

SENATE
STATE OF MINNESOTA
EIGHTY-EIGHTH SESSION

S.F. No. 2785

(SENATE AUTHORS: COHEN)

DATE	D-PG	OFFICIAL STATUS
03/19/2014	6380	Introduction and first reading Referred to Finance
04/04/2014		HF substituted in committee HF3172

A bill for an act

1.1 relating to state government; making supplemental appropriations for higher
1.2 education, economic development, transportation, public safety, corrections,
1.3 state government, health and human services, and early childhood, kindergarten
1.4 through grade 12, and adult education; modifying certain statutory provisions
1.5 and laws; providing for certain programs; regulating the carrying of pistols in the
1.6 capitol area; making forecast adjustments; setting and modifying fees; providing
1.7 for rate increases; regulating certain accounts; providing for conformity with
1.8 federal law; authorizing the issuance of state bonds; appropriating money;
1.9 amending Minnesota Statutes 2012, sections 13.46, subdivision 4; 122A.415,
1.10 subdivision 1; 123A.05, subdivision 2; 124D.09, subdivision 13; 124D.111, by
1.11 adding a subdivision; 124D.522; 124D.531, subdivision 3; 125A.76, subdivision
1.12 2; 126C.10, subdivisions 25, 26; 165.15, subdivision 2; 171.02, subdivision 3;
1.13 171.06, subdivision 2; 174.02, by adding a subdivision; 245C.03, by adding a
1.14 subdivision; 245C.04, by adding a subdivision; 245C.05, subdivision 5; 245C.10,
1.15 by adding a subdivision; 245C.33, subdivisions 1, 4; 252.451, subdivision
1.16 2; 254B.12; 256.01, by adding a subdivision; 256.9685, subdivisions 1, 1a;
1.17 256.9686, subdivision 2; 256.969, subdivisions 1, 2, 2b, 2c, 3a, 3b, 6a, 9, 10,
1.18 14, 17, 30, by adding subdivisions; 256B.0625, subdivision 30; 256B.199;
1.19 256B.5012, by adding a subdivision; 256I.05, subdivision 2; 257.85, subdivision
1.20 11; 260C.212, subdivision 1; 260C.515, subdivision 4; 260C.611; 268.057,
1.21 subdivision 5; 268.18, subdivision 2b; 473.39, by adding a subdivision; 609.66,
1.22 subdivision 1g; Minnesota Statutes 2013 Supplement, sections 124D.11,
1.23 subdivision 1; 124D.111, subdivision 1; 124D.531, subdivision 1; 124D.862,
1.24 subdivisions 1, 2; 125A.11, subdivision 1; 125A.76, subdivisions 1, 2a, 2b, 2c;
1.25 125A.79, subdivisions 1, 5, 8; 126C.05, subdivision 15; 126C.10, subdivisions
1.26 2a, 24, 31; 126C.17, subdivisions 6, 7b, 9, 9a; 126C.44; 127A.47, subdivision 7;
1.27 174.12, subdivision 2; 245.8251; 245A.042, subdivision 3; 245C.08, subdivision
1.28 1; 245D.02, subdivisions 3, 4b, 8b, 11, 15b, 29, 34, 34a, by adding a subdivision;
1.29 245D.03, subdivisions 1, 2, 3, by adding a subdivision; 245D.04, subdivision
1.30 3; 245D.05, subdivisions 1, 1a, 1b, 2, 4, 5; 245D.051; 245D.06, subdivisions 2,
1.31 4, 6, 7, 8; 245D.071, subdivisions 3, 4, 5; 245D.081, subdivision 2; 245D.09,
1.32 subdivisions 3, 4a; 245D.091, subdivisions 2, 3, 4; 245D.10, subdivision 3;
1.33 245D.11, subdivision 2; 256B.04, subdivision 21; 256B.055, subdivision 1;
1.34 256B.439, subdivisions 1, 7; 256B.4912, subdivision 1; 256B.85, subdivisions
1.35 2, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13, 15, 16, 17, 18, 23, 24, by adding subdivisions;
1.36 256N.02, by adding a subdivision; 256N.21, subdivision 2, by adding a
1.37 subdivision; 256N.22, subdivisions 1, 2, 4, 6; 256N.23, subdivisions 1, 4;
1.38 256N.24, subdivisions 9, 10; 256N.25, subdivisions 2, 3; 256N.26, subdivision 1;
1.39

2.1 256N.27, subdivision 4; Laws 2009, chapter 83, article 1, section 10, subdivision
 2.2 7; Laws 2010, chapter 189, section 15, subdivision 12; Laws 2012, chapter
 2.3 287, article 2, section 1; Laws 2012, First Special Session chapter 1, article 1,
 2.4 section 28; Laws 2013, chapter 1, section 6, as amended; Laws 2013, chapter
 2.5 85, article 1, section 3, subdivision 2; Laws 2013, chapter 99, article 1, section
 2.6 4, subdivision 3; article 3, section 3; Laws 2013, chapter 108, article 7, section
 2.7 49; article 14, sections 2, subdivisions 5, 6; 3, subdivisions 1, 4; 12; Laws
 2.8 2013, chapter 116, article 1, section 58, subdivisions 2, 3, 4, 5, 6, 7, 11; article
 2.9 3, section 37, subdivisions 3, 4, 5, 6, 8, 20; article 4, section 9, subdivision 2;
 2.10 article 5, section 31, subdivisions 2, 3, 4; article 6, section 12, subdivisions 2,
 2.11 3, 4, 6; article 7, section 21, subdivisions 2, 3, 4, 6, 7, 9; article 8, section 5,
 2.12 subdivisions 2, 3, 4, 10, 11, 14; article 9, section 2; Laws 2013, chapter 117,
 2.13 article 1, sections 3, subdivisions 2, 3, 6; 4; proposing coding for new law in
 2.14 Minnesota Statutes, chapters 144A; 171; repealing Minnesota Statutes 2012,
 2.15 sections 245.825, subdivisions 1, 1b; 256.969, subdivisions 8b, 9a, 9b, 11, 13,
 2.16 20, 21, 22, 25, 26, 27, 28; 256.9695, subdivisions 3, 4; Minnesota Statutes 2013
 2.17 Supplement, sections 245D.02, subdivisions 2b, 2c, 3b, 5a, 8a, 15a, 15b, 23b, 28,
 2.18 29, 34a; 245D.06, subdivisions 5, 6, 7, 8; 245D.061, subdivisions 1, 2, 3, 4, 5, 6,
 2.19 7, 8, 9; 256N.26, subdivision 7; Minnesota Rules, parts 4830.7500, subpart 2a;
 2.20 9525.2700; 9525.2810.

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

2.22 **ARTICLE 1**

2.23 **HIGHER EDUCATION**

2.24 Section 1. **APPROPRIATIONS.**

2.25 The sums shown in the columns marked "Appropriations" are added to the
 2.26 appropriations in Laws 2013, chapter 99, article 1, unless otherwise specified, to the
 2.27 agencies and for the purposes specified in this article. The appropriations are from the
 2.28 general fund, or another named fund, and are available for the fiscal year indicated for
 2.29 each purpose. The figure "2015" used in this article mean that the appropriation listed
 2.30 under them are available for the fiscal year ending June 30, 2015.

2.31		<u>APPROPRIATIONS</u>
2.32		<u>Available for the Year</u>
2.33		<u>Ending June 30</u>
2.34		<u>2014</u> <u>2015</u>

2.35 **Sec. 2. BOARD OF TRUSTEES OF THE**
 2.36 **MINNESOTA STATE COLLEGES AND**
 2.37 **UNIVERSITIES**

\$ **17,000,000**

2.38 This appropriation is to help meet
 2.39 compensation needs for faculty and staff.
 2.40 This appropriation represents an increase in
 2.41 base funding for Minnesota State Colleges
 2.42 and Universities.

3.1 **Sec. 3. BOARD OF REGENTS OF THE**
 3.2 **UNIVERSITY OF MINNESOTA**

3.3 **Subdivision 1. Total Appropriation** **\$ 5,000,000**

3.4 **Subd. 2. Operations and Maintenance** **5,000,000**

3.5 This appropriation is for fiscal year 2015
 3.6 only and is intended to be used to address
 3.7 immediate and critical financial challenges
 3.8 in order to preserve academic programs and
 3.9 student service levels. The Board of Regents
 3.10 is requested to allocate this appropriation to
 3.11 meet financial challenges at the University of
 3.12 Minnesota-Duluth campus.

3.13 Sec. 4. Laws 2013, chapter 99, article 1, section 4, subdivision 3, is amended to read:

3.14 **Subd. 3. Operations and Maintenance** 550,726,000 567,954,000

3.15 This appropriation includes \$25,500,000 in
 3.16 fiscal year 2014 and \$52,500,000 in fiscal
 3.17 year 2015 for student tuition relief. The
 3.18 Board of Trustees may not set the tuition
 3.19 rate in any undergraduate degree-granting
 3.20 program for the 2013-2014 and 2014-2015
 3.21 academic years at a rate greater than the
 3.22 2012-2013 academic year rate. The student
 3.23 tuition relief may not be offset by increases
 3.24 in mandatory fees, charges, or other
 3.25 assessments to the student.

3.26 To the extent that appropriations under
 3.27 this subdivision are insufficient to meet
 3.28 obligations contained in a labor ~~or program~~
 3.29 contract, the Board of Trustees shall fund
 3.30 those obligations through reductions in costs
 3.31 ~~associated with central administration of~~
 3.32 ~~the system and executive administration of~~
 3.33 ~~individual campuses,~~ or through reallocation

4.1 of ~~nonstate~~ funds received by the system.
4.2 In the event layoffs are necessary to meet
4.3 these obligations, Minnesota State Colleges
4.4 and Universities will reduce personnel in
4.5 accordance with Minnesota Statutes, section
4.6 43A.046.

4.7 These outstanding obligations may not be
4.8 funded through reduction in any program or
4.9 service that directly impacts students or that
4.10 is newly-authorized by the legislature for the
4.11 2014-2015 biennium, or through increased
4.12 fees or costs directly assessed to students.

4.13 \$17,000,000 in fiscal year 2014 is for
4.14 retention of talented faculty and staff. No
4.15 later than April 1, 2014, the Board of Trustees
4.16 must report to the legislative committees with
4.17 jurisdiction over higher education finance
4.18 and policy on the expenditure of these funds.

4.19 The report must include:

4.20 (1) the aggregate number of positions retained
4.21 systemwide, and by individual campus;

4.22 (2) the criteria used to determine whether a
4.23 position qualified for retention funds from
4.24 this appropriation;

4.25 (3) the allocation of this appropriation
4.26 among employment categories including,
4.27 but not limited to, central administrative
4.28 staff, executive administration on individual
4.29 campuses, directors or chairs of individual
4.30 programs and departments, faculty, academic
4.31 support and student services staff, auxiliary
4.32 services, and other employment categories as
4.33 appropriate, and the average compensation
4.34 increase for positions within each category;

5.1 (4) an itemized accounting of this
5.2 appropriation's allocation by individual
5.3 employment position, including each
5.4 position's job title, the full compensation
5.5 and benefit structure for that position before
5.6 and after this appropriation is allocated,
5.7 the percent increase in compensation and
5.8 benefits for that position as a result of
5.9 this appropriation, and data comparing the
5.10 compensation and benefit structure offered
5.11 with similar positions at peer institutions; and
5.12 (5) the number of talented faculty and staff
5.13 positions targeted for retention that were not
5.14 able to be retained, and the reasons those
5.15 positions were not retained.

5.16 \$18,000 each year is for transfer to the Cook
5.17 County Higher Education Board to provide
5.18 educational programming and academic
5.19 support services to remote regions in
5.20 northeastern Minnesota. This appropriation
5.21 is in addition to the \$102,000 per fiscal year
5.22 this project currently receives. The project
5.23 shall continue to provide information to the
5.24 Board of Trustees on the number of students
5.25 served, credit hours delivered, and services
5.26 provided to students. The base appropriation
5.27 under this paragraph is \$120,000 each year.

5.28 \$7,278,000 in fiscal year 2015 is for a
5.29 leveraged equipment program. For the
5.30 purpose of this section, "equipment" means
5.31 equipment for instructional purposes for
5.32 programs that the board determines would
5.33 produce graduates with skills for which there
5.34 is a high employer need within the state. An
5.35 equipment acquisition may be made under

6.1 this appropriation only if matched by cash or
6.2 in-kind contributions from nonstate sources.

6.3 No later than January 15, 2015, the Board
6.4 of Trustees shall submit a report to the
6.5 legislative committees with oversight over
6.6 higher education finance and policy on the
6.7 expenditure of these funds to date. The
6.8 reports must also list each donor, and the
6.9 amount contributed by the donor, or in the
6.10 case of an in-kind contribution, the nature
6.11 and value of the contribution, received to
6.12 date for purposes of the required match.

6.13 \$50,000 in fiscal year 2014 is to convene
6.14 a mental health issues summit. This is a
6.15 onetime appropriation.

6.16 Five percent of the fiscal year 2015
6.17 appropriation in this subdivision is available
6.18 in fiscal year 2015 when the Board of
6.19 Trustees of the Minnesota State Colleges and
6.20 Universities (MnSCU) demonstrates to the
6.21 commissioner of management and budget
6.22 that the board has met at least three of the
6.23 following five performance goals:

6.24 (1) increase by at least four percent in
6.25 fiscal year 2013, compared to fiscal year
6.26 2010, graduates or degrees, diplomas, and
6.27 certificates conferred;

6.28 (2) increase by at least one percent the fall
6.29 2013 persistence and completion rate for fall
6.30 2012 entering students compared to the fall
6.31 2010 rate for fall 2009 entering students;

6.32 (3) increase by at least four percent the fiscal
6.33 year 2013 related employment rate for 2012
6.34 graduates compared to the 2011 rate for 2010
6.35 graduates;

7.1 (4) by 2014, MnSCU must collect data on
7.2 the number of Open Educational Resources
7.3 (OER) tools and services offered and
7.4 formulate a plan to actualize a one percent
7.5 reduction in expenses directly related to the
7.6 cost of instruction incurred by students; and

7.7 (5) reallocate \$22,000,000 that became
7.8 available through expense realignment in
7.9 fiscal year 2014.

7.10 "Open Educational Resources" includes,
7.11 but is not limited to, textbooks, study
7.12 guides, worksheets, journals, video, audio
7.13 recordings, massive open online courses, or
7.14 other innovative course configuration.

7.15 "Cost of instruction" means average tuition,
7.16 average fees, average cost to student for
7.17 textbooks and related course material.

7.18 By August 1, 2013, the Board of Trustees
7.19 and the Minnesota Office of Higher
7.20 Education must agree on specific numerical
7.21 indicators and definitions for each of the five
7.22 goals that will be used to demonstrate the
7.23 Minnesota State Colleges and Universities'
7.24 attainment of each goal. On or before April
7.25 1, 2014, the Board of Trustees must report
7.26 to the legislative committees with primary
7.27 jurisdiction over higher education finance and
7.28 policy the progress of the Minnesota State
7.29 Colleges and Universities toward attaining
7.30 the goals. The appropriation base for the
7.31 next biennium shall include appropriations
7.32 not made available under this subdivision for
7.33 failure to meet performance goals.

7.34 Sec. 5. Laws 2013, chapter 99, article 3, section 3, is amended to read:

9.1 Subd. 3. **Motorized bicycle.** (a) A motorized bicycle may not be operated on any
 9.2 public roadway by any person who does not possess a valid driver's license, unless the
 9.3 person has obtained a motorized bicycle operator's permit or motorized bicycle instruction
 9.4 permit from the commissioner of public safety. The operator's permit may be issued to
 9.5 any person who has attained the age of 15 years and who has passed the examination
 9.6 prescribed by the commissioner. The instruction permit may be issued to any person who
 9.7 has attained the age of 15 years and who has successfully completed an approved safety
 9.8 course and passed the written portion of the examination prescribed by the commissioner.

9.9 (b) This course must consist of, but is not limited to, a basic understanding of:

- 9.10 (1) motorized bicycles and their limitations;
- 9.11 (2) motorized bicycle laws and rules;
- 9.12 (3) safe operating practices and basic operating techniques;
- 9.13 (4) helmets and protective clothing;
- 9.14 (5) motorized bicycle traffic strategies; and
- 9.15 (6) effects of alcohol and drugs on motorized bicycle operators.

9.16 (c) The commissioner may adopt rules prescribing the content of the safety course,
 9.17 examination, and the information to be contained on the permits. A person operating a
 9.18 motorized bicycle under a motorized bicycle permit is subject to the restrictions imposed
 9.19 by section 169.974, subdivision 2, on operation of a motorcycle under a two-wheel
 9.20 instruction permit.

9.21 (d) The fees for motorized bicycle operator's permits are as follows:

9.22	(1) Examination and operator's permit, valid for one year	\$ 6.75
9.23	(2) Duplicate	\$ 3.75
9.24	(3) (1) <u>Renewal Motorized bicycle operator's permit before age 21</u>	\$ 9.75
9.25	and valid until age 21	
9.26	(4) (2) Renewal permit age 21 or older and valid for four years	\$ 15.75
9.27	(5) (3) Duplicate of any renewal permit	\$ 5.25
9.28	(6) (4) Written examination and instruction permit, valid for 30 days	\$ 6.75

9.29 Sec. 3. Minnesota Statutes 2012, section 171.06, subdivision 2, is amended to read:

9.30 Subd. 2. **Fees.** (a) The fees for a license and Minnesota identification card are
 9.31 as follows:

9.32	Classified Driver's License	D-\$17.25	C-\$21.25	B-\$28.25	A-\$36.25
9.33	Classified Under-21 D.L.	D-\$17.25	C-\$21.25	B-\$28.25	A-\$16.25
9.34	Enhanced Driver's License	D-\$32.25	C-\$36.25	B-\$43.25	A-\$51.25
9.35	Instruction Permit				\$5.25
9.36	Enhanced Instruction				
9.37	Permit				\$20.25

10.1	<u>Commercial Learner's</u>	
10.2	<u>Permit</u>	\$2.50
10.3	Provisional License	\$8.25
10.4	Enhanced Provisional	
10.5	License	\$23.25
10.6	Duplicate License or	
10.7	duplicate identification	
10.8	card	\$6.75
10.9	Enhanced Duplicate	
10.10	License or enhanced	
10.11	duplicate identification	
10.12	card	\$21.75
10.13	Minnesota identification	
10.14	card or Under-21	
10.15	Minnesota identification	
10.16	card, other than duplicate,	
10.17	except as otherwise	
10.18	provided in section 171.07,	
10.19	subdivisions 3 and 3a	\$11.25
10.20	Enhanced Minnesota	
10.21	identification card	\$26.25

10.22 In addition to each fee required in this paragraph, the commissioner shall collect a
 10.23 surcharge of: (1) \$1.75 until June 30, 2012; and (2) \$1.00 from July 1, 2012, to June 30,
 10.24 2016. Surcharges collected under this paragraph must be credited to the driver and vehicle
 10.25 services technology account in the special revenue fund under section 299A.705.

