making supplemental appropriations		
279.11	and reductions in appropriations for early childhood through grade 12 education,		
279.12	higher education, environment and natural resources, energy, agriculture,		
279.13	veterans affairs, military affairs, economic development, transportation, public		
279.14	safety, judiciary, state government, and health and human services; modifying		
279.15	certain statutory provisions and laws; providing for certain programs; fixing and		
279.16	limiting fees; authorizing rulemaking; requiring reports; appropriating money;		
279.17	amending Minnesota Statutes 2006, sections 15A.0815, subdivisions 2, as		
279.18	amended, 3; 17.4988, subdivisions 2, 3; 41A.09, subdivision 3a; 93.481, by		
279.19	adding a subdivision; 97A.475, subdivision 29; 103A.204; 103A.43; 103B.151,		
279.20	subdivision 1; 103G.271, subdivision 6; 103G.291, by adding a subdivision;		
279.21	103G.615, subdivision 2; 116.07, subdivision 4; 116L.04, subdivision 1;		
279.22	116L.05, subdivisions 3, 5; 116L.16; 116L.20, subdivision 2; 116U.26; 121A.19;		
279.23	122A.21; 123B.59, subdivision 1; 123B.62; 124D.04, subdivisions 3, 6, 8, 9;		
279.24	124D.05, by adding a subdivision; 124D.118, subdivision 4; 124D.55; 125A.65,		
279.25	subdivision 4, by adding a subdivision; 125A.76, by adding a subdivision;		
279.26	126C.10, subdivision 31, by adding a subdivision; 126C.17, subdivision 9;		
279.27	126C.40, subdivision 1; 126C.45; 126C.51; 126C.52, subdivision 2, by adding a		
279.28	subdivision; 126C.53; 126C.55; 127A.45, subdivision 16; 136A.101, subdivision		
279.29	8; 136G.11, subdivision 1; 145.9255, subdivision 1; 168.013, by adding a		
279.30	subdivision; 168.1255, by adding a subdivision; 168A.29, as amended; 190.19,		
279.31	subdivision 1, by adding a subdivision; 190.25, subdivision 3, by adding a		
279.32	subdivision; 192.501, by adding subdivisions; 216C.41, subdivision 4; 256.741,		
279.33	subdivisions 2, 2a, 3; 256.969, subdivisions 2b, 3a; 256B.0571, subdivisions 8,		
279.34	9; 256B.0621, subdivisions 2, 6, 10; 256B.0625, subdivision 13e; 256B.0924,		
279.35	subdivisions 4, 6; 256B.19, subdivision 1d; 256B.32, subdivision 1; 256B.431,		
279.36	subdivision 23; 256B.69, subdivisions 5a, 6; 256B.75; 256D.44, subdivisions		
279.37	2, 5; 270B.085, by adding a subdivision; 298.223, subdivision 2; 298.28,		
279.38	subdivision 9d, as added; 298.292, subdivision 2, as amended; 298.2961,		
279.39	subdivision 2; 299A.45, subdivision 1; 299A.705, by adding a subdivision;		
279.40	325E.313; 325E.314; 357.021, subdivisions 6, 7; 446A.12, subdivision		
279.41	1; 462A.22, subdivision 1; 473.1565, subdivision 3; 518A.50; 518A.53,		
279.42	subdivision 5; 609.531, subdivision 1; Minnesota Statutes 2007 Supplement,		
279.43	sections 80A.65, subdivision 1; 103G.291, subdivision 3; 116L.17, subdivision		
279.44	1; 123B.54; 124D.531, subdivision 1; 125A.76, subdivision 2; 126C.44;		
279.45	127A.49, subdivisions 2, 3; 136A.121, subdivision 7a; 144E.45, subdivision 2;		
279.46	171.06, subdivision 2; 190.19, subdivision 2; 216C.41, subdivision 3; 256.741,		

280.1 subdivision 1; 256B.0625, subdivision 20; 256B.0631, subdivisions 1, 3;
280.2 256B.441, subdivisions 1, 55, 56; 256B.5012, subdivision 7; 256J.621; 297I.06,
280.3 subdivision 3; Laws 1999, chapter 223, article 2, section 72; Laws 2005, chapter
280.4 156, article 1, section 11, subdivision 2; Laws 2006, chapter 282, article 2,
280.5 section 27, subdivision 4; Laws 2007, chapter 45, article 1, section 3, subdivision
280.6 4; Laws 2007, chapter 54, article 1, section 11; Laws 2007, chapter 57, article
280.7 1, section 4, subdivisions 4, 6; Laws 2007, chapter 135, article 1, sections 3,
280.8 subdivisions 2, 3; 6, subdivision 4; Laws 2007, chapter 143, article 1, section
280.9 3, subdivision 2; Laws 2007, chapter 144, article 1, sections 3, subdivision 2;
280.10 5, subdivision 5; 7; Laws 2007, chapter 146, article 1, section 24, subdivisions
280.11 2, 3, 4, 5, 6, 7, 8; article 2, section 46, subdivisions 2, 3, 4, 6, 9, 13, 14, 20;
280.12 article 3, sections 23, subdivision 2; 24, subdivisions 3, 4, 9; article 4, section
280.13 16, subdivisions 2, 3, 6, 8; article 5, sections 11, subdivision 1; 13, subdivisions
280.14 2, 3, 4; article 7, section 4; article 9, section 17, subdivisions 2, 3, 4, 8, 9, 13;
280.15 Laws 2007, chapter 147, article 7, section 71; article 19, section 3, subdivision 4;
280.16 Laws 2007, chapter 148, article 1, section 12, subdivision 4; Laws 2007, First
280.17 Special Session chapter 2, article 1, sections 8, subdivision 2; 11, subdivisions
280.18 1, 2, 6; Laws 2008, chapter 152, article 1, section 6, subdivision 2; proposing
280.19 coding for new law in Minnesota Statutes, chapters 5; 13B; 85; 94; 103B; 114D;
280.20 116J; 124D; 129D; 136F; 144; 173; 192; 256B; proposing coding for new law as
280.21 Minnesota Statutes, chapter 62U; repealing Minnesota Statutes 2006, sections
280.22 126C.21, subdivision 1; 127A.45, subdivision 7a; 256.741, subdivision 15;
280.23 341.31; Laws 2004, chapter 188, section 2; Laws 2007, First Special Session
280.24 chapter 2, article 1, section 11, subdivisions 3, 4."