10.26 (b) Notwithstanding paragraph (a), an individual who holds a provisional license and
 10.27 has a driving record free of (1) convictions for a violation of section 169A.20, 169A.33,
 10.28 169A.35, or sections 169A.50 to 169A.53, (2) convictions for crash-related moving
 10.29 violations, and (3) convictions for moving violations that are not crash related, shall have a
 10.30 \$3.50 credit toward the fee for any classified under-21 driver's license. "Moving violation"
 10.31 has the meaning given it in section 171.04, subdivision 1.

10.32 (c) In addition to the driver's license fee required under paragraph (a), the
 10.33 commissioner shall collect an additional \$4 processing fee from each new applicant
 10.34 or individual renewing a license with a school bus endorsement to cover the costs for
 10.35 processing an applicant's initial and biennial physical examination certificate. The
 10.36 department shall not charge these applicants any other fee to receive or renew the
 10.37 endorsement.

10.38 (d) In addition to the fee required under paragraph (a), a driver's license agent may
 10.39 charge and retain a filing fee as provided under section 171.061, subdivision 4.

10.40 (e) In addition to the fee required under paragraph (a), the commissioner shall
 10.41 charge a filing fee at the same amount as a driver's license agent under section 171.061,

11.1 subdivision 4. Revenue collected under this paragraph must be deposited in the driver
11.2 services operating account.

11.3 (f) An application for a Minnesota identification card, instruction permit, provisional
11.4 license, or driver's license, including an application for renewal, must contain a provision
11.5 that allows the applicant to add to the fee under paragraph (a), a \$2 donation for the
11.6 purposes of public information and education on anatomical gifts under section 171.075.

11.7 Sec. 4. **[171.161] COMMERCIAL DRIVER'S LICENSE; FEDERAL**
11.8 **CONFORMITY.**

11.9 Subdivision 1. **Conformity with federal law.** The commissioner of public safety
11.10 shall ensure the programs and policies related to commercial drivers' licensure and the
11.11 operation of commercial motor vehicles in Minnesota conform with the requirements of
11.12 Code of Federal Regulations, title 49, part 383.

11.13 Subd. 2. **Conflicts.** To the extent a requirement of sections 171.162 to 171.169, or
11.14 any other state or local law, conflicts with a provision of Code of Federal Regulations, title
11.15 49, part 383, the federal provision prevails.

11.16 Sec. 5. Minnesota Statutes 2012, section 174.02, is amended by adding a subdivision
11.17 to read:

11.18 Subd. 10. **Products and services; billing.** The commissioner of transportation may
11.19 bill operations units of the department for costs of centrally managed products or services
11.20 that benefit multiple operations units. These costs may include equipment acquisition and
11.21 rental, labor, materials, and other costs determined by the commissioner. Receipts must be
11.22 credited to the special products and services account, which is established in the trunk
11.23 highway fund, and are appropriated to the commissioner to pay the costs for which the
11.24 billings are made.

11.25 Sec. 6. Minnesota Statutes 2013 Supplement, section 174.12, subdivision 2, is
11.26 amended to read:

11.27 **Subd. 2. **Transportation economic development accounts.**** (a) A transportation
11.28 economic development account is established in the special revenue fund under the
11.29 budgetary jurisdiction of the legislative committees having jurisdiction over transportation
11.30 finance. Money in the account may be expended only as appropriated by law. The account
11.31 may not contain money transferred or otherwise provided from the trunk highway fund.

11.32 (b) A transportation economic development account is established in the trunk
11.33 highway fund. The account consists of funds donated, allotted, transferred, or otherwise

12.1 provided to the account. Money in the account may be used only for trunk highway
12.2 purposes. All funds in the account ~~available prior to August 1, 2013~~, are available until
12.3 expended.

12.4 Sec. 7. Minnesota Statutes 2012, section 473.39, is amended by adding a subdivision
12.5 to read:

12.6 Subd. 1t. **Obligations.** In addition to other authority in this section, the council may
12.7 issue certificates of indebtedness, bonds, or other obligations under this section in an
12.8 amount not exceeding \$75,300,000 for capital expenditures as prescribed in the council's
12.9 transit capital improvement program and for related costs, including the costs of issuance
12.10 and sale of the obligations. Of this authorization, after July 1, 2014, the council may
12.11 issue certificates of indebtedness, bonds, or other obligations in an amount not exceeding
12.12 \$37,000,000 and after July 1, 2015, the council may issue certificates of indebtedness,
12.13 bonds, or other obligations in an additional amount not exceeding \$38,300,000.

12.14 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
12.15 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
12.16 Scott, and Washington.

12.17 Sec. 8. Minnesota Statutes 2012, section 609.66, subdivision 1g, is amended to read:

12.18 Subd. 1g. **Felony; possession in courthouse or certain state buildings.** (a)
12.19 A person who commits either of the following acts is guilty of a felony and may be
12.20 sentenced to imprisonment for not more than five years or to payment of a fine of not
12.21 more than \$10,000, or both:

12.22 (1) possesses a dangerous weapon, ammunition, or explosives within any courthouse
12.23 complex; or

12.24 (2) possesses a dangerous weapon, ammunition, or explosives in any state building
12.25 within the Capitol Area described in chapter 15B, other than the National Guard Armory.

12.26 (b) Unless a person is otherwise prohibited or restricted by other law to possess a
12.27 dangerous weapon, this subdivision does not apply to:

12.28 (1) licensed peace officers or military personnel who are performing official duties;

12.29 (2) persons who carry pistols according to the terms of a permit issued under section
12.30 624.714 and who ~~so~~ notify the sheriff or the commissioner of public safety, as appropriate
12.31 prior to entering a courthouse complex;

12.32 (3) persons who possess dangerous weapons for the purpose of display as
12.33 demonstrative evidence during testimony at a trial or hearing or exhibition in compliance

13.1 with advance notice and safety guidelines set by the sheriff or the commissioner of public
13.2 safety; ~~or~~

13.3 (4) persons who possess dangerous weapons in a courthouse complex with the
13.4 express consent of the county sheriff or who possess dangerous weapons in a state building
13.5 with the express consent of the commissioner of public safety; or

13.6 (5) persons who enter a state building in the Capitol Area carrying pistols according
13.7 to the terms of a permit issued under section 624.714 and the requirements in paragraph (c).

13.8 (c) Prior to entering a state building in the Capitol Area, a person under paragraph
13.9 (b), clause (5), shall provide written notice by United States mail or electronic mail to the
13.10 commissioner of public safety of the person's intent to carry a pistol in the building. The
13.11 notice must include the person's name, date of birth, expiration date of the permit to
13.12 carry, and mailing address for notifications sent by United States mail or e-mail address
13.13 for notifications sent by electronic mail. The commissioner shall confirm receipt of the
13.14 notification by United States mail or e-mail. Within 30 days of the renewal date of a
13.15 person's permit to carry, the person shall renotify the commissioner of the person's intent
13.16 to carry a pistol under paragraph (b), clause (5). A person carrying a pistol in a state
13.17 building in the Capitol Area shall display the permit to carry card and a government-issued
13.18 identification document upon request by a licensed peace officer.

13.19 Sec. 9. Laws 2010, chapter 189, section 15, subdivision 12, is amended to read:

13.20 26,430,000
13.21 Subd. 12. **Rochester Maintenance Facility** 24,937,000

13.22 This appropriation is from the bond proceeds
13.23 account in the trunk highway fund.

13.24 To prepare a site for and design, construct,
13.25 furnish, and equip a new maintenance facility
13.26 in Rochester.

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

13.28 Sec. 10. Laws 2012, chapter 287, article 2, section 1, is amended to read:

13.29 Section 1. **ROCHESTER MAINTENANCE FACILITY.**

13.30 ~~\$16,100,000~~ \$17,593,000 is appropriated to the commissioner of transportation
13.31 to design, construct, furnish, and equip the maintenance facility in Rochester and
13.32 corresponding remodeling of the existing district headquarters building. This appropriation
13.33 is from the bond proceeds account in the trunk highway fund.

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

14.2 Sec. 11. Laws 2012, First Special Session chapter 1, article 1, section 28, is amended to
14.3 read:

14.4 Sec. 28. **TRANSFERS, REDUCTIONS, CANCELLATIONS, AND BOND**
14.5 **SALE AUTHORIZATIONS REDUCED.**

14.6 (a) The remaining balance of the appropriation in Laws 2010, Second Special
14.7 Session chapter 1, article 1, section 7, for the economic development and housing
14.8 challenge program, estimated to be \$450,000, is transferred to the general fund.

14.9 (b) The appropriation in Laws 2010, Second Special Session chapter 1, article 1,
14.10 section 5, for Minnesota investment fund grants pursuant to Minnesota Statutes, section
14.11 12A.07, is reduced by \$1,358,000.

14.12 (c) The appropriation in Laws 2010, Second Special Session chapter 1, article 1,
14.13 section 12, subdivision 2, for disaster enrollment impact aid pursuant to Minnesota
14.14 Statutes, section 12A.06, is reduced by \$30,000.

14.15 (d) The appropriation in Laws 2010, Second Special Session chapter 1, article
14.16 1, section 12, subdivision 3, for disaster relief facilities grants pursuant to Minnesota
14.17 Statutes, section 12A.06, is reduced by \$392,000.

14.18 (e) The appropriation in Laws 2010, Second Special Session chapter 1, article 1,
14.19 section 12, subdivision 4, for disaster relief operating grants pursuant to Minnesota
14.20 Statutes, section 12A.06, is reduced by \$2,000.

14.21 (f) The appropriation in Laws 2010, Second Special Session chapter 1, article 1,
14.22 section 12, subdivision 5, for pupil transportation aid pursuant to Minnesota Statutes,
14.23 section 12A.06, is reduced by \$5,000.

14.24 (g) The appropriation in Laws 2010, Second Special Session chapter 1, article 2,
14.25 section 5, subdivision 3, for pupil transportation aid pursuant to Minnesota Statutes,
14.26 section 12A.06, is reduced by \$271,000.

14.27 (h) The appropriation in Laws 2010, Second Special Session chapter 1, article 1,
14.28 section 13, for public health activities pursuant to Minnesota Statutes, section 12A.08,
14.29 is reduced by \$103,000.

14.30 (i) ~~\$1,428,000~~ \$534,000 of the appropriation in Laws 2007, First Special Session
14.31 chapter 2, article 1, section 4, subdivision 3, for reconstruction and repair of trunk
14.32 highways and trunk highway bridges is canceled. The bond sale authorization in Laws
14.33 2007, First Special Session chapter 2, article 1, section 15, subdivision 2, is reduced
14.34 by ~~\$1,428,000~~ \$534,000.

15.1 (j) \$5,680,000 of the appropriation in Laws 2007, First Special Session chapter 2,
 15.2 article 1, section 4, subdivision 4, as amended by Laws 2008, chapter 289, section 2, for
 15.3 grants to local governments for capital costs related to rehabilitation and replacement of
 15.4 local roads and bridges damaged or destroyed by flooding pursuant to Minnesota Statutes,
 15.5 section 174.50, is canceled. The bond sale authorization in Laws 2007, First Special
 15.6 Session chapter 2, article 1, section 15, subdivision 3, is reduced by \$5,680,000.

15.7 (k) \$2,133,000 of the appropriation in Laws 2010, Second Special Session chapter 1,
 15.8 article 1, section 4, subdivision 3, for local road and bridge rehabilitation and replacement
 15.9 pursuant to Minnesota Statutes, section 12A.16, subdivision 3, is canceled. The bond
 15.10 sale authorization in Laws 2010, Second Special Session chapter 1, article 1, section 17,
 15.11 subdivision 2, is reduced by \$2,133,000.

15.12 (l) The appropriation in Laws 2010, Second Special Session chapter 1, article 1,
 15.13 section 4, subdivision 2, for state road infrastructure operations and maintenance pursuant
 15.14 to Minnesota Statutes, section 12A.16, subdivision 1, is reduced by \$819,000.

15.15 Sec. 12. Laws 2013, chapter 117, article 1, section 3, subdivision 2, is amended to read:

15.16 Subd. 2. **Multimodal Systems**

15.17 (a) **Aeronautics**

15.18		13,648,000	13,648,000
15.19	(1) Airport Development and Assistance	<u>14,648,000</u>	<u>16,648,000</u>

15.20 This appropriation is from the state
 15.21 airports fund and must be spent according
 15.22 to Minnesota Statutes, section 360.305,
 15.23 subdivision 4.

15.24 The base appropriation for fiscal years 2016
 15.25 and 2017 is \$14,298,000 for each year.

15.26 Notwithstanding Minnesota Statutes, section
 15.27 16A.28, subdivision 6, this appropriation is
 15.28 available for five years after appropriation.

15.29 If the appropriation for either year is
 15.30 insufficient, the appropriation for the other
 15.31 year is available for it.

15.32 For the current biennium, the commissioner
 15.33 of transportation may establish different
 15.34 local contribution rates for airport projects

16.1 than those established in Minnesota Statutes,
 16.2 section 360.305, subdivision 4.

16.3 **(2) Aviation Support and Services** 6,386,000 6,386,000

16.4 Appropriations by Fund

16.5 Airports 5,286,000 5,286,000

16.6 Trunk Highway 1,100,000 1,100,000

16.7 \$65,000 in each year is from the state airports
 16.8 fund for the Civil Air Patrol.

16.9 **(b) Transit** 17,226,000 17,245,000

16.10 Appropriations by Fund

16.11 General 16,451,000 16,470,000

16.12 Trunk Highway 775,000 775,000

16.13 \$100,000 in each year is from the general
 16.14 fund for the administrative expenses of the
 16.15 Minnesota Council on Transportation Access
 16.16 under Minnesota Statutes, section 174.285.

16.17 \$78,000 in each year is from the general
 16.18 fund for grants to greater Minnesota transit
 16.19 providers as reimbursement for the costs of
 16.20 providing fixed route public transit rides free
 16.21 of charge under Minnesota Statutes, section
 16.22 174.24, subdivision 7, for veterans certified
 16.23 as disabled.

16.24 **(c) Passenger Rail** 500,000 500,000

16.25 This appropriation is from the general
 16.26 fund for passenger rail system planning,
 16.27 alternatives analysis, environmental analysis,
 16.28 design, and preliminary engineering under
 16.29 Minnesota Statutes, sections 174.632 to
 16.30 174.636.

16.31 **(d) Freight** 5,653,000 5,153,000

16.32 Appropriations by Fund

16.33 General 756,000 256,000

16.34 Trunk Highway 4,897,000 4,897,000

17.1 \$500,000 in the first year is from the general
 17.2 fund to pay for the department's share of costs
 17.3 associated with the cleanup of contaminated
 17.4 state rail bank property. This appropriation is
 17.5 available until expended.

17.6 **(e) Safe Routes to School** 250,000 250,000

17.7 This appropriation is from the general fund
 17.8 for non-infrastructure activities in the safe
 17.9 routes to school program under Minnesota
 17.10 Statutes, section 174.40, subdivision 7a.

17.11 Sec. 13. Laws 2013, chapter 117, article 1, section 3, subdivision 3, is amended to read:

17.12 **Subd. 3. State Roads**

17.13		<u>262,395,000</u>	<u>262,395,000</u>
17.14	(a) Operations and Maintenance	<u>267,395,000</u>	<u>280,395,000</u>

17.15			<u>206,720,000</u>
17.16	(b) Program Planning and Delivery	206,795,000	<u>209,720,000</u>

17.17	Appropriations by Fund		
17.18		2014	2015
17.19	H.U.T.D.	75,000	0
17.20	Trunk Highway	206,720,000	206,720,000

17.21 \$250,000 in each year is for the department's
 17.22 administrative costs for creation and
 17.23 operation of the Joint Program Office for
 17.24 Economic Development and Alternative
 17.25 Finance, including costs of hiring a
 17.26 consultant and preparing required reports.

17.27 \$130,000 in each year is available for
 17.28 administrative costs of the targeted group
 17.29 business program.

17.30 \$266,000 in each year is available for grants
 17.31 to metropolitan planning organizations
 17.32 outside the seven-county metropolitan area.

17.33 \$75,000 in each year is available for a
 17.34 transportation research contingent account

18.1 to finance research projects that are
 18.2 reimbursable from the federal government or
 18.3 from other sources. If the appropriation for
 18.4 either year is insufficient, the appropriation
 18.5 for the other year is available for it.

18.6 \$900,000 in each year is available for
 18.7 grants for transportation studies outside
 18.8 the metropolitan area to identify critical
 18.9 concerns, problems, and issues. These
 18.10 grants are available: (1) to regional
 18.11 development commissions; (2) in regions
 18.12 where no regional development commission
 18.13 is functioning, to joint powers boards
 18.14 established under agreement of two or
 18.15 more political subdivisions in the region to
 18.16 exercise the planning functions of a regional
 18.17 development commission; and (3) in regions
 18.18 where no regional development commission
 18.19 or joint powers board is functioning, to the
 18.20 department's district office for that region.

18.21 \$75,000 in the first year is from the highway
 18.22 user tax distribution fund to the commissioner
 18.23 for a grant to the Humphrey School of Public
 18.24 Affairs at the University of Minnesota for
 18.25 WorkPlace Telework program congestion
 18.26 relief efforts consisting of maintenance of
 18.27 Web site tools and content. This is a onetime
 18.28 appropriation and is available in the second
 18.29 year.

18.30 **(c) State Road Construction Activity**

18.31 **(1) Economic Recovery Funds - Federal**
 18.32 **Highway Aid**

1,000,000

1,000,000

18.33 This appropriation is to complete projects
 18.34 using funds made available to the
 18.35 commissioner of transportation under

19.1 title XII of the American Recovery and
 19.2 Reinvestment Act of 2009, Public Law
 19.3 111-5, and implemented under Minnesota
 19.4 Statutes, section 161.36, subdivision 7. The
 19.5 base appropriation is \$1,000,000 in fiscal
 19.6 year 2016 and \$0 in fiscal year 2017.

19.7		<u>909,400,000</u>	
19.8	(2) State Road Construction	<u>923,400,000</u>	815,600,000

19.9 It is estimated that these appropriations will
 19.10 be funded as follows:

19.11	Appropriations by Fund		
19.12	Federal Highway		
19.13	Aid	489,200,000	482,200,000
19.14		420,200,000	
19.15	Highway User Taxes	<u>434,200,000</u>	333,400,000

19.16 The commissioner of transportation shall
 19.17 notify the chairs and ranking minority
 19.18 members of the legislative committees with
 19.19 jurisdiction over transportation finance of
 19.20 any significant events that should cause these
 19.21 estimates to change.

19.22 This appropriation is for the actual
 19.23 construction, reconstruction, and
 19.24 improvement of trunk highways, including
 19.25 design-build contracts and consultant usage
 19.26 to support these activities. This includes the
 19.27 cost of actual payment to landowners for
 19.28 lands acquired for highway rights-of-way,
 19.29 payment to lessees, interest subsidies, and
 19.30 relocation expenses.

19.31 The base appropriation for state road
 19.32 construction for fiscal years 2016 and 2017
 19.33 is \$645,000,000 in each year.

19.34 \$10,000,000 in each year is for the
 19.35 transportation economic development

20.1 program under Minnesota Statutes, section
20.2 174.12.

20.3 The commissioner may expend up to one-half
20.4 of one percent of the federal appropriations
20.5 under this clause as grants to opportunity
20.6 industrialization centers and other nonprofit
20.7 job training centers for job training programs
20.8 related to highway construction.

20.9 The commissioner may transfer up to
20.10 \$15,000,000 each year to the transportation
20.11 revolving loan fund.

20.12 The commissioner may receive money
20.13 covering other shares of the cost of
20.14 partnership projects. These receipts are
20.15 appropriated to the commissioner for these
20.16 projects.

20.17 Of this appropriation, \$14,000,000 in the first
20.18 year is for the specific improvements to "Old
20.19 Highway 14" described in the settlement
20.20 agreement and release executed January
20.21 7, 2014, between the state and Steele and
20.22 Waseca Counties.

20.23 **(d) Highway Debt Service** 158,417,000 189,821,000

20.24 \$148,917,000 in the first year and
20.25 \$180,321,000 in the second year are for
20.26 transfer to the state bond fund. If an
20.27 appropriation is insufficient to make all
20.28 transfers required in the year for which it is
20.29 made, the commissioner of management and
20.30 budget shall notify the senate Committee
20.31 on Finance and the house of representatives
20.32 Committee on Ways and Means of the
20.33 amount of the deficiency and shall then
20.34 transfer that amount under the statutory open

21.1 appropriation. Any excess appropriation
 21.2 cancels to the trunk highway fund.

21.3 **(e) Electronic Communications** 5,171,000 5,171,000

21.4	Appropriations by Fund		
21.5	General	3,000	3,000
21.6	Trunk Highway	5,168,000	5,168,000

21.7 The general fund appropriation is to equip
 21.8 and operate the Roosevelt signal tower for
 21.9 Lake of the Woods weather broadcasting.

21.10 Sec. 14. Laws 2013, chapter 117, article 1, section 3, subdivision 6, is amended to read:

21.11 Subd. 6. **Transfers**

21.12 (a) With the approval of the commissioner of
 21.13 management and budget, the commissioner
 21.14 of transportation may transfer unencumbered
 21.15 balances among the appropriations from the
 21.16 trunk highway fund and the state airports
 21.17 fund made in this section. No transfer
 21.18 may be made from the appropriations for
 21.19 state road construction or for debt service.
 21.20 Transfers under this paragraph may not be
 21.21 made between funds. Transfers under this
 21.22 paragraph must be reported immediately to
 21.23 the chairs and ranking minority members of
 21.24 the legislative committees with jurisdiction
 21.25 over transportation finance.

21.26 (b) The commissioner shall transfer from
 21.27 the flexible highway account in the county
 21.28 state-aid highway fund: (1) \$5,700,000 in the
 21.29 first year and \$21,000,000 in the second year
 21.30 to the trunk highway fund; (2) \$13,000,000
 21.31 in the first year to the municipal turnback
 21.32 account in the municipal state-aid street fund;
 21.33 (3) \$10,000,000 in the second year to the
 21.34 municipal turnback account in the municipal

22.1 state-aid street fund; and (4) the remainder
 22.2 in each year to the county turnback account
 22.3 in the county state-aid highway fund. The
 22.4 funds transferred are for highway turnback
 22.5 purposes as provided under Minnesota
 22.6 Statutes, section 161.081, subdivision 3.

22.7 Sec. 15. Laws 2013, chapter 117, article 1, section 4, is amended to read:

22.8			76,970,000
22.9	Sec. 4. METROPOLITAN COUNCIL	\$ 107,889,000	<u>76,910,000</u>

22.10 This appropriation is from the general fund
 22.11 for transit system operations under Minnesota
 22.12 Statutes, sections 473.371 to 473.449.

22.13 The base appropriation for fiscal years 2016
 22.14 and 2017 is ~~\$76,686,000~~ \$76,626,000 in
 22.15 each year.

22.16 \$37,000,000 in the first year is for the
 22.17 Southwest Corridor light rail transit line
 22.18 from the Hiawatha light rail transit line in
 22.19 downtown Minneapolis to Eden Prairie, to be
 22.20 used for environmental studies, preliminary
 22.21 engineering, acquisition of real property, or
 22.22 interests in real property, and design. This
 22.23 is a onetime appropriation and is available
 22.24 until expended.

22.25 Sec. 16. **HIGHWAY 14 TURNBACK.**

22.26 Notwithstanding Minnesota Statutes, sections 161.081, subdivision 3, and 161.16, or
 22.27 any other law to the contrary, the commissioner of transportation may:

22.28 (1) by temporary order, take over the road described as "Old Highway 14" in the
 22.29 settlement agreement and release executed January 7, 2014, between the state and Waseca
 22.30 and Steele Counties;

22.31 (2) expend \$35,000,000 or the amount necessary to complete the work required
 22.32 under the settlement agreement; and

22.33 (3) upon completion of the work described in the settlement agreement, release "Old
 22.34 Highway 14" back to Steele and Waseca Counties.

23.1 Upon completion of the work described in the settlement agreement between the
 23.2 state and Waseca and Steele Counties, the counties shall accept responsibility for the road
 23.3 described in the agreement as "Old Highway 14."

23.4 **Sec. 17. STILLWATER LIFT BRIDGE ENDOWMENT.**

23.5 Notwithstanding Laws 2013, chapter 117, article 1, section 3, subdivision 6, the
 23.6 commissioner of transportation may transfer up to \$6,000,000 from the existing trunk
 23.7 highway fund state road construction appropriation in Laws 2013, chapter 117, article 1,
 23.8 section 3, subdivision 3, paragraph (c), clause (2), to the Stillwater lift bridge endowment
 23.9 account established in Minnesota Statutes, section 165.15.

23.10 **Sec. 18. CAPITOL COMPLEX SECURITY; APPROPRIATION.**

23.11 \$2,000,000 in fiscal year 2015 is appropriated from the general fund to the
 23.12 commissioner of public safety for the Capitol Complex Security Division.

23.13 **ARTICLE 3**

23.14 **PUBLIC SAFETY AND CORRECTIONS**

23.15 **Section 1. SUMMARY OF APPROPRIATIONS.**

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

	<u>2014</u>		<u>2015</u>		<u>Total</u>
23.18					
23.19	<u>General</u>	\$	<u>-0-</u>	\$	<u>30,149,000</u>
23.20	<u>State Government Special</u>				
23.21	<u>Revenue</u>		<u>5,059,000</u>		<u>6,865,000</u>
23.22	<u>Total</u>	<u>\$</u>	<u>5,059,000</u>	<u>\$</u>	<u>37,014,000</u>

23.23 **Sec. 2. APPROPRIATIONS.**

23.24 The sums shown in the columns marked "Appropriations" are added to the
 23.25 appropriations in Laws 2013, chapter 86, article 1, to the agencies and for the purposes
 23.26 specified in this article. The appropriations are from the general fund, or another named
 23.27 fund, and are available for the fiscal years indicated for each purpose. The figures "2014"
 23.28 and "2015" used in this article mean that the addition to the appropriation listed under
 23.29 them is available for the fiscal year ending June 30, 2014, or June 30, 2015, respectively.
 23.30 Supplemental appropriations for the fiscal year ending June 30, 2014, are effective the
 23.31 day following final enactment.

24.1	<u>APPROPRIATIONS</u>		
24.2	<u>Available for the Year</u>		
24.3	<u>Ending June 30</u>		
24.4	<u>2014</u>	<u>2015</u>	
24.5	Sec. 3. <u>DEPARTMENT OF PUBLIC SAFETY</u>		
24.6	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 5,059,000</u>	<u>\$ 6,925,000</u>
24.7	<u>Appropriations by Fund</u>		
24.8	<u>General</u>	<u>-0-</u>	<u>60,000</u>
24.9	<u>State Government</u>		
24.10	<u>Special Revenue</u>	<u>5,059,000</u>	<u>6,865,000</u>
24.11	<u>The amounts that may be spent for each</u>		
24.12	<u>purpose are specified in the following</u>		
24.13	<u>subdivisions.</u>		
24.14	<u>Subd. 2. Fire Marshal</u>	<u>-0-</u>	<u>60,000</u>
24.15	<u>\$60,000 in 2015 is from the general fund</u>		
24.16	<u>for light rail safety oversight. The base</u>		
24.17	<u>appropriation for fiscal years 2016 and 2017</u>		
24.18	<u>is \$60,000 each year.</u>		
24.19	<u>Subd. 3. Emergency Communication Networks</u>	<u>5,059,000</u>	<u>6,865,000</u>
24.20	<u>This appropriation is from the state</u>		
24.21	<u>government special revenue fund for 911</u>		
24.22	<u>emergency telecommunications services.</u>		
24.23	Sec. 4. <u>CORRECTIONS</u>		
24.24	<u>Subdivision 1. Total Appropriation</u>	<u>\$ -0-</u>	<u>\$ 30,089,000</u>
24.25	<u>The amounts that may be spent for each</u>		
24.26	<u>purpose are specified in the following</u>		
24.27	<u>subdivisions.</u>		
24.28	<u>Subd. 2. Correctional Institutions</u>	<u>-0-</u>	<u>27,289,000</u>
24.29	<u>This includes a onetime appropriation of</u>		
24.30	<u>\$11,089,000.</u>		
24.31	<u>Subd. 3. Community Services</u>	<u>-0-</u>	<u>1,900,000</u>
24.32	<u>Subd. 4. Operations Support</u>	<u>-0-</u>	<u>900,000</u>

25.1 Sec. 5. Laws 2009, chapter 83, article 1, section 10, subdivision 7, is amended to read:

25.2 Subd. 7. **Emergency Communication Networks** 66,470,000 70,233,000

25.3 This appropriation is from the state
25.4 government special revenue fund for 911
25.5 emergency telecommunications services.

25.6 **(a) Public Safety Answering Points.**

25.7 \$13,664,000 each year is to be distributed
25.8 as provided in Minnesota Statutes, section
25.9 403.113, subdivision 2.

25.10 **(b) Medical Resource Communication**

25.11 **Centers.** \$683,000 each year is for grants
25.12 to the Minnesota Emergency Medical
25.13 Services Regulatory Board for the Metro
25.14 East and Metro West Medical Resource
25.15 Communication Centers that were in
25.16 operation before January 1, 2000.

25.17 **(c) ARMER Debt Service.** \$17,557,000 the
25.18 first year and \$23,261,000 the second year
25.19 are to the commissioner of finance to pay
25.20 debt service on revenue bonds issued under
25.21 Minnesota Statutes, section 403.275.

25.22 Any portion of this appropriation not needed
25.23 to pay debt service in a fiscal year may be
25.24 used by the commissioner of public safety to
25.25 pay cash for any of the capital improvements
25.26 for which bond proceeds were appropriated
25.27 by Laws 2005, chapter 136, article 1, section
25.28 9, subdivision 8, or Laws 2007, chapter 54,
25.29 article 1, section 10, subdivision 8.

25.30 **(d) Metropolitan Council Debt Service.**

25.31 \$1,410,000 each year is to the commissioner
25.32 of finance for payment to the Metropolitan
25.33 Council for debt service on bonds issued
25.34 under Minnesota Statutes, section 403.27.

26.1 **(e) ARMER State Backbone Operating**

26.2 **Costs.** \$5,060,000 each year is to the
26.3 commissioner of transportation for costs
26.4 of maintaining and operating the statewide
26.5 radio system backbone.

26.6 **(f) ARMER Improvements.** \$1,000,000

26.7 each year is for the Statewide Radio Board for
26.8 costs of design, construction, maintenance
26.9 of, and improvements to those elements
26.10 of the statewide public safety radio and
26.11 communication system that support mutual
26.12 aid communications and emergency medical
26.13 services or provide enhancement of public
26.14 safety communication interoperability.

26.15 **(g) Next Generation 911.** \$3,431,000 the

26.16 first year and \$6,490,000 the second year
26.17 are to replace the current system with the
26.18 Next Generation Internet Protocol (IP) based
26.19 network. This appropriation is available until
26.20 expended. The base level of funding for
26.21 fiscal year 2012 shall be \$2,965,000.

26.22 **(h) Grants to Local Government.**

26.23 \$5,000,000 the first year is for grants to
26.24 local units of government to assist with
26.25 the transition to the ARMER system. This
26.26 appropriation is available until June 30, 2012.

26.27 **ARTICLE 4**

26.28 **ECONOMIC DEVELOPMENT APPROPRIATIONS**

26.29 Section 1. **APPROPRIATIONS.**

26.30 The sums shown in the columns marked "Appropriations" are added to or, if shown
26.31 in parentheses, subtracted from the appropriations in Laws 2013, chapter 85, article 1,
26.32 unless otherwise specified, to the agencies and for the purposes specified in this article.
26.33 The appropriations are from the general fund, or another named fund, and are available for
26.34 the fiscal year indicated for each purpose. The figure "2015" used in this article means

27.1 that the addition to the appropriation listed under it is available for the fiscal year ending
27.2 June 30, 2015.

27.3 **APPROPRIATIONS**
27.4 **Available for the Year**
27.5 **Ending June 30**
27.6 **2015**

27.7 **Sec. 2. EMPLOYMENT AND ECONOMIC**
27.8 **DEVELOPMENT**

27.9 **General Support Services** **\$** **500,000**

27.10 \$500,000 in fiscal year 2015 is for
27.11 establishing and operating the interagency
27.12 Olmstead Implementation Office. The base
27.13 for this purpose is \$2,000,000 in each of
27.14 fiscal years 2016 and 2017.

27.15 Sec. 3. Laws 2013, chapter 85, article 1, section 3, subdivision 2, is amended to read:

27.16 **Subd. 2. Business and Community**
27.17 **Development** **53,642,000** **45,407,000**

27.18	Appropriations by Fund		
27.19	General	52,942,000	44,707,000
27.20	Remediation	700,000	700,000

27.21 (a)(1) \$15,000,000 each year is for the
27.22 Minnesota investment fund under Minnesota
27.23 Statutes, section 116J.8731. Of this amount,
27.24 the commissioner of employment and
27.25 economic development may use up to three
27.26 percent for administrative expenses. This
27.27 appropriation is available until spent.

27.28 (2) Of the amount available under clause
27.29 (1), up to \$3,000,000 in fiscal year 2014
27.30 is for a loan to facilitate initial investment
27.31 in the purchase and operation of a
27.32 biopharmaceutical manufacturing facility.
27.33 This loan is not subject to the loan limitations
27.34 under Minnesota Statutes, section 116J.8731,

28.1 and shall be forgiven by the commissioner
28.2 of employment and economic development
28.3 upon verification of meeting performance
28.4 goals. Purchases related to and for the
28.5 purposes of this loan award must be made
28.6 between January 1, 2013, and June 30, 2015.

28.7 The amount under this clause is available
28.8 until expended.

28.9 (3) Of the amount available under clause (1),
28.10 up to \$2,000,000 is available for subsequent
28.11 investment in the biopharmaceutical facility
28.12 project in clause (2). The amount under this
28.13 clause is available until expended. Loan
28.14 thresholds under clause (2) must be achieved
28.15 and maintained to receive funding. Loans
28.16 are not subject to the loan limitations under
28.17 Minnesota Statutes, section 116J.8731, and
28.18 shall be forgiven by the commissioner of
28.19 employment and economic development
28.20 upon verification of meeting performance
28.21 goals. Purchases related to and for the
28.22 purposes of loan awards must be made during
28.23 the biennium the loan was received.

28.24 (4) Notwithstanding any law to the contrary,
28.25 the biopharmaceutical manufacturing facility
28.26 in this paragraph shall be deemed eligible
28.27 for the Minnesota job creation fund under
28.28 Minnesota Statutes, section 116J.8748,
28.29 by having at least \$25,000,000 in capital
28.30 investment and 190 retained employees.

28.31 (5) For purposes of clauses (1) to (4),
28.32 "biopharmaceutical" and "biologics" are
28.33 interchangeable and mean medical drugs
28.34 or medicinal preparations produced using
28.35 technology that uses biological systems,

29.1 living organisms, or derivatives of living
29.2 organisms, to make or modify products or
29.3 processes for specific use. The medical drugs
29.4 or medicinal preparations include but are not
29.5 limited to proteins, antibodies, nucleic acids,
29.6 and vaccines.

29.7 (b) \$12,000,000 each year is for the
29.8 Minnesota job creation fund under Minnesota
29.9 Statutes, section 116J.8748. Of this amount,
29.10 the commissioner of employment and
29.11 economic development may use up to three
29.12 percent for administrative expenses. This
29.13 appropriation is available until spent. The
29.14 base funding for this program shall be
29.15 \$12,500,000 each year in the fiscal year
29.16 2016-2017 biennium.

29.17 (c) \$1,272,000 each year is from the
29.18 general fund for contaminated site cleanup
29.19 and development grants under Minnesota
29.20 Statutes, sections 116J.551 to 116J.558. This
29.21 appropriation is available until expended.

29.22 (d) \$700,000 each year is from the
29.23 remediation fund for contaminated site
29.24 cleanup and development grants under
29.25 Minnesota Statutes, sections 116J.551 to
29.26 116J.558. This appropriation is available
29.27 until expended.

29.28 (e) \$1,425,000 the first year and \$1,425,000
29.29 the second year are from the general fund for
29.30 the business development competitive grant
29.31 program. Of this amount, up to five percent
29.32 is for administration and monitoring of the
29.33 business development competitive grant
29.34 program. All grant awards shall be for two

30.1 consecutive years. Grants shall be awarded
30.2 in the first year.

30.3 (f) \$4,195,000 each year is from the general
30.4 fund for the Minnesota job skills partnership
30.5 program under Minnesota Statutes, sections
30.6 116L.01 to 116L.17. If the appropriation for
30.7 either year is insufficient, the appropriation
30.8 for the other year is available. This
30.9 appropriation is available until spent.

30.10 (g) \$6,000,000 the first year is from the
30.11 general fund for the redevelopment program
30.12 under Minnesota Statutes, section 116J.571.
30.13 This is a onetime appropriation and is
30.14 available until spent.

30.15 (h) \$12,000 each year is from the general
30.16 fund for a grant to the Upper Minnesota Film
30.17 Office.

30.18 (i) \$325,000 each year is from the general
30.19 fund for the Minnesota Film and TV Board.
30.20 The appropriation in each year is available
30.21 only upon receipt by the board of \$1 in
30.22 matching contributions of money or in-kind
30.23 contributions from nonstate sources for every
30.24 \$3 provided by this appropriation, except that
30.25 each year up to \$50,000 is available on July
30.26 1 even if the required matching contribution
30.27 has not been received by that date.

30.28 (j) \$100,000 each year is for a grant to the
30.29 Northern Lights International Music Festival.

30.30 (k) \$5,000,000 each year is from the general
30.31 fund for a grant to the Minnesota Film
30.32 and TV Board for the film production jobs
30.33 program under Minnesota Statutes, section
30.34 116U.26. This appropriation is available
30.35 until expended. The base funding for this

31.1 program shall be \$1,500,000 each year in the
31.2 fiscal year 2016-2017 biennium.

31.3 (l) \$375,000 each year is from the general
31.4 fund for a grant to Enterprise Minnesota, Inc.,
31.5 for the small business growth acceleration
31.6 program under Minnesota Statutes, section
31.7 116O.115. This is a onetime appropriation.

31.8 (m) \$160,000 each year is from the general
31.9 fund for a grant to develop and implement
31.10 a southern and southwestern Minnesota
31.11 initiative foundation collaborative pilot
31.12 project. Funds available under this paragraph
31.13 must be used to support and develop
31.14 entrepreneurs in diverse populations in
31.15 southern and southwestern Minnesota. This
31.16 is a onetime appropriation and is available
31.17 until expended.

31.18 (n) \$100,000 each year is from the general
31.19 fund for the Center for Rural Policy
31.20 and Development. This is a onetime
31.21 appropriation.

31.22 (o) \$250,000 each year is from the general
31.23 fund for the Broadband Development Office.

31.24 (p) \$250,000 the first year is from the
31.25 general fund for a onetime grant to the St.
31.26 Paul Planning and Economic Development
31.27 Department for neighborhood stabilization
31.28 use in NSP3.

31.29 (q) \$1,235,000 the first year is from the
31.30 general fund for a onetime grant to a city
31.31 of the second class that is designated as an
31.32 economically depressed area by the United
31.33 States Department of Commerce. The
31.34 appropriation is for economic development,
31.35 redevelopment, and job creation programs

32.1 and projects. This appropriation is available
 32.2 until expended.

32.3 (r) \$875,000 each year is from the general
 32.4 fund for the Host Community Economic
 32.5 Development Program established in
 32.6 Minnesota Statutes, section 116J.548.

32.7 (s) \$750,000 the first year is from the general
 32.8 fund for a onetime grant to the city of Morris
 32.9 for loans or grants to agricultural processing
 32.10 facilities for energy efficiency improvements.
 32.11 Funds available under this section shall be
 32.12 used to increase conservation and promote
 32.13 energy efficiency through retrofitting existing
 32.14 systems and installing new systems to
 32.15 recover waste heat from industrial processes
 32.16 and reuse energy. This appropriation is not
 32.17 available until the commissioner determines
 32.18 that at least \$1,250,000 is committed to
 32.19 the project from nonpublic sources. This
 32.20 appropriation is available until expended.

32.21 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2013.

32.22 **ARTICLE 5**

32.23 **UNEMPLOYMENT INSURANCE INTEREST RATES**

32.24 Section 1. Minnesota Statutes 2012, section 268.057, subdivision 5, is amended to read:

32.25 Subd. 5. **Interest on amounts past due.** If any amounts due from an employer
 32.26 under this chapter or section 116L.20, except late fees under section 268.044, are not
 32.27 received on the date due the unpaid balance bears interest at the rate of one ~~and one-half~~
 32.28 percent per month or any part thereof of a month. Interest collected under this subdivision
 32.29 is credited to the contingent account.

32.30 **EFFECTIVE DATE.** This section applies to all interest assessed after July 1, 2015.

32.31 Sec. 2. Minnesota Statutes 2012, section 268.18, subdivision 2b, is amended to read:

33.1 Subd. 2b. **Interest.** (a) On any unemployment benefits fraudulently obtained,
 33.2 and any penalty amounts assessed under subdivision 2, the commissioner must assess
 33.3 interest at the rate of ~~1-1/2~~ one percent per month on any amount that remains unpaid
 33.4 beginning 30 calendar days after the date of the determination of overpayment by fraud. A
 33.5 determination of overpayment by fraud must state that interest will be assessed. Interest is
 33.6 assessed in the same manner as on employer debt under section 268.057, subdivision 5.

33.7 ~~(b) If the determination did not state that interest will be assessed, interest is assessed~~
 33.8 ~~beginning 30 calendar days after notification, by mail or electronic transmission, to the~~
 33.9 ~~applicant that interest is now assessed.~~

33.10 (e) Interest payments collected under this ~~section~~ subdivision are credited to the
 33.11 trust fund.

33.12 **EFFECTIVE DATE.** This section applies to interest assessed after July 1, 2015.

33.13 **ARTICLE 6**

33.14 **STATE GOVERNMENT APPROPRIATIONS**

33.15 Section 1. **STATE GOVERNMENT APPROPRIATIONS.**

33.16 The sums shown in the columns marked "Appropriations" are added to the
 33.17 appropriations in Laws 2013, chapter 142, article 1, section 16, to the agencies and for
 33.18 the purposes specified in this article. The appropriations are from the general fund, or
 33.19 another named fund, and are available for the fiscal years indicated for each purpose. The
 33.20 figures "2014" and "2015" used in this article mean that the addition to the appropriation
 33.21 listed under them is available for the fiscal year ending June 30, 2014, or June 30, 2015,
 33.22 respectively. Supplemental appropriations for the fiscal year ending June 30, 2014, are
 33.23 effective the day following final enactment.

33.24		<u>APPROPRIATIONS</u>	
33.25		<u>Available for the Year</u>	
33.26		<u>Ending June 30</u>	
33.27		<u>2014</u>	<u>2015</u>

33.28	Sec. 2. <u>RACING COMMISSION</u>	<u>\$</u>	<u>100,000</u>	<u>\$</u>	<u>85,000</u>
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33.29 These appropriations are from the racing
 33.30 and card playing regulation accounts in the
 33.31 special revenue fund. These appropriations
 33.32 are onetime and are available either year of
 33.33 the biennium.

34.1 **ARTICLE 7**

34.2 **GENERAL EDUCATION**

34.3 Section 1. Minnesota Statutes 2012, section 123A.05, subdivision 2, is amended to read:

34.4 Subd. 2. **Reserve revenue.** Each district that is a member of an area learning center
 34.5 or alternative learning program must reserve revenue in an amount equal to the sum of
 34.6 (1) ~~at least between~~ 90 and 100 percent of the district average general education revenue
 34.7 per adjusted pupil unit minus an amount equal to the product of the formula allowance
 34.8 according to section 126C.10, subdivision 2, times ~~.0485~~ .0466, calculated without
 34.9 basic skills revenue and transportation sparsity revenue, times the number of pupil units
 34.10 attending an area learning center or alternative learning program under this section, plus
 34.11 (2) the amount of basic skills revenue generated by pupils attending the area learning
 34.12 center or alternative learning program. The amount of reserved revenue under this
 34.13 subdivision may only be spent on program costs associated with the area learning center
 34.14 or alternative learning program.

34.15 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
 34.16 and later.

34.17 Sec. 2. Minnesota Statutes 2012, section 124D.09, subdivision 13, is amended to read:

34.18 Subd. 13. **Financial arrangements.** For a pupil enrolled in a course under this
 34.19 section, the department must make payments according to this subdivision for courses that
 34.20 were taken for secondary credit.

34.21 The department must not make payments to a school district or postsecondary
 34.22 institution for a course taken for postsecondary credit only. The department must not
 34.23 make payments to a postsecondary institution for a course from which a student officially
 34.24 withdraws during the first 14 days of the quarter or semester or who has been absent from
 34.25 the postsecondary institution for the first 15 consecutive school days of the quarter or
 34.26 semester and is not receiving instruction in the home or hospital.

34.27 A postsecondary institution shall receive the following:

34.28 (1) for an institution granting quarter credit, the reimbursement per credit hour shall
 34.29 be an amount equal to 88 percent of the product of the formula allowance minus ~~\$415~~
 34.30 \$425, multiplied by ~~1.3~~ 1.2, and divided by 45; or

34.31 (2) for an institution granting semester credit, the reimbursement per credit hour
 34.32 shall be an amount equal to 88 percent of the product of the general revenue formula
 34.33 allowance minus ~~\$415~~ \$425, multiplied by ~~1.3~~ 1.2, and divided by 30.

35.1 The department must pay to each postsecondary institution 100 percent of the
 35.2 amount in clause (1) or (2) within 30 days of receiving initial enrollment information
 35.3 each quarter or semester. If changes in enrollment occur during a quarter or semester,
 35.4 the change shall be reported by the postsecondary institution at the time the enrollment
 35.5 information for the succeeding quarter or semester is submitted. At any time the
 35.6 department notifies a postsecondary institution that an overpayment has been made, the
 35.7 institution shall promptly remit the amount due.

35.8 Sec. 3. Minnesota Statutes 2013 Supplement, section 124D.11, subdivision 1, is
 35.9 amended to read:

35.10 Subdivision 1. **General education revenue.** General education revenue must be
 35.11 paid to a charter school as though it were a district. The general education revenue for
 35.12 each adjusted pupil unit is the state average general education revenue per pupil unit, plus
 35.13 the referendum equalization aid allowance in the pupil's district of residence, minus an
 35.14 amount equal to the product of the formula allowance according to section 126C.10,
 35.15 subdivision 2, times .0466, calculated without declining enrollment revenue, location
 35.16 equity revenue, basic skills revenue, extended time revenue, pension adjustment revenue,
 35.17 transition revenue, and transportation sparsity revenue, plus declining enrollment revenue,
 35.18 basic skills revenue, extended time revenue, pension adjustment revenue, and transition
 35.19 revenue as though the school were a school district. The general education revenue for
 35.20 each extended time pupil unit equals \$4,794.

35.21 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
 35.22 and later.

35.23 Sec. 4. Minnesota Statutes 2013 Supplement, section 126C.05, subdivision 15, is
 35.24 amended to read:

35.25 Subd. 15. **Learning year pupil units.** (a) When a pupil is enrolled in a learning
 35.26 year program under section 124D.128, an area learning center or an alternative learning
 35.27 program approved by the commissioner under sections 123A.05 and 123A.06, or a
 35.28 contract alternative program under section 124D.68, subdivision 3, paragraph (d), or
 35.29 subdivision 4, for more than 1,020 hours in a school year for a secondary student, more
 35.30 than 935 hours in a school year for an elementary student, more than 850 hours in a school
 35.31 year for a kindergarten student without a disability in an all-day kindergarten program,
 35.32 or more than 425 hours in a school year for a half-day kindergarten student without a
 35.33 disability, that pupil may be counted as more than one pupil in average daily membership
 35.34 for purposes of section 126C.10, subdivision 2a. The amount in excess of one pupil must

36.1 be determined by the ratio of the number of hours of instruction provided to that pupil in
36.2 excess of: (i) the greater of 1,020 hours or the number of hours required for a full-time
36.3 secondary pupil in the district to 1,020 for a secondary pupil; (ii) the greater of 935 hours
36.4 or the number of hours required for a full-time elementary pupil in the district to 935 for
36.5 an elementary pupil in grades 1 through 6; and (iii) the greater of ~~425~~ 850 hours or the
36.6 number of hours required for a full-time kindergarten student without a disability in the
36.7 district to ~~425~~ 850 for a kindergarten student without a disability; ~~and (iv) the greater of~~
36.8 ~~425 hours or the number of hours required for a half-time kindergarten student without a~~
36.9 ~~disability in the district to 425 for a half-day kindergarten student without a disability.~~

36.10 Hours that occur after the close of the instructional year in June shall be attributable to
36.11 the following fiscal year. A student in kindergarten or grades 1 through 12 must not be
36.12 counted as more than 1.2 pupils in average daily membership under this subdivision.

36.13 (b)(i) To receive general education revenue for a pupil in an area learning center
36.14 or alternative learning program that has an independent study component, a district
36.15 must meet the requirements in this paragraph. The district must develop, for the pupil,
36.16 a continual learning plan consistent with section 124D.128, subdivision 3. Each school
36.17 district that has an area learning center or alternative learning program must reserve
36.18 revenue in an amount equal to at least 90 percent of the district average general education
36.19 revenue per pupil unit, minus an amount equal to the product of the formula allowance
36.20 according to section 126C.10, subdivision 2, times .0466, calculated without basic skills
36.21 and transportation sparsity revenue, times the number of pupil units generated by students
36.22 attending an area learning center or alternative learning program. The amount of reserved
36.23 revenue available under this subdivision may only be spent for program costs associated
36.24 with the area learning center or alternative learning program. Basic skills revenue
36.25 generated according to section 126C.10, subdivision 4, by pupils attending the eligible
36.26 program must be allocated to the program.

36.27 (ii) General education revenue for a pupil in a state-approved alternative program
36.28 without an independent study component must be prorated for a pupil participating for less
36.29 than a full year, or its equivalent. The district must develop a continual learning plan for the
36.30 pupil, consistent with section 124D.128, subdivision 3. Each school district that has an area
36.31 learning center or alternative learning program must reserve revenue in an amount equal to
36.32 at least 90 percent of the district average general education revenue per pupil unit, minus
36.33 an amount equal to the product of the formula allowance according to section 126C.10,
36.34 subdivision 2, times .0466, calculated without basic skills and transportation sparsity
36.35 revenue, times the number of pupil units generated by students attending an area learning
36.36 center or alternative learning program. The amount of reserved revenue available under this

37.1 subdivision may only be spent for program costs associated with the area learning center or
 37.2 alternative learning program. Basic skills revenue generated according to section 126C.10,
 37.3 subdivision 4, by pupils attending the eligible program must be allocated to the program.

37.4 (iii) General education revenue for a pupil in a state-approved alternative program
 37.5 that has an independent study component must be paid for each hour of teacher contact
 37.6 time and each hour of independent study time completed toward a credit or graduation
 37.7 standards necessary for graduation. Average daily membership for a pupil shall equal the
 37.8 number of hours of teacher contact time and independent study time divided by 1,020.

37.9 (iv) For a state-approved alternative program having an independent study
 37.10 component, the commissioner shall require a description of the courses in the program, the
 37.11 kinds of independent study involved, the expected learning outcomes of the courses, and
 37.12 the means of measuring student performance against the expected outcomes.

37.13 Sec. 5. Minnesota Statutes 2013 Supplement, section 126C.10, subdivision 2a, is
 37.14 amended to read:

37.15 Subd. 2a. **Extended time revenue.** (a) A school district's extended time revenue for
 37.16 fiscal year 2014 is equal to the product of \$4,601 and the sum of the adjusted marginal
 37.17 cost pupil units of the district for each pupil in average daily membership in excess of 1.0
 37.18 and less than 1.2 according to section 126C.05, subdivision 8. A school district's extended
 37.19 time revenue for fiscal year 2015 and later is equal to the product of \$5,017 and the sum
 37.20 of the adjusted pupil units of the district for each pupil in average daily membership in
 37.21 excess of 1.0 and less than 1.2 according to section 126C.05, subdivision 8.

37.22 (b) A school district's extended time revenue may be used for extended day
 37.23 programs, extended week programs, summer school, and other programming authorized
 37.24 under the learning year program.

37.25 **EFFECTIVE DATE.** This section is effective the day following final enactment
 37.26 and applies to revenue for fiscal year 2014 and later.

37.27 Sec. 6. Minnesota Statutes 2013 Supplement, section 126C.10, subdivision 24, is
 37.28 amended to read:

37.29 Subd. 24. **Equity revenue.** (a) A school district qualifies for equity revenue if:

37.30 (1) the school district's adjusted pupil unit amount of basic revenue, transition
 37.31 revenue, and referendum revenue is less than the value of the school district at or
 37.32 immediately above the 95th percentile of school districts in its equity region for those
 37.33 revenue categories; and

38.1 (2) the school district's administrative offices are not located in a city of the first
38.2 class on July 1, 1999.

38.3 (b) Equity revenue for a qualifying district that receives referendum revenue under
38.4 section 126C.17, subdivision 4, equals the product of (1) the district's adjusted pupil
38.5 units for that year; times (2) the sum of (i) \$14, plus (ii) \$80, times the school district's
38.6 equity index computed under subdivision 27.

38.7 (c) Equity revenue for a qualifying district that does not receive referendum revenue
38.8 under section 126C.17, subdivision 4, equals the product of the district's adjusted pupil
38.9 units for that year times \$14.

38.10 (d) A school district's equity revenue is increased by the greater of zero or an amount
38.11 equal to the district's ~~resident~~ adjusted pupil units times the difference between ten percent
38.12 of the statewide average amount of referendum revenue per ~~resident~~ adjusted pupil unit for
38.13 that year and the district's referendum revenue per ~~resident~~ adjusted pupil unit. A school
38.14 district's revenue under this paragraph must not exceed \$100,000 for that year.

38.15 (e) A school district's equity revenue for a school district located in the metro equity
38.16 region equals the amount computed in paragraphs (b), (c), and (d) multiplied by 1.25.

38.17 (f) A school district's additional equity revenue equals \$50 times its adjusted pupil
38.18 units.

38.19 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
38.20 and later.

38.21 Sec. 7. Minnesota Statutes 2012, section 126C.10, subdivision 25, is amended to read:

38.22 Subd. 25. **Regional equity gap.** The regional equity gap equals the difference
38.23 between the value of the school district at or immediately above the fifth percentile of
38.24 adjusted general revenue per adjusted ~~marginal-cost~~ pupil unit and the value of the school
38.25 district at or immediately above the 95th percentile of adjusted general revenue per
38.26 adjusted ~~marginal-cost~~ pupil unit.

38.27 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
38.28 and later.

38.29 Sec. 8. Minnesota Statutes 2012, section 126C.10, subdivision 26, is amended to read:

38.30 Subd. 26. **District equity gap.** A district's equity gap equals the greater of zero
38.31 or the difference between the district's adjusted general revenue and the value of the
38.32 school district at or immediately above the regional 95th percentile of adjusted general
38.33 revenue per adjusted ~~marginal-cost~~ pupil unit.

39.1 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
39.2 and later.

39.3 Sec. 9. Minnesota Statutes 2013 Supplement, section 126C.10, subdivision 31, is
39.4 amended to read:

39.5 Subd. 31. **Transition revenue.** (a) A district's transition allowance equals the
39.6 sum of the transition revenue the district would have received for fiscal year 2015 under
39.7 Minnesota Statutes 2012, section 126C.10, subdivisions 31, 31a, and 31c, and the greater
39.8 of zero or the difference between:

39.9 (1) the sum of:

39.10 (i) the general education revenue the district would have received for fiscal year
39.11 2015 according to Minnesota Statutes 2012, section 126C.10;

39.12 (ii) the integration revenue the district received for fiscal year 2013 under Minnesota
39.13 Statutes 2012, section 124D.86;

39.14 (iii) the pension adjustment the district would have received for fiscal year 2015
39.15 under Minnesota Statutes 2012, section 127A.50;

39.16 (iv) the special education aid the district would have received for fiscal year 2015
39.17 under Minnesota Statutes 2012, section 125A.76; and

39.18 (v) the special education excess cost aid the district would have received for fiscal
39.19 year 2015 under Minnesota Statutes 2012, section 125A.79; and

39.20 (2) the sum of the district's:

39.21 (i) general education revenue for fiscal year 2015 excluding transition revenue
39.22 under this section;

39.23 (ii) achievement and integration revenue for fiscal year 2015 under section
39.24 124D.862; and

39.25 (iii) special education aid for fiscal year 2015 under section 125A.76; and

39.26 (iv) alternative teacher compensation revenue for fiscal year 2015 under section
39.27 122A.415,

39.28 divided by the number of adjusted pupil units for fiscal year 2015.

39.29 (b) A district's transition revenue for fiscal year 2015 and later equals the product of
39.30 the district's transition allowance times the district's adjusted pupil units.

39.31 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
39.32 and later.

40.1 Sec. 10. Minnesota Statutes 2013 Supplement, section 126C.17, subdivision 6, is
40.2 amended to read:

40.3 Subd. 6. **Referendum equalization levy.** (a) ~~For fiscal year 2003 and later,~~
40.4 A district's referendum equalization levy equals the sum of the first tier referendum
40.5 equalization levy, the second tier referendum equalization levy, and the third tier
40.6 referendum equalization levy.

40.7 (b) A district's first tier referendum equalization levy equals the district's first tier
40.8 referendum equalization revenue times the lesser of one or the ratio of the district's
40.9 referendum market value per resident pupil unit to \$880,000.

40.10 (c) A district's second tier referendum equalization levy equals the district's second
40.11 tier referendum equalization revenue times the lesser of one or the ratio of the district's
40.12 referendum market value per resident pupil unit to \$510,000.

40.13 (d) A district's third tier referendum equalization levy equals the district's third
40.14 tier referendum equalization revenue times the lesser of one or the ratio of the district's
40.15 referendum market value per resident pupil unit to \$290,000.

40.16 Sec. 11. Minnesota Statutes 2013 Supplement, section 126C.17, subdivision 7b,
40.17 is amended to read:

40.18 Subd. 7b. **Referendum aid guarantee.** (a) Notwithstanding subdivision 7, the sum
40.19 of a district's referendum equalization aid and location equity aid under section 126C.10,
40.20 subdivision 2e, for fiscal year 2015 must not be less than the sum of the referendum
40.21 equalization aid the district would have received for fiscal year 2015 under Minnesota
40.22 Statutes 2012, section 126C.17, subdivision 7, and the adjustment the district would have
40.23 received under Minnesota Statutes 2012, section 127A.47, subdivision 7, paragraphs
40.24 (a), (b), and (c).

40.25 (b) Notwithstanding subdivision 7, the sum of referendum equalization aid and
40.26 location equity aid under section 126C.10, subdivision 2e, for fiscal year 2016 and later,
40.27 for a district qualifying for additional aid under paragraph (a) for fiscal year 2015, must
40.28 not be less than the product of (1) the district's referendum equalization aid for fiscal year
40.29 2015, times (2) the lesser of one or the ratio of the district's referendum revenue for that
40.30 school year to the district's referendum revenue for fiscal year 2015, times (3) the lesser
40.31 of one or the ratio of the district's referendum market value used for fiscal year 2015
40.32 referendum equalization calculations to the district's referendum market value used for
40.33 that year's referendum equalization calculations.

40.34 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
40.35 and later.

41.1 Sec. 12. Minnesota Statutes 2013 Supplement, section 126C.17, subdivision 9, is
41.2 amended to read:

41.3 Subd. 9. **Referendum revenue.** (a) The revenue authorized by section 126C.10,
41.4 subdivision 1, may be increased in the amount approved by the voters of the district
41.5 at a referendum called for the purpose. The referendum may be called by the board.
41.6 The referendum must be conducted one or two calendar years before the increased levy
41.7 authority, if approved, first becomes payable. Only one election to approve an increase
41.8 may be held in a calendar year. Unless the referendum is conducted by mail under
41.9 subdivision 11, paragraph (a), the referendum must be held on the first Tuesday after the
41.10 first Monday in November. The ballot must state the maximum amount of the increased
41.11 revenue per adjusted pupil unit. The ballot may state a schedule, determined by the board,
41.12 of increased revenue per adjusted pupil unit that differs from year to year over the number
41.13 of years for which the increased revenue is authorized or may state that the amount shall
41.14 increase annually by the rate of inflation. For this purpose, the rate of inflation shall be the
41.15 annual inflationary increase calculated under subdivision 2, paragraph (b). The ballot may
41.16 state that existing referendum levy authority is expiring. In this case, the ballot may also
41.17 compare the proposed levy authority to the existing expiring levy authority, and express
41.18 the proposed increase as the amount, if any, over the expiring referendum levy authority.
41.19 The ballot must designate the specific number of years, not to exceed ten, for which the
41.20 referendum authorization applies. The ballot, including a ballot on the question to revoke
41.21 or reduce the increased revenue amount under paragraph (c), must abbreviate the term
41.22 "per adjusted pupil unit" as "per pupil." The notice required under section 275.60 may
41.23 be modified to read, in cases of renewing existing levies at the same amount per pupil
41.24 as in the previous year:

41.25 "BY VOTING "YES" ON THIS BALLOT QUESTION, YOU ARE VOTING
41.26 TO EXTEND AN EXISTING PROPERTY TAX REFERENDUM THAT IS
41.27 SCHEDULED TO EXPIRE."

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

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

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

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

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

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

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

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

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

43.1 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
 43.2 and later.

43.3 Sec. 13. Minnesota Statutes 2013 Supplement, section 126C.17, subdivision 9a,
 43.4 is amended to read:

43.5 Subd. 9a. **Board-approved referendum allowance.** Notwithstanding subdivision
 43.6 9, a school district may convert up to \$300 per adjusted pupil unit of referendum authority
 43.7 from voter approved to board approved by a board vote. A district with less than \$300 per
 43.8 adjusted pupil unit of referendum authority after the location equity revenue subtraction
 43.9 under subdivision 1 may authorize new referendum authority up to the difference between
 43.10 \$300 per adjusted pupil unit and the district's referendum authority. The board may
 43.11 authorize this levy for up to five years and may subsequently reauthorize that authority
 43.12 in increments of up to five years.

43.13 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
 43.14 and later.

43.15 Sec. 14. Minnesota Statutes 2013 Supplement, section 126C.44, is amended to read:

43.16 **126C.44 SAFE SCHOOLS LEVY.**

43.17 (a) Each district may make a levy on all taxable property located within the district
 43.18 for the purposes specified in this section. The maximum amount which may be levied for
 43.19 all costs under this section shall be equal to \$36 multiplied by the district's adjusted pupil
 43.20 units for the school year. The proceeds of the levy must be reserved and used for directly
 43.21 funding the following purposes or for reimbursing the cities and counties who contract
 43.22 with the district for the following purposes:

43.23 (1) to pay the costs incurred for the salaries, benefits, and transportation costs of
 43.24 peace officers and sheriffs for liaison in services in the district's schools;

43.25 (2) to pay the costs for a drug abuse prevention program as defined in section
 43.26 609.101, subdivision 3, paragraph (e), in the elementary schools;

43.27 (3) to pay the costs for a gang resistance education training curriculum in the
 43.28 district's schools;

43.29 (4) to pay the costs for security in the district's schools and on school property;

43.30 (5) to pay the costs for other crime prevention, drug abuse, student and staff safety,
 43.31 voluntary opt-in suicide prevention tools, and violence prevention measures taken by
 43.32 the school district;

44.1 (6) to pay costs for licensed school counselors, licensed school nurses, licensed
 44.2 school social workers, licensed school psychologists, and licensed alcohol and chemical
 44.3 dependency counselors to help provide early responses to problems;

44.4 (7) to pay for facility security enhancements including laminated glass, public
 44.5 announcement systems, emergency communications devices, and equipment and facility
 44.6 modifications related to violence prevention and facility security;

44.7 (8) to pay for costs associated with improving the school climate; or

44.8 (9) to pay costs for colocating and collaborating with mental health professionals
 44.9 who are not district employees or contractors.

44.10 (b) For expenditures under paragraph (a), clause (1), the district must initially
 44.11 attempt to contract for services to be provided by peace officers or sheriffs with the
 44.12 police department of each city or the sheriff's department of the county within the district
 44.13 containing the school receiving the services. If a local police department or a county
 44.14 sheriff's department does not wish to provide the necessary services, the district may
 44.15 contract for these services with any other police or sheriff's department located entirely or
 44.16 partially within the school district's boundaries.

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

44.23 Sec. 15. Minnesota Statutes 2013 Supplement, section 127A.47, subdivision 7, is
 44.24 amended to read:

44.25 Subd. 7. **Alternative attendance programs.** (a) The general education aid and
 44.26 special education aid for districts must be adjusted for each pupil attending a nonresident
 44.27 district under sections 123A.05 to 123A.08, 124D.03, 124D.08, and 124D.68. The
 44.28 adjustments must be made according to this subdivision.

44.29 (b) For purposes of this subdivision, the "unreimbursed cost of providing special
 44.30 education and services" means the difference between: (1) the actual cost of providing
 44.31 special instruction and services, including special transportation and unreimbursed
 44.32 building lease and debt service costs for facilities used primarily for special education, for
 44.33 a pupil with a disability, as defined in section 125A.02, or a pupil, as defined in section
 44.34 125A.51, who is enrolled in a program listed in this subdivision, minus (2) if the pupil
 44.35 receives special instruction and services outside the regular classroom for more than

45.1 60 percent of the school day, the amount of general education revenue and referendum
45.2 equalization aid as defined in section 125A.11, subdivision 1, paragraph (c), attributable
45.3 to that pupil for the portion of time the pupil receives special instruction and services
45.4 outside of the regular classroom, excluding portions attributable to district and school
45.5 administration, district support services, operations and maintenance, capital expenditures,
45.6 and pupil transportation, minus (3) special education aid under section 125A.76
45.7 attributable to that pupil, that is received by the district providing special instruction and
45.8 services. For purposes of this paragraph, general education revenue and referendum
45.9 equalization aid attributable to a pupil must be calculated using the serving district's
45.10 average general education revenue and referendum equalization aid per adjusted pupil unit.

45.11 (c) For fiscal year 2015 and later, special education aid paid to a resident district
45.12 must be reduced by an amount equal to 90 percent of the unreimbursed cost of providing
45.13 special education and services.

45.14 (d) Notwithstanding paragraph (c), special education aid paid to a resident district
45.15 must be reduced by an amount equal to 100 percent of the unreimbursed cost of special
45.16 education and services provided to students at an intermediate district, cooperative, or
45.17 charter school where the percent of students eligible for special education services is at
45.18 least 70 percent of the charter school's total enrollment.

45.19 (e) Special education aid paid to the district or cooperative providing special
45.20 instruction and services for the pupil, or to the fiscal agent district for a cooperative,
45.21 must be increased by the amount of the reduction in the aid paid to the resident district
45.22 under paragraphs (c) and (d). If the resident district's special education aid is insufficient
45.23 to make the full adjustment, the remaining adjustment shall be made to other state aids
45.24 due to the district.

45.25 (f) An area learning center operated by a service cooperative, intermediate district,
45.26 education district, or a joint powers cooperative may elect through the action of the
45.27 constituent boards to charge the resident district tuition for pupils rather than to have the
45.28 general education revenue paid to a fiscal agent school district. Except as provided in
45.29 paragraph (e), the district of residence must pay tuition equal to at least between 90 and 100
45.30 percent of the district average general education revenue per pupil unit minus an amount
45.31 equal to the product of the formula allowance according to section 126C.10, subdivision
45.32 2, times .0466, calculated without compensatory revenue and transportation sparsity
45.33 revenue, times the number of pupil units for pupils attending the area learning center.

45.34 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
45.35 and later.

46.1 Sec. 16. Laws 2013, chapter 116, article 1, section 58, subdivision 2, is amended to read:

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

46.4		6,051,766,000		
46.5	\$	<u>6,851,972,000</u>	.....	2014
46.6		6,370,640,000		
46.7	\$	<u>6,435,898,000</u>	.....	2015

46.8 The 2014 appropriation includes ~~\$781,842,000~~ 780,709,000 for 2013 and
46.9 ~~\$5,269,924,000~~ \$6,071,263,000 for 2014.

46.10 The 2015 appropriation includes ~~\$823,040,000~~ \$589,097,000 for 2014 and
46.11 ~~\$5,547,600,000~~ \$5,846,801,000 for 2015.

46.12 ARTICLE 8

46.13 EDUCATION EXCELLENCE

46.14 Section 1. Minnesota Statutes 2012, section 122A.415, subdivision 1, is amended to
46.15 read:

46.16 Subdivision 1. **Revenue amount.** (a) A school district, intermediate school district,
46.17 school site, or charter school that meets the conditions of section 122A.414 and submits an
46.18 application approved by the commissioner is eligible for alternative teacher compensation
46.19 revenue.

46.20 (b) For school district and intermediate school district applications, the commissioner
46.21 must consider only those applications to participate that are submitted jointly by a
46.22 district and the exclusive representative of the teachers. The application must contain an
46.23 alternative teacher professional pay system agreement that:

46.24 (1) implements an alternative teacher professional pay system consistent with
46.25 section 122A.414; and

46.26 (2) is negotiated and adopted according to the Public Employment Labor Relations
46.27 Act under chapter 179A, except that notwithstanding section 179A.20, subdivision 3, a
46.28 district may enter into a contract for a term of two or four years.

46.29 Alternative teacher compensation revenue for a qualifying school district or site in
46.30 which the school board and the exclusive representative of the teachers agree to place
46.31 teachers in the district or at the site on the alternative teacher professional pay system
46.32 equals \$260 times the number of pupils enrolled at the district or site on October 1 of
46.33 the previous fiscal year. Alternative teacher compensation revenue for a qualifying
46.34 intermediate school district must be calculated under ~~section 126C.10, subdivision 34~~
46.35 subdivision 4, paragraphs (a) and (b).

47.1 (c) For a newly combined or consolidated district, the revenue shall be computed
 47.2 using the sum of pupils enrolled on October 1 of the previous year in the districts entering
 47.3 into the combination or consolidation. The commissioner may adjust the revenue computed
 47.4 for a site using prior year data to reflect changes attributable to school closings, school
 47.5 openings, or grade level reconfigurations between the prior year and the current year.

47.6 (d) The revenue is available only to school districts, intermediate school districts,
 47.7 school sites, and charter schools that fully implement an alternative teacher professional
 47.8 pay system by October 1 of the current school year.

47.9 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
 47.10 and later.

47.11 Sec. 2. Minnesota Statutes 2013 Supplement, section 124D.862, subdivision 1, is
 47.12 amended to read:

47.13 Subdivision 1. **Initial achievement and integration revenue.** (a) An eligible
 47.14 district's initial achievement and integration revenue equals the lesser of 100.3 percent of
 47.15 the district's expenditures under the budget approved by the commissioner under section
 47.16 124D.861, subdivision 3, paragraph (c), excluding expenditures used to generate incentive
 47.17 revenue under subdivision 2, or the sum of (1) \$350 times the district's adjusted pupil
 47.18 units for that year times the ratio of the district's enrollment of protected students for the
 47.19 previous school year to total enrollment for the previous school year and (2) the greater of
 47.20 zero or 66 percent of the difference between the district's integration revenue for fiscal
 47.21 year 2013 and the district's integration revenue for fiscal year 2014 under clause (1).

47.22 (b) In each year, 0.3 percent of each district's initial achievement and integration
 47.23 revenue is transferred to the department for the oversight and accountability activities
 47.24 required under this section and section 124D.861.

47.25 **EFFECTIVE DATE.** This section is effective the day following final enactment
 47.26 and applies to revenue for fiscal year 2014 and later.

47.27 Sec. 3. Minnesota Statutes 2013 Supplement, section 124D.862, subdivision 2, is
 47.28 amended to read:

47.29 Subd. 2. **Incentive revenue.** An eligible school district's maximum incentive
 47.30 revenue equals \$10 per adjusted pupil unit. ~~In order to receive this revenue, a district must~~
 47.31 ~~be~~ A district's incentive revenue equals the lesser of the maximum incentive revenue
 47.32 or the district's expenditures for implementing a voluntary plan to reduce racial and
 47.33 economic enrollment disparities through intradistrict and interdistrict activities that have

48.1 been approved as a part of the district's achievement and integration plan under the budget
48.2 approved by the commissioner under section 124D.861, subdivision 3, paragraph (c).

48.3 **EFFECTIVE DATE.** This section is effective the day following final enactment
48.4 and applies to revenue for fiscal year 2014 and later.

48.5 **ARTICLE 9**

48.6 **SPECIAL EDUCATION**

48.7 Section 1. Minnesota Statutes 2013 Supplement, section 125A.11, subdivision 1,
48.8 is amended to read:

48.9 Subdivision 1. **Nonresident tuition rate; other costs.** (a) For fiscal year 2015 and
48.10 later, when a school district provides special instruction and services for a pupil with
48.11 a disability as defined in section 125A.02 outside the district of residence, excluding
48.12 a pupil for whom an adjustment to special education aid is calculated according to
48.13 section 127A.47, subdivision 7, paragraphs (b) to (d), special education aid paid to the
48.14 resident district must be reduced by an amount equal to (1) the actual cost of providing
48.15 special instruction and services to the pupil, including a proportionate amount for special
48.16 transportation and unreimbursed building lease and debt service costs for facilities used
48.17 primarily for special education, plus (2) the amount of general education revenue and
48.18 referendum equalization aid attributable to that pupil, calculated using the resident district's
48.19 average general education revenue and referendum equalization aid per adjusted pupil
48.20 unit excluding basic skills revenue, elementary sparsity revenue and secondary sparsity
48.21 revenue, minus (3) the amount of special education aid for children with a disability
48.22 under section 125A.76 received on behalf of that child, minus (4) if the pupil receives
48.23 special instruction and services outside the regular classroom for more than 60 percent
48.24 of the school day, the amount of general education revenue and referendum equalization
48.25 aid, excluding portions attributable to district and school administration, district support
48.26 services, operations and maintenance, capital expenditures, and pupil transportation,
48.27 attributable to that pupil for the portion of time the pupil receives special instruction
48.28 and services outside of the regular classroom, calculated using the resident district's
48.29 average general education revenue and referendum equalization aid per adjusted pupil unit
48.30 excluding basic skills revenue, elementary sparsity revenue and secondary sparsity revenue
48.31 and the serving district's basic skills revenue, elementary sparsity revenue and secondary
48.32 sparsity revenue per adjusted pupil unit. Notwithstanding clauses (1) and (4), for pupils
48.33 served by a cooperative unit without a fiscal agent school district, the general education
48.34 revenue and referendum equalization aid attributable to a pupil must be calculated using

49.1 the resident district's average general education revenue and referendum equalization aid
 49.2 excluding compensatory revenue, elementary sparsity revenue, and secondary sparsity
 49.3 revenue. Special education aid paid to the district or cooperative providing special
 49.4 instruction and services for the pupil must be increased by the amount of the reduction in
 49.5 the aid paid to the resident district. Amounts paid to cooperatives under this subdivision
 49.6 and section 127A.47, subdivision 7, shall be recognized and reported as revenues and
 49.7 expenditures on the resident school district's books of account under sections 123B.75
 49.8 and 123B.76. If the resident district's special education aid is insufficient to make the full
 49.9 adjustment, the remaining adjustment shall be made to other state aid due to the district.

49.10 (b) Notwithstanding paragraph (a) and section 127A.47, subdivision 7, paragraphs
 49.11 (b) to (d), a charter school where more than 30 percent of enrolled students receive special
 49.12 education and related services, a site approved under section 125A.515, an intermediate
 49.13 district, a special education cooperative, or a school district that served as the applicant
 49.14 agency for a group of school districts for federal special education aids for fiscal year
 49.15 2006 may apply to the commissioner for authority to charge the resident district an
 49.16 additional amount to recover any remaining unreimbursed costs of serving pupils with
 49.17 a disability. The application must include a description of the costs and the calculations
 49.18 used to determine the unreimbursed portion to be charged to the resident district. Amounts
 49.19 approved by the commissioner under this paragraph must be included in the tuition billings
 49.20 or aid adjustments under paragraph (a), or section 127A.47, subdivision 7, paragraphs
 49.21 (b) to (d), as applicable.

49.22 (c) For purposes of this subdivision and section 127A.47, subdivision 7, ~~paragraphs~~
 49.23 ~~(d) and (e)~~ paragraph (b), "general education revenue and referendum equalization aid"
 49.24 means the sum of the general education revenue according to section 126C.10, subdivision
 49.25 1, excluding the location equity levy according to section 126C.10, subdivision 2e,
 49.26 paragraph (c), plus the referendum equalization aid according to section 126C.17,
 49.27 subdivision 7.

49.28 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
 49.29 and later.

49.30 Sec. 2. Minnesota Statutes 2013 Supplement, section 125A.76, subdivision 1, is
 49.31 amended to read:

49.32 Subdivision 1. **Definitions.** (a) For the purposes of this section and section 125A.79,
 49.33 the definitions in this subdivision apply.

50.1 (b) "Basic revenue" has the meaning given it in section 126C.10, subdivision 2.

50.2 For the purposes of computing basic revenue pursuant to this section, each child with a
50.3 disability shall be counted as prescribed in section 126C.05, subdivision 1.

50.4 (c) "Essential personnel" means teachers, cultural liaisons, related services, and
50.5 support services staff providing services to students. Essential personnel may also include
50.6 special education paraprofessionals or clericals providing support to teachers and students
50.7 by preparing paperwork and making arrangements related to special education compliance
50.8 requirements, including parent meetings and individualized education programs. Essential
50.9 personnel does not include administrators and supervisors.

50.10 (d) "Average daily membership" has the meaning given it in section 126C.05.

50.11 (e) "Program growth factor" means 1.046 for fiscal years 2012 ~~though~~ through 2015,
50.12 1.0 for fiscal year 2016, 1.046 for fiscal year 2017, and the product of 1.046 and the
50.13 program growth factor for the previous year for fiscal year 2018 and later.

50.14 (f) "Nonfederal special education expenditure" means all direct expenditures that
50.15 are necessary and essential to meet the district's obligation to provide special instruction
50.16 and services to children with a disability according to sections 124D.454, 125A.03 to
50.17 125A.24, 125A.259 to 125A.48, and 125A.65 as submitted by the district and approved by
50.18 the department under section 125A.75, subdivision 4, excluding expenditures:

50.19 (1) reimbursed with federal funds;

50.20 (2) reimbursed with other state aids under this chapter;

50.21 (3) for general education costs of serving students with a disability;

50.22 (4) for facilities;

50.23 (5) for pupil transportation; and

50.24 (6) for postemployment benefits.

50.25 (g) "Old formula special education expenditures" means expenditures eligible for
50.26 revenue under Minnesota Statutes 2012, section 125A.76, subdivision 2.

50.27 (h) For the Minnesota State Academy for the Deaf and the Minnesota State Academy
50.28 for the Blind, expenditures under paragraphs (f) and (g) are limited to the salary and
50.29 fringe benefits of one-to-one instructional and behavior management aides and one-to-one
50.30 licensed, certified professionals assigned to a child attending the academy, if the aides or
50.31 professionals are required by the child's individualized education program.

50.32 ~~(h)~~ (i) "Cross subsidy reduction aid percentage" means 1.0 percent for fiscal year
50.33 2014 and 2.27 percent for fiscal year 2015.

50.34 ~~(i)~~ (j) "Cross subsidy reduction aid limit" means \$20 for fiscal year 2014 and \$48
50.35 for fiscal year 2015.

51.1 (+) (k) "Special education aid increase limit" means \$80 for fiscal year 2016, \$100
 51.2 for fiscal year 2017, and, for fiscal year 2018 and later, the sum of the special education
 51.3 aid increase limit for the previous fiscal year and \$40.

51.4 Sec. 3. Minnesota Statutes 2012, section 125A.76, subdivision 2, is amended to read:

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

51.7 (1) 68 percent of the salary of each essential person employed in the district's program
 51.8 for children with a disability during the fiscal year, whether the person is employed by one
 51.9 or more districts or a Minnesota correctional facility operating on a fee-for-service basis;

51.10 (2) for the Minnesota State Academy for the Deaf or the Minnesota State Academy
 51.11 for the Blind, 68 percent of the salary of each ~~one-to-one~~ one-to-one instructional and
 51.12 behavior management aide and one-to-one licensed, certified professional assigned to
 51.13 a child attending the academy, if the aides or professionals are required by the child's
 51.14 individualized education program;

51.15 (3) for special instruction and services provided to any pupil by contracting with
 51.16 public, private, or voluntary agencies other than school districts, in place of special
 51.17 instruction and services provided by the district, 52 percent of the difference between
 51.18 the amount of the contract and the general education revenue, excluding basic skills
 51.19 revenue and alternative teacher compensation revenue, and referendum equalization aid
 51.20 attributable to a pupil, calculated using the resident district's average general education
 51.21 revenue and referendum equalization aid per adjusted pupil unit for the fraction of the
 51.22 school day the pupil receives services under the contract. This includes children who
 51.23 are residents of the state, receive services under this subdivision and subdivision 1, and
 51.24 are placed in a care and treatment facility by court action in a state that does not have a
 51.25 reciprocity agreement with the commissioner under section 125A.155 as provided for in
 51.26 section 125A.79, subdivision 8;

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

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

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

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

52.6 (8) the district's transition-disabled program initial aid according to section
 52.7 124D.454, subdivision 3.

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

52.13 Sec. 4. Minnesota Statutes 2013 Supplement, section 125A.76, subdivision 2a, is
 52.14 amended to read:

52.15 Subd. 2a. **Special education initial aid.** For fiscal year 2016 and later, a district's
 52.16 special education initial aid equals the sum of:

52.17 (1) the ~~lesser~~ least of 62 percent of the district's old formula special education
 52.18 expenditures for the prior fiscal year, excluding pupil transportation expenditures, 50
 52.19 percent of the district's nonfederal special education expenditures for the prior year,
 52.20 excluding pupil transportation expenditures, or 56 percent of the product of the sum of the
 52.21 following amounts, computed using prior fiscal year data, and the program growth factor:

52.22 (i) the product of the district's average daily membership served and the sum of:

52.23 (A) \$450; plus

52.24 (B) \$400 times the ratio of the sum of the number of pupils enrolled on October 1
 52.25 who are eligible to receive free lunch plus one-half of the pupils enrolled on October 1
 52.26 who are eligible to receive reduced-price lunch to the total October 1 enrollment; plus

52.27 (C) .008 times the district's average daily membership served; plus

52.28 (ii) \$10,400 times the December 1 child count for the primary disability areas of
 52.29 autism spectrum disorders, developmental delay, and severely multiply impaired; plus

52.30 (iii) \$18,000 times the December 1 child count for the primary disability areas of
 52.31 deaf and hard-of-hearing and emotional or behavioral disorders; plus

52.32 (iv) \$27,000 times the December 1 child count for the primary disability areas of
 52.33 developmentally cognitive mild-moderate, developmentally cognitive severe-profound,
 52.34 physically impaired, visually impaired, and deafblind; plus

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

53.3 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2016
53.4 and later.

53.5 Sec. 5. Minnesota Statutes 2013 Supplement, section 125A.76, subdivision 2b, is
53.6 amended to read:

53.7 Subd. 2b. **Cross subsidy reduction aid.** For fiscal years 2014 and 2015, the cross
53.8 subsidy reduction aid for a school district, not including a charter school, equals the
53.9 lesser of (a) the product of the cross subsidy reduction aid limit and the district's average
53.10 daily membership served or (b) the sum of the product of the cross subsidy reduction aid
53.11 percentage, the district's average daily membership served, and the sum of:

53.12 (1) \$450; plus

53.13 (2) \$400 times the ratio of the sum of the number of pupils enrolled on October 1
53.14 who are eligible to receive free lunch plus one-half of the pupils enrolled on October 1
53.15 who are eligible to receive reduced-price lunch to the total October 1 enrollment; plus

53.16 (3) .008 times the district's average daily membership served; plus the product of the
53.17 cross subsidy aid percentage and the sum of:

53.18 (i) \$10,100 times the December 1 child count for the primary disability areas of
53.19 autism spectrum disorders, developmental delay, and severely multiply impaired; plus

53.20 (ii) \$17,500 times the December 1 child count for the primary disability areas of
53.21 deaf and hard-of-hearing and emotional or behavioral disorders; plus

53.22 (iii) \$26,000 times the December 1 child count for the primary disability areas of
53.23 developmentally cognitive mild-moderate, developmentally cognitive severe-profound,
53.24 physically impaired, visually impaired, and deafblind.

53.25 **EFFECTIVE DATE.** This section is effective the day following final enactment
53.26 and applies to revenue for fiscal year 2014 and later.

53.27 Sec. 6. Minnesota Statutes 2013 Supplement, section 125A.76, subdivision 2c, is
53.28 amended to read:

53.29 Subd. 2c. **Special education aid.** (a) For fiscal year 2014 and fiscal year 2015, a
53.30 district's special education aid equals the sum of the district's special education ~~initial~~ aid
53.31 under subdivision 5, the district's cross subsidy reduction aid under subdivision 2b, and
53.32 the district's excess cost aid under section 125A.79, subdivision 7.

54.1 (b) For fiscal year 2016 and later, a district's special education aid equals the sum of
 54.2 the district's special education initial aid under subdivision 2a and the district's excess cost
 54.3 aid under section 125A.79, subdivision 5.

54.4 (c) Notwithstanding paragraph (b), for fiscal year 2016, the special education aid for
 54.5 a school district must not exceed the sum of the special education aid the district would
 54.6 have received for fiscal year 2016 under Minnesota Statutes 2012, sections 125A.76
 54.7 and 125A.79, as adjusted according to Minnesota Statutes 2012, sections 125A.11 and
 54.8 127A.47, subdivision 7, and the product of the district's average daily membership served
 54.9 and the special education aid increase limit.

54.10 (d) Notwithstanding paragraph (b), for fiscal year 2017 and later, the special education
 54.11 aid for a school district must not exceed the sum of: (i) the product of the district's average
 54.12 daily membership served and the special education aid increase limit and (ii) the product
 54.13 of the sum of the special education aid the district would have received for fiscal year 2016
 54.14 under Minnesota Statutes 2012, sections 125A.76 and 125A.79, as adjusted according
 54.15 to Minnesota Statutes 2012, sections 125A.11 and 127A.47, subdivision 7, the ratio of
 54.16 the district's average daily membership served for the current fiscal year to the district's
 54.17 average daily membership served for fiscal year 2016, and the program growth factor.

54.18 (e) Notwithstanding paragraph (b), for fiscal year 2016 and later the special education
 54.19 aid for a school district, not including a charter school, must not be less than the lesser of
 54.20 (1) the district's nonfederal special education expenditures for that fiscal year or (2) the
 54.21 product of the sum of the special education aid the district would have received for fiscal
 54.22 year 2016 under Minnesota Statutes 2012, sections 125A.76 and 125A.79, as adjusted
 54.23 according to Minnesota Statutes 2012, sections 125A.11 and 127A.47, subdivision 7, the
 54.24 ratio of the district's adjusted daily membership for the current fiscal year to the district's
 54.25 average daily membership for fiscal year 2016, and the program growth factor.

54.26 **EFFECTIVE DATE.** This section is effective the day following final enactment
 54.27 and applies to revenue for fiscal year 2014 and later.

54.28 Sec. 7. Minnesota Statutes 2013 Supplement, section 125A.79, subdivision 1, is
 54.29 amended to read:

54.30 Subdivision 1. **Definitions.** For the purposes of this section, the definitions in this
 54.31 subdivision apply.

54.32 (a) "Unreimbursed old formula special education expenditures" means:

54.33 (1) old formula special education expenditures for the prior fiscal year; minus

54.34 (2) for fiscal years 2014 and 2015, the sum of the special education aid under section
 54.35 125A.76, subdivision 5, for the prior fiscal year and the cross subsidy reduction aid under

55.1 section 125A.76, subdivision 2b, and for fiscal year 2016 and later, the special education
 55.2 initial aid under section 125A.76, subdivision 2a; minus

55.3 (3) the amount of general education revenue, excluding location equity revenue, plus
 55.4 location equity aid and referendum equalization aid for the prior fiscal year attributable
 55.5 to pupils receiving special instruction and services outside the regular classroom for
 55.6 more than 60 percent of the school day for the portion of time the pupils receive special
 55.7 instruction and services outside the regular classroom, excluding portions attributable to
 55.8 district and school administration, district support services, operations and maintenance,
 55.9 capital expenditures, and pupil transportation.

55.10 (b) "Unreimbursed nonfederal special education expenditures" means:

55.11 (1) nonfederal special education expenditures for the prior fiscal year; minus

55.12 (2) special education initial aid under section 125A.76, subdivision 2a; minus

55.13 (3) the amount of general education revenue and referendum equalization aid for the
 55.14 prior fiscal year attributable to pupils receiving special instruction and services outside the
 55.15 regular classroom for more than 60 percent of the school day for the portion of time the
 55.16 pupils receive special instruction and services outside of the regular classroom, excluding
 55.17 portions attributable to district and school administration, district support services,
 55.18 operations and maintenance, capital expenditures, and pupil transportation.

55.19 (c) "General revenue" for a school district means the sum of the general education
 55.20 revenue according to section 126C.10, subdivision 1, excluding alternative teacher
 55.21 compensation revenue, ~~minus~~ transportation sparsity revenue ~~minus~~, location equity
 55.22 revenue, and total operating capital revenue. "General revenue" for a charter school means
 55.23 the sum of the general education revenue according to section 124D.11, subdivision 1, and
 55.24 transportation revenue according to section 124D.11, subdivision 2, excluding alternative
 55.25 teacher compensation revenue, ~~minus~~ referendum equalization aid ~~minus~~,₂ transportation
 55.26 sparsity revenue ~~minus~~, and operating capital revenue.

55.27 **EFFECTIVE DATE.** This section is effective the day following final enactment
 55.28 and applies to revenue for fiscal year 2014 and later.

55.29 Sec. 8. Minnesota Statutes 2013 Supplement, section 125A.79, subdivision 5, is
 55.30 amended to read:

55.31 Subd. 5. **Initial Excess cost aid.** For fiscal year 2016 and later, a district's ~~initial~~
 55.32 excess cost aid equals the greater of:

55.33 (1) 56 percent of the difference between (i) the district's unreimbursed nonfederal
 55.34 special education expenditures and (ii) 7.0 percent of the district's general revenue;

56.1 (2) 62 percent of the difference between (i) the district's unreimbursed old formula
 56.2 special education expenditures and (ii) 2.5 percent of the district's general revenue; or
 56.3 (3) zero.

56.4 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2016
 56.5 and later.

56.6 Sec. 9. Minnesota Statutes 2013 Supplement, section 125A.79, subdivision 8, is
 56.7 amended to read:

56.8 Subd. 8. **Out-of-state tuition.** For children who are residents of the state, receive
 56.9 services under section 125A.76, subdivisions 1 and 2, and are placed in a care and
 56.10 treatment facility by court action in a state that does not have a reciprocity agreement with
 56.11 the commissioner under section 125A.155, the resident school district shall ~~submit the~~
 56.12 ~~balance~~ receive special education out-of-state tuition aid equal to the amount of the tuition
 56.13 bills, minus (1) the general education revenue, excluding basic skills revenue and the
 56.14 location equity levy attributable to the pupil, calculated using the resident district's average
 56.15 general education revenue per adjusted pupil unit, and (2) the referendum equalization aid
 56.16 attributable to the pupil, calculated using the resident district's average general education
 56.17 ~~revenue and referendum equalization aid per adjusted pupil unit minus, and (3) the special~~
 56.18 ~~education contracted services initial revenue aid~~ aid attributable to the pupil.

56.19 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
 56.20 and later.

56.21 Sec. 10. Laws 2013, chapter 116, article 9, section 2, is amended to read:

56.22 Sec. 2. **APPROPRIATIONS; MINNESOTA STATE ACADEMIES.**

56.23 The sums indicated in this section are appropriated from the general fund to the
 56.24 Minnesota State Academies for the Deaf and the Blind for the fiscal years designated:

56.25	\$	11,749,000	.....	2014
56.26		11,664,000		
56.27	\$	<u>11,964,000</u>	.....	2015

56.28 \$85,000 of the fiscal year 2014 appropriation is for costs associated with upgrading
 56.29 kitchen facilities. Any balance in the first year does not cancel but is available in the
 56.30 second year.

57.1

ARTICLE 10

57.2

NUTRITION

57.3 Section 1. Minnesota Statutes 2013 Supplement, section 124D.111, subdivision 1,
57.4 is amended to read:

57.5 Subdivision 1. **School lunch aid computation.** Each school year, the state must
57.6 pay participants in the national school lunch program the amount of 12.5 cents for each
57.7 full paid, ~~reduced-price~~, and free student lunch and 52 cents for each reduced-price lunch
57.8 served to students.

57.9 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
57.10 and later.

57.11 Sec. 2. Minnesota Statutes 2012, section 124D.111, is amended by adding a
57.12 subdivision to read:

57.13 Subd. 4. **No fees.** A participant that receives school lunch aid under this section
57.14 must make lunch available without charge to all participating students who qualify for free
57.15 or reduced-price meals.

57.16 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
57.17 and later.

57.18 Sec. 3. Laws 2013, chapter 116, article 7, section 21, subdivision 2, is amended to read:

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

57.21		13,032,000		
57.22	\$	<u>12,417,000</u>	.....	2014
57.23		13,293,000		
57.24	\$	<u>16,185,000</u>	.....	2015

57.25

ARTICLE 11

57.26

SELF-SUFFICIENCY AND LIFELONG LEARNING

57.27 Section 1. Minnesota Statutes 2012, section 124D.522, is amended to read:

57.28 **124D.522 ADULT BASIC EDUCATION SUPPLEMENTAL SERVICE**
57.29 **GRANTS.**

57.30 (a) The commissioner, in consultation with the policy review task force under
57.31 section 124D.521, may make grants to nonprofit organizations to provide services that

58.1 are not offered by a district adult basic education program or that are supplemental to
58.2 either the statewide adult basic education program, or a district's adult basic education
58.3 program. The commissioner may make grants for: staff development for adult basic
58.4 education teachers and administrators; training for volunteer tutors; training, services, and
58.5 materials for serving disabled students through adult basic education programs; statewide
58.6 promotion of adult basic education services and programs; development and dissemination
58.7 of instructional and administrative technology for adult basic education programs;
58.8 programs which primarily serve communities of color; adult basic education distance
58.9 learning projects, including television instruction programs; and other supplemental
58.10 services to support the mission of adult basic education and innovative delivery of adult
58.11 basic education services.

58.12 (b) The commissioner must establish eligibility criteria and grant application
58.13 procedures. Grants under this section must support services throughout the state, focus on
58.14 educational results for adult learners, and promote outcome-based achievement through
58.15 adult basic education programs. Beginning in fiscal year 2002, the commissioner may
58.16 make grants under this section from the state total adult basic education aid set aside for
58.17 supplemental service grants under section 124D.531. Up to one-fourth of the appropriation
58.18 for supplemental service grants must be used for grants for adult basic education programs
58.19 to encourage and support innovations in adult basic education instruction and service
58.20 delivery. A grant to a single organization cannot exceed ~~20~~ 40 percent of the total
58.21 supplemental services aid. Nothing in this section prevents an approved adult basic
58.22 education program from using state or federal aid to purchase supplemental services.

58.23 Sec. 2. Minnesota Statutes 2013 Supplement, section 124D.531, subdivision 1, is
58.24 amended to read:

58.25 Subdivision 1. **State total adult basic education aid.** (a) The state total adult basic
58.26 education aid for fiscal year 2011 equals \$44,419,000, plus any amount that is not paid
58.27 during the previous fiscal year as a result of adjustments under subdivision 4, paragraph
58.28 (a), or section 124D.52, subdivision 3. The state total adult basic education aid for later
58.29 fiscal years equals:

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

58.33 (2) the lesser of:

58.34 (i) 1.025; or

58.35 (ii) the average growth in state total contact hours over the prior ten program years.

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

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

59.7 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
 59.8 and later.

59.9 Sec. 3. Minnesota Statutes 2012, section 124D.531, subdivision 3, is amended to read:

59.10 Subd. 3. **Program revenue.** Adult basic education programs established under
 59.11 section 124D.52 and approved by the commissioner are eligible for revenue under this
 59.12 subdivision. For fiscal year 2001 and later, adult basic education revenue for each
 59.13 approved program equals the sum of:

59.14 (1) the basic population aid under subdivision 2 for districts participating in the
 59.15 program during the current program year; plus

59.16 (2) 84 percent times the amount computed in subdivision 1, paragraph (b), times the
 59.17 ratio of the contact hours for students participating in the program during the first prior
 59.18 program year to the state total contact hours during the first prior program year; plus

59.19 (3) eight percent times the amount computed in subdivision 1, paragraph (b), times
 59.20 the ratio of the enrollment of English learners during the second prior school year in
 59.21 districts participating in the program during the current program year to the state total
 59.22 enrollment of English learners during the second prior school year in districts participating
 59.23 in adult basic education programs during the current program year; plus

59.24 (4) eight percent times the amount computed in subdivision 1, paragraph (b), times
 59.25 the ratio of the latest federal census count of the number of adults aged ~~20~~ 25 or older
 59.26 with no diploma residing in the districts participating in the program during the current
 59.27 program year to the latest federal census count of the state total number of adults aged ~~20~~
 59.28 25 or older with no diploma residing in the districts participating in adult basic education
 59.29 programs during the current program year.

59.30 **ARTICLE 12**

59.31 **EDUCATION FORECAST ADJUSTMENTS**

59.32 **A. GENERAL EDUCATION**

60.1 Section 1. Laws 2013, chapter 116, article 1, section 58, subdivision 3, is amended to
60.2 read:

60.3 Subd. 3. **Enrollment options transportation.** For transportation of pupils attending
60.4 postsecondary institutions under Minnesota Statutes, section 124D.09, or for transportation
60.5 of pupils attending nonresident districts under Minnesota Statutes, section 124D.03:

60.6		44,000		
60.7	\$	<u>37,000</u>	.....	2014
60.8		48,000		
60.9	\$	<u>40,000</u>	.....	2015

60.10 Sec. 2. Laws 2013, chapter 116, article 1, section 58, subdivision 4, is amended to read:

60.11 Subd. 4. **Abatement revenue.** For abatement aid under Minnesota Statutes, section
60.12 127A.49:

60.13		2,747,000		
60.14	\$	<u>2,876,000</u>	.....	2014
60.15		3,136,000		
60.16	\$	<u>3,103,000</u>	.....	2015

60.17 The 2014 appropriation includes \$301,000 for 2013 and ~~\$2,446,000~~ \$2,575,000
60.18 for 2014.

60.19 The 2015 appropriation includes ~~\$385,000~~ \$286,000 for 2014 and ~~\$2,751,000~~
60.20 \$2,817,000 for 2015.

60.21 Sec. 3. Laws 2013, chapter 116, article 1, section 58, subdivision 5, is amended to read:

60.22 Subd. 5. **Consolidation transition.** For districts consolidating under Minnesota
60.23 Statutes, section 123A.485:

60.24		472,000		
60.25	\$	<u>585,000</u>	.....	2014
60.26		480,000		
60.27	\$	<u>254,000</u>	.....	2015

60.28 The 2014 appropriation includes \$40,000 for 2013 and ~~\$432,000~~ \$545,000 for 2014.

60.29 The 2015 appropriation includes ~~\$68,000~~ \$60,000 for 2014 and ~~\$412,000~~ \$194,000
60.30 for 2015.

60.31 Sec. 4. Laws 2013, chapter 116, article 1, section 58, subdivision 6, is amended to read:

60.32 Subd. 6. **Nonpublic pupil education aid.** For nonpublic pupil education aid under
60.33 Minnesota Statutes, sections 123B.40 to 123B.43 and 123B.87:

62.1 ~~58,911,000~~
 62.2 \$ 55,609,000 2014
 62.3 ~~68,623,000~~
 62.4 \$ 62,692,000 2015

62.5 The 2014 appropriation includes \$0 for 2013 and ~~\$58,911,000~~ \$55,609,000 for 2014.

62.6 The 2015 appropriation includes ~~\$9,273,000~~ \$6,178,000 for 2014 and ~~\$59,350,000~~
 62.7 \$56,514,000 for 2015.

62.8 Sec. 8. Laws 2013, chapter 116, article 3, section 37, subdivision 4, is amended to read:

62.9 Subd. 4. **Literacy incentive aid.** For literacy incentive aid under Minnesota
 62.10 Statutes, section 124D.98:

62.11 ~~52,514,000~~
 62.12 \$ 50,998,000 2014
 62.13 ~~53,818,000~~
 62.14 \$ 47,458,000 2015

62.15 The 2014 appropriation includes \$6,607,000 for 2013 and ~~\$45,907,000~~ \$44,391,000
 62.16 for 2014.

62.17 The 2015 appropriation includes ~~\$7,225,000~~ \$4,932,000 for 2014 and ~~\$46,593,000~~
 62.18 \$42,526,000 for 2015.

62.19 Sec. 9. Laws 2013, chapter 116, article 3, section 37, subdivision 5, is amended to read:

62.20 Subd. 5. **Interdistrict desegregation or integration transportation grants.** For
 62.21 interdistrict desegregation or integration transportation grants under Minnesota Statutes,
 62.22 section 124D.87:

62.23 ~~13,968,000~~
 62.24 \$ 13,521,000 2014
 62.25 ~~14,712,000~~
 62.26 \$ 14,248,000 2015

62.27 Sec. 10. Laws 2013, chapter 116, article 3, section 37, subdivision 6, is amended to read:

62.28 Subd. 6. **Success for the future.** For American Indian success for the future grants
 62.29 under Minnesota Statutes, section 124D.81:

62.30 ~~2,137,000~~
 62.31 \$ 2,214,000 2014
 62.32 \$ 2,137,000 2015

62.33 The 2014 appropriation includes \$290,000 for 2013 and ~~\$1,847,000~~ \$1,924,000
 62.34 for 2014.

63.1 The 2015 appropriation includes ~~\$290,000~~ \$213,000 for 2014 and ~~\$1,847,000~~
 63.2 \$1,924,000 for 2015.

63.3 Sec. 11. Laws 2013, chapter 116, article 3, section 37, subdivision 8, is amended to read:

63.4 Subd. 8. **Tribal contract schools.** For tribal contract school aid under Minnesota
 63.5 Statutes, section 124D.83:

63.6		2,080,000		
63.7	\$	<u>2,144,000</u>	.....	2014
63.8		2,230,000		
63.9	\$	<u>2,152,000</u>	.....	2015

63.10 The 2014 appropriation includes \$266,000 for 2013 and ~~\$1,814,000~~ \$1,878,000
 63.11 for 2014.

63.12 The 2015 appropriation includes ~~\$285,000~~ \$208,000 for 2014 and ~~\$1,945,000~~
 63.13 \$1,944,000 for 2015.

63.14 Sec. 12. Laws 2013, chapter 116, article 3, section 37, subdivision 20, is amended to
 63.15 read:

63.16 Subd. 20. **Alternative compensation.** For alternative teacher compensation aid
 63.17 under Minnesota Statutes, section 122A.415, subdivision 4:

63.18		60,340,000		
63.19	\$	<u>71,599,000</u>	.....	2015

63.20 The 2015 appropriation includes \$0 for 2014 and ~~\$59,711,000~~ \$71,599,000 for 2015.

63.21 **C. CHARTER SCHOOLS**

63.22 Sec. 13. Laws 2013, chapter 116, article 4, section 9, subdivision 2, is amended to read:

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

63.25		54,484,000		
63.26	\$	<u>54,763,000</u>	.....	2014
63.27		59,533,000		
63.28	\$	<u>58,294,000</u>	.....	2015

63.29 The 2014 appropriation includes \$6,819,000 for 2013 and ~~\$47,665,000~~ \$47,944,000
 63.30 for 2014.

63.31 The 2015 appropriation includes ~~\$7,502,000~~ \$5,327,000 for 2014 and ~~\$52,031,000~~
 63.32 \$52,967,000 for 2015.

63.33 **D. SPECIAL PROGRAMS**

64.1 Sec. 14. Laws 2013, chapter 116, article 5, section 31, subdivision 2, is amended to read:

64.2 Subd. 2. **Special education; regular.** For special education aid under Minnesota
64.3 Statutes, section 125A.75:

64.4		997,725,000		
64.5	\$	<u>1,038,514,000</u>	.....	2014
64.6		1,108,211,000		
64.7	\$	<u>1,111,641,000</u>	.....	2015

64.8 The 2014 appropriation includes \$118,232,000 for 2013 and ~~\$802,884,000~~
64.9 \$920,282,000 for 2014.

64.10 The 2015 appropriation includes ~~\$169,929,000~~ \$129,549,000 for 2014 and
64.11 ~~\$938,282,000~~ \$982,092,000 for 2015.

64.12 Sec. 15. Laws 2013, chapter 116, article 5, section 31, subdivision 3, is amended to read:

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

64.16		1,655,000		
64.17	\$	<u>1,548,000</u>	.....	2014
64.18		1,752,000		
64.19	\$	<u>1,674,000</u>	.....	2015

64.20 If the appropriation for either year is insufficient, the appropriation for the other
64.21 year is available.

64.22 Sec. 16. Laws 2013, chapter 116, article 5, section 31, subdivision 4, is amended to read:

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

64.25		345,000		
64.26	\$	<u>351,000</u>	.....	2014
64.27		355,000		
64.28	\$	<u>346,000</u>	.....	2015

64.29 The 2014 appropriation includes \$45,000 for 2013 and ~~\$300,000~~ \$306,000 for 2014.

64.30 The 2015 appropriation includes ~~\$47,000~~ \$33,000 for 2014 and ~~\$308,000~~ \$313,000
64.31 for 2015.

64.32 E. FACILITIES AND TECHNOLOGY

64.33 Sec. 17. Laws 2013, chapter 116, article 6, section 12, subdivision 2, is amended to read:

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

65.1 463,000
 65.2 \$ 473,000 2014
 65.3 434,000
 65.4 \$ 651,000 2015

65.5 The 2014 appropriation includes \$26,000 for 2013 and ~~\$437,000~~ \$447,000 for 2014.

65.6 The 2015 appropriation includes ~~\$68,000~~ \$49,000 for 2014 and ~~\$366,000~~ \$602,000
 65.7 for 2015.

65.8 Sec. 18. Laws 2013, chapter 116, article 6, section 12, subdivision 3, is amended to read:

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

65.11 19,083,000
 65.12 \$ 19,778,000 2014
 65.13 25,060,000
 65.14 \$ 22,591,000 2015

65.15 The 2014 appropriation includes \$2,397,000 for 2013 and ~~\$16,686,000~~ \$17,381,000
 65.16 for 2014.

65.17 The 2015 appropriation includes ~~\$2,626,000~~ \$1,931,000 for 2014 and ~~\$22,434,000~~
 65.18 \$20,660,000 for 2015.

65.19 Sec. 19. Laws 2013, chapter 116, article 6, section 12, subdivision 4, is amended to read:

65.20 Subd. 4. **Alternative facilities bonding aid.** For alternative facilities bonding aid,
 65.21 according to Minnesota Statutes, section 123B.59, subdivision 1:

65.22 19,287,000
 65.23 \$ 19,982,000 2014
 65.24 \$ 19,287,000 2015

65.25 The 2014 appropriation includes \$2,623,000 for 2013 and ~~\$16,664,000~~ \$17,359,000
 65.26 for 2014.

65.27 The 2015 appropriation includes ~~\$2,623,000~~ \$1,928,000 for 2014 and ~~\$16,664,000~~
 65.28 \$17,359,000 for 2015.

65.29 Sec. 20. Laws 2013, chapter 116, article 6, section 12, subdivision 6, is amended to read:

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

65.32 3,564,000
 65.33 \$ 3,858,000 2014
 65.34 3,730,000
 65.35 \$ 4,024,000 2015

66.1 The 2014 appropriation includes \$456,000 for 2013 and ~~\$3,108,000~~ \$3,402,000
66.2 for 2014.

66.3 The 2015 appropriation includes ~~\$489,000~~ \$378,000 for 2014 and ~~\$3,241,000~~
66.4 \$3,646,000 for 2015.

66.5 **F. NUTRITION AND LIBRARIES**

66.6 Sec. 21. Laws 2013, chapter 116, article 7, section 21, subdivision 3, is amended to read:

66.7 Subd. 3. **School breakfast.** For traditional school breakfast aid under Minnesota
66.8 Statutes, section 124D.1158:

66.9		5,711,000		
66.10	\$	<u>5,308,000</u>	.....	2014
66.11		6,022,000		
66.12	\$	<u>5,607,000</u>	.....	2015

66.13 Sec. 22. Laws 2013, chapter 116, article 7, section 21, subdivision 4, is amended to read:

66.14 Subd. 4. **Kindergarten milk.** For kindergarten milk aid under Minnesota Statutes,
66.15 section 124D.118:

66.16		1,039,000		
66.17	\$	<u>992,000</u>	.....	2014
66.18		1,049,000		
66.19	\$	<u>1,002,000</u>	.....	2015

66.20 Sec. 23. Laws 2013, chapter 116, article 7, section 21, subdivision 6, is amended to read:

66.21 Subd. 6. **Basic system support.** For basic system support grants under Minnesota
66.22 Statutes, section 134.355:

66.23		13,570,000		
66.24	\$	<u>14,058,000</u>	.....	2014
66.25		13,570,000		
66.26	\$	<u>13,570,000</u>	.....	2015

66.27 The 2014 appropriation includes \$1,845,000 for 2013 and ~~\$11,725,000~~ \$12,213,000
66.28 for 2014.

66.29 The 2015 appropriation includes ~~\$1,845,000~~ \$1,357,000 for 2014 and ~~\$11,725,000~~
66.30 \$12,213,000 for 2015.

66.31 Sec. 24. Laws 2013, chapter 116, article 7, section 21, subdivision 7, is amended to read:

66.32 Subd. 7. **Multicounty, multitype library systems.** For grants under Minnesota
66.33 Statutes, sections 134.353 and 134.354, to multicounty, multitype library systems:

68.1 ~~22,078,000~~
 68.2 \$ 22,797,000 2014
 68.3 ~~22,425,000~~
 68.4 \$ 22,001,000 2015

68.5 The 2014 appropriation includes \$3,008,000 for 2013 and ~~\$19,070,000~~ \$19,789,000
 68.6 for 2014.

68.7 The 2015 appropriation includes ~~\$3,001,000~~ \$2,198,000 for 2014 and ~~\$19,424,000~~
 68.8 \$19,803,000 for 2015.

68.9 Sec. 28. Laws 2013, chapter 116, article 8, section 5, subdivision 4, is amended to read:

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

68.12 ~~3,421,000~~
 68.13 \$ 3,527,000 2014
 68.14 ~~3,344,000~~
 68.15 \$ 3,330,000 2015

68.16 The 2014 appropriation includes \$474,000 for 2013 and ~~\$2,947,000~~ \$3,053,000
 68.17 for 2014.

68.18 The 2015 appropriation includes ~~\$463,000~~ \$339,000 for 2014 and ~~\$2,881,000~~
 68.19 \$2,991,000 for 2015.

68.20 Sec. 29. Laws 2013, chapter 116, article 8, section 5, subdivision 10, is amended to read:

68.21 Subd. 10. **Community education aid.** For community education aid under
 68.22 Minnesota Statutes, section 124D.20:

68.23 ~~935,000~~
 68.24 \$ 955,000 2014
 68.25 ~~1,056,000~~
 68.26 \$ 1,060,000 2015

68.27 The 2014 appropriation includes \$118,000 for 2013 and ~~\$817,000~~ \$837,000 for 2014.

68.28 The 2015 appropriation includes ~~\$128,000~~ \$93,000 for 2014 and ~~\$928,000~~ \$967,000
 68.29 for 2015.

68.30 Sec. 30. Laws 2013, chapter 116, article 8, section 5, subdivision 11, is amended to read:

68.31 Subd. 11. **Adults with disabilities program aid.** For adults with disabilities
 68.32 programs under Minnesota Statutes, section 124D.56:

68.33 ~~710,000~~
 68.34 \$ 735,000 2014
 68.35 \$ 710,000 2015

69.1 The 2014 appropriation includes \$96,000 for 2013 and ~~\$614,000~~ \$639,000 for 2014.
 69.2 The 2015 appropriation includes ~~\$96,000~~ \$71,000 for 2014 and ~~\$614,000~~ \$639,000
 69.3 for 2015.

69.4 Sec. 31. Laws 2013, chapter 116, article 8, section 5, subdivision 14, is amended to read:

69.5 Subd. 14. **Adult basic education aid.** For adult basic education aid under
 69.6 Minnesota Statutes, section 124D.531:

69.7		47,005,000		
69.8	\$	<u>48,782,000</u>	.....	2014
69.9		48,145,000		
69.10	\$	<u>48,202,000</u>	.....	2015

69.11 The 2014 appropriation includes \$6,284,000 for 2013 and ~~\$40,721,000~~ \$42,498,000
 69.12 for 2014.

69.13 The 2015 appropriation includes ~~\$6,409,000~~ \$4,722,000 for 2014 and ~~\$41,736,000~~
 69.14 \$43,480,000 for 2015.

69.15 **ARTICLE 13**

69.16 **HEALTH AND HUMAN SERVICES APPROPRIATIONS**

69.17 Section 1. **SUMMARY OF APPROPRIATIONS.**

69.18 The amounts shown in this section summarize direct appropriations, by fund, made
 69.19 in sections 3 and 4.

		<u>2014</u>		<u>2015</u>		<u>Total</u>	
69.20							
69.21	<u>General</u>	\$	<u>3,960,000</u>	\$	<u>81,041,000</u>	\$	<u>85,001,000</u>
69.22	<u>State Government Special</u>						
69.23	<u>Revenue</u>		<u>817,000</u>		<u>708,000</u>	<u>1,525,000</u>	
69.24	<u>Health Care Access</u>		<u>(25,000)</u>		<u>(1,000,000)</u>	<u>(1,025,000)</u>	
69.25	<u>Total</u>	\$	<u>4,752,000</u>	\$	<u>80,749,000</u>	\$	<u>85,501,000</u>

69.26 Sec. 2. **HEALTH AND HUMAN SERVICES APPROPRIATIONS.**

69.27 The sums shown in the columns marked "Appropriations" are added to or, if shown
 69.28 in parentheses, subtracted from the appropriations in Laws 2013, chapter 108, articles 14
 69.29 and 15, to the agencies and for the purposes specified in this article. The appropriations
 69.30 are from the general fund and are available for the fiscal years indicated for each purpose.
 69.31 The figures "2014" and "2015" used in this article mean that the addition to or subtraction
 69.32 from the appropriation listed under them is available for the fiscal year ending June 30,
 69.33 2014, or June 30, 2015, respectively. Supplemental appropriations and reductions to

70.1 appropriations for the fiscal year ending June 30, 2014, are effective the day following
 70.2 final enactment unless a different effective date is explicit.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2014</u>	<u>2015</u>

70.7 **Sec. 3. COMMISSIONER OF HUMAN**
 70.8 **SERVICES**

70.9 <u>Subdivision 1. Total Appropriation</u>	<u>3,985,000</u>	<u>81,016,000</u>
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70.10 The appropriation modifications for
 70.11 each purpose are shown in the following
 70.12 subdivisions.

70.13 **Subd. 2. Central Office Operations**

70.14 <u>(a) Operations</u>	<u>-0-</u>	<u>58,000</u>
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70.15 **Base adjustment.** The general fund base is
 70.16 decreased by \$6,000 in fiscal years 2016 and
 70.17 2017.

70.18 <u>(b) Health Care</u>	<u>-0-</u>	<u>113,000</u>
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70.19 **Base adjustment.** The general fund base is
 70.20 increased by \$112,000 in fiscal years 2016
 70.21 and 2017.

70.22 <u>(c) Continuing Care</u>	<u>-0-</u>	<u>976,000</u>
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70.23 **Base adjustment.** The general fund base is
 70.24 increased by \$239,000 in fiscal year 2016
 70.25 and \$127,000 in fiscal year 2017.

70.26 **Subd. 3. Forecasted Programs**

70.27 <u>(a) Group Residential Housing</u>	<u>-0-</u>	<u>681,000</u>
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70.28 <u>(b) Medical Assistance</u>	<u>-0-</u>	<u>61,510,000</u>
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70.29 <u>(c) Alternative Care</u>	<u>-0-</u>	<u>772,000</u>
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70.30 **Subd. 4. Grant Programs**

70.31 <u>(a) Children's Services Grants</u>	<u>-0-</u>	<u>(3,000)</u>
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71.1	<u>Base adjustment.</u> The general fund base is		
71.2	<u>increased by \$9,000 in fiscal year 2017.</u>		
71.3	<u>(b) Aging and Adult Services Grants</u>	<u>(15,000)</u>	<u>755,000</u>
71.4	<u>Base adjustment.</u> The general fund base is		
71.5	<u>increased by \$196,000 in fiscal year 2016</u>		
71.6	<u>and \$206,000 in fiscal year 2017.</u>		
71.7	<u>(c) Deaf and Hard-of-Hearing Grants</u>	<u>-0-</u>	<u>66,000</u>
71.8	<u>Base adjustment.</u> The general fund base is		
71.9	<u>increased by \$6,000 in fiscal years 2016 and</u>		
71.10	<u>2017.</u>		
71.11	<u>(d) Disabilities Grants</u>	<u>-0-</u>	<u>1,015,000</u>
71.12	<u>Base adjustment.</u> The general fund base is		
71.13	<u>increased by \$224,000 in fiscal year 2016</u>		
71.14	<u>and \$233,000 in fiscal year 2017.</u>		
71.15	<u>Subd. 5. State-Operated Services</u>		
71.16	<u>(a) SOS Mental Health</u>	<u>-0-</u>	<u>8,076,000</u>
71.17	<u>Base adjustment.</u> The general fund base is		
71.18	<u>increased by \$213,000 in fiscal years 2016</u>		
71.19	<u>and 2017.</u>		
71.20	<u>(b) SOS Enterprise Services</u>	<u>1,000,000</u>	<u>1,000,000</u>
71.21	<u>Community Addiction Recovery</u>		
71.22	<u>Enterprise deficiency funding.</u>		
71.23	<u>(1) Notwithstanding Minnesota Statutes,</u>		
71.24	<u>section 254B.06, subdivision 1, \$4,000,000</u>		
71.25	<u>is transferred in fiscal years 2014 and 2015</u>		
71.26	<u>from the consolidated chemical dependency</u>		
71.27	<u>treatment fund administrative account in the</u>		
71.28	<u>special revenue fund and deposited into the</u>		
71.29	<u>enterprise fund for the Community Addiction</u>		
71.30	<u>Recovery Enterprise.</u>		
71.31	<u>(2) The following general fund amounts are</u>		
71.32	<u>appropriated to the commissioner for the</u>		
71.33	<u>C.A.R.E. program:</u>		

72.1 (i) fiscal year 2014: \$1,000,000; and

72.2 (ii) fiscal year 2015: \$1,000,000.

72.3 The commissioner must transfer these
72.4 appropriations to the Community Addiction
72.5 Recovery Enterprise enterprise fund. These
72.6 appropriations are for fiscal years 2014 and
72.7 2015 only.

72.8 (3) Clauses (1) and (2) are effective the day
72.9 following final enactment.

72.10 (c) SOS Minnesota Security Hospital -0- 4,820,000

72.11 Subd. 6. Sex Offender Program 3,000,000 1,117,000

72.12 Court-ordered experts. \$3,000,000 in
72.13 fiscal year 2014 is for the commissioner to
72.14 comply with the United States District Court
72.15 order of February 20, 2014, in the matter of
72.16 Karsjens et al. v. Jesson et al. For purposes
72.17 of Minnesota Statutes, section 246B.10,
72.18 activities funded by this appropriation are
72.19 not considered part of the cost of care. This
72.20 appropriation is onetime and is available until
72.21 June 30, 2017. Notwithstanding any contrary
72.22 provision in this article, this paragraph
72.23 expires June 30, 2017.

72.24 **Sec. 4. COMMISSIONER OF HEALTH.**

72.25 **Subdivision 1. Total Appropriation** **\$ **767,000** **\$** **(267,000)****

Appropriations by Fund

	<u>2014</u>	<u>2015</u>
<u>General</u>	<u>(25,000)</u>	<u>25,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>817,000</u>	<u>708,000</u>
<u>Health Care Access</u>	<u>(25,000)</u>	<u>(1,000,000)</u>

72.32 **Subd. 2. Health Improvement**

Appropriations by Fund

<u>General</u>	<u>(25,000)</u>	<u>25,000</u>
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73.1 **Base Level Adjustment.** The general fund
 73.2 base for fiscal year 2016 is \$47,619,000.
 73.3 The general fund base for fiscal year 2017
 73.4 is \$47,669,000.

73.5 **Subd. 3. Policy Quality and Compliance**

73.6	<u>Appropriations by Fund</u>		
73.7	<u>State Government</u>		
73.8	<u>Special Revenue</u>	-0-	60,000
73.9	<u>Health Care Access</u>	(1,000,000)	(1,000,000)

73.10 **Base level adjustment.** The state
 73.11 government special revenue fund base
 73.12 for fiscal years 2016 and 2017 shall be
 73.13 \$16,529,000.

73.14 **Subd. 4. Health Protection**

73.15	<u>Appropriations by Fund</u>		
73.16	<u>State Government</u>		
73.17	<u>Special Revenue</u>	817,000	648,000

73.18 **Subd. 5. Administrative Support Services** 975,000 -0-

73.19	<u>Appropriations by Fund</u>		
73.20	<u>Health Care Access</u>	975,000	-0-

73.21 **Lawsuit settlement.** Of the health care
 73.22 access fund appropriation in fiscal year 2014,
 73.23 \$975,000 is a onetime appropriation for the
 73.24 cost of settling the lawsuit Bearder v. State
 73.25 of Minnesota.

73.26 Sec. 5. Laws 2013, chapter 108, article 14, section 3, subdivision 1, is amended to read:

73.27		169,326,000	165,531,000
73.28	Subdivision 1. Total Appropriation	\$ <u>169,026,000</u>	\$ <u>165,231,000</u>

73.29	<u>Appropriations by Fund</u>		
73.30		2014	2015
73.31	General	79,476,000	74,256,000
73.32	State Government		
73.33	Special Revenue	48,094,000	50,119,000
73.34	Health Care Access	29,743,000	29,143,000

74.1	Federal TANF	11,713,000	11,713,000
74.2	Special Revenue	300,000	300,000

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

74.6 Sec. 6. Laws 2013, chapter 108, article 14, section 3, subdivision 4, is amended to read:

74.7 Subd. 4. **Health Protection**

74.8	Appropriations by Fund		
74.9	General	9,201,000	9,201,000
74.10	State Government		
74.11	Special Revenue	32,633,000	32,636,000
74.12	Special Revenue	300,000	300,000

74.13 **Infectious Disease Laboratory.** Of the
74.14 general fund appropriation, \$200,000 in
74.15 fiscal year 2014 and \$200,000 in fiscal year
74.16 2015 are to monitor infectious disease trends
74.17 and investigate infectious disease outbreaks.

74.18 **Surveillance for Elevated Blood Lead**
74.19 **Levels.** Of the general fund appropriation,
74.20 \$100,000 in fiscal year 2014 and \$100,000
74.21 in fiscal year 2015 are for the blood lead
74.22 surveillance system under Minnesota
74.23 Statutes, section 144.9502.

74.24 **Base Level Adjustment.** The state
74.25 government special revenue base is increased
74.26 by \$6,000 in fiscal year 2016 and by \$13,000
74.27 in fiscal year 2017.

74.28 Sec. 7. **EXPIRATION OF UNCODIFIED LANGUAGE.**

74.29 All uncodified language in this article expires on June 30, 2015, unless a different
74.30 expiration date is specified.

76.1 These appropriations are from the health care
76.2 access fund.

76.3 (g) Medical Assistance

76.4 Appropriations by Fund

76.5 General Fund (149,494) (27,075)

76.6 Health Care Access

76.7 Fund (1,695) (5,046)

76.8 (h) Alternative Care Program (6,936) (13,260)

76.9 (i) CCDTF Entitlements 3,055 8,060

76.10 Subd. 3. Technical Activities (422) (426)

76.11 These appropriations are from the federal
76.12 TANF fund.

76.13 Sec. 3. Laws 2013, chapter 1, section 6, as amended by Laws 2013, chapter 108,
76.14 article 6, section 32, is amended to read:

76.15 Sec. 6. **TRANSFER.**

76.16 (a) The commissioner of management and budget shall transfer from the health care
76.17 access fund to the general fund up to \$21,319,000 in fiscal year 2014; up to \$42,314,000
76.18 in fiscal year 2015; up to \$56,147,000 in fiscal year 2016; and up to \$64,683,000 in fiscal
76.19 year 2017.

76.20 (b) The commissioner of human services shall determine the difference between the
76.21 actual or forecasted cost to the medical assistance program of adding 19- and 20-year-olds
76.22 and parents and relative caretaker populations with income between 100 and 138 percent of
76.23 the federal poverty guidelines and the cost of adding those populations that was estimated
76.24 during the 2013 legislative session based on the data from the February 2013 forecast.

76.25 (c) For each fiscal year from 2014 to 2017, the commissioner of human services shall
76.26 certify and report to the commissioner of management and budget the actual or ~~forecasted~~
76.27 estimated cost difference of adding 19- and 20-year-olds and parents and relative caretaker
76.28 populations with income between 100 and 138 percent of the federal poverty guidelines,
76.29 as determined under paragraph (b), to the commissioner of management and budget at
76.30 least four weeks prior to the release of a forecast under Minnesota Statutes, section
76.31 16A.103, of each fiscal year.

76.32 (d) ~~No later than three weeks before the release of the forecast~~ For fiscal years 2014 to
76.33 2017, forecasts under Minnesota Statutes, section 16A.103, prepared by the commissioner
76.34 of management and budget shall ~~reduce the~~ include actual or estimated adjustments to

77.1 health care access fund ~~transfer~~ transfers in paragraph (a), ~~by the cumulative differences in~~
 77.2 ~~costs reported by the commissioner of human services under~~ according to paragraph (e)
 77.3 (e). If, for any fiscal year, the amount of the cumulative cost differences determined under
 77.4 paragraph (b) is positive, no change is made to the appropriation. If, for any fiscal year,
 77.5 the amount of the cumulative cost differences determined under paragraph (b) is less than
 77.6 the amount of the original appropriation, the appropriation for that year must be zero.

77.7 (e) For each fiscal year from 2014 to 2017, the commissioner of management and
 77.8 budget must adjust the transfer amounts in paragraph (a) by the cumulative difference in
 77.9 costs reported by the commissioner of human services under paragraph (c). If, for any
 77.10 fiscal year, the amount of the cumulative difference in costs reported under paragraph (c)
 77.11 is positive, no adjustment shall be made.

77.12 Sec. 4. Laws 2013, chapter 108, article 14, section 2, subdivision 5, is amended to read:

77.13 **Subd. 5. Forecasted Programs**

77.14 The amounts that may be spent from this
 77.15 appropriation for each purpose are as follows:

77.16 **(a) MFIP/DWP**

77.17	Appropriations by Fund		
77.18	General	72,583,000	76,927,000
77.19	Federal TANF	80,342,000	76,851,000

77.20 **(b) MFIP Child Care Assistance** 61,701,000 69,294,000

77.21 **(c) General Assistance** 54,787,000 56,068,000

77.22 **General Assistance Standard.** The
 77.23 commissioner shall set the monthly standard
 77.24 of assistance for general assistance units
 77.25 consisting of an adult recipient who is
 77.26 childless and unmarried or living apart
 77.27 from parents or a legal guardian at \$203.

77.28 The commissioner may reduce this amount
 77.29 according to Laws 1997, chapter 85, article
 77.30 3, section 54.

77.31 **Emergency General Assistance.** The
 77.32 amount appropriated for emergency general
 77.33 assistance funds is limited to no more

78.1 than \$6,729,812 in fiscal year 2014 and
 78.2 \$6,729,812 in fiscal year 2015. Funds
 78.3 to counties shall be allocated by the
 78.4 commissioner using the allocation method in
 78.5 Minnesota Statutes, section 256D.06.

78.6	(d) MN Supplemental Assistance	38,646,000	39,821,000
78.7	(e) Group Residential Housing	141,138,000	150,988,000
78.8	(f) MinnesotaCare	297,707,000	247,284,000

78.9 This appropriation is from the health care
 78.10 access fund.

78.11 **(g) Medical Assistance**

78.12	Appropriations by Fund		
78.13	General	4,443,768,000	4,431,612,000
78.14	Health Care Access	179,550,000	226,081,000

78.15 **Base Adjustment.** The health care access
 78.16 **fund base is \$424,262,000 in fiscal year 2016**
 78.17 **and \$425,775,000 in fiscal year 2017.**

78.18 **Spending to be apportioned.** The
 78.19 commissioner shall apportion expenditures
 78.20 under this paragraph consistent with the
 78.21 requirements of section 12.

78.22 **Support Services for Deaf and**
 78.23 **Hard-of-Hearing.** \$121,000 in fiscal
 78.24 year 2014 and \$141,000 in fiscal year 2015;
 78.25 and \$10,000 in fiscal year 2014 and \$13,000
 78.26 in fiscal year 2015 are from the health care
 78.27 access fund for the hospital reimbursement
 78.28 increase in Minnesota Statutes, section
 78.29 256.969, subdivision 29, paragraph (b).

78.30 **Disproportionate Share Payments.**
 78.31 Effective for services provided on or after
 78.32 July 1, 2011, through June 30, 2015, the
 78.33 commissioner of human services shall
 78.34 deposit, in the health care access fund,

79.1 additional federal matching funds received
 79.2 under Minnesota Statutes, section 256B.199,
 79.3 paragraph (e), as disproportionate share
 79.4 hospital payments for inpatient hospital
 79.5 services provided under MinnesotaCare to
 79.6 lawfully present noncitizens who are not
 79.7 eligible for MinnesotaCare with federal
 79.8 financial participation due to immigration
 79.9 status. The amount deposited shall not exceed
 79.10 \$2,200,000 for the time period specified.

79.11 **Funding for Services Provided to EMA**
 79.12 **Recipients.** \$2,200,000 in fiscal year 2014 is
 79.13 from the health care access fund to provide
 79.14 services to emergency medical assistance
 79.15 recipients under Minnesota Statutes, section
 79.16 256B.06, subdivision 4, paragraph (l). This
 79.17 is a onetime appropriation and is available in
 79.18 either year of the biennium.

79.19	(h) Alternative Care	50,776,000	54,922,000
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79.20 **Alternative Care Transfer.** Any money
 79.21 allocated to the alternative care program that
 79.22 is not spent for the purposes indicated does
 79.23 not cancel but shall be transferred to the
 79.24 medical assistance account.

79.25	(i) CD Treatment Fund	81,440,000	74,875,000
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79.26 **Balance Transfer.** The commissioner must
 79.27 transfer \$18,188,000 from the consolidated
 79.28 chemical dependency treatment fund to the
 79.29 general fund by September 30, 2013.

79.30 Sec. 5. Laws 2013, chapter 108, article 14, section 12, is amended to read:

79.31 Sec. 12. **APPROPRIATION ADJUSTMENTS.**

79.32 (a) The general fund appropriation in section 2, subdivision 5, paragraph (g),
 79.33 includes up to \$53,391,000 in fiscal year 2014; \$216,637,000 in fiscal year 2015;

80.1 \$261,660,000 in fiscal year 2016; and \$279,984,000 in fiscal year 2017, for medical
80.2 assistance eligibility and administration changes related to:

80.3 (1) eligibility for children age two to 18 with income up to 275 percent of the federal
80.4 poverty guidelines;

80.5 (2) eligibility for pregnant women with income up to 275 percent of the federal
80.6 poverty guidelines;

80.7 (3) Affordable Care Act enrollment and renewal processes, including elimination
80.8 of six-month renewals, ex parte eligibility reviews, preprinted renewal forms, changes
80.9 in verification requirements, and other changes in the eligibility determination and
80.10 enrollment and renewal process;

80.11 (4) automatic eligibility for children who turn 18 in foster care until they reach age 26;

80.12 (5) eligibility related to spousal impoverishment provisions for waiver recipients; and

80.13 (6) presumptive eligibility determinations by hospitals.

80.14 (b) The commissioner of human services shall determine the difference between
80.15 the actual or ~~foreeasted~~ estimated costs to the medical assistance program attributable to
80.16 the program changes in paragraph (a), clauses (1) to (6), and the costs of paragraph (a),
80.17 clauses (1) to (6), that were estimated during the 2013 legislative session based on data
80.18 from the 2013 February forecast. ~~The costs in this paragraph must be calculated between~~
80.19 ~~January 1, 2014, and June 30, 2017.~~

80.20 (c) For each fiscal year from 2014 to 2017, the commissioner of human services
80.21 shall certify the actual or ~~foreeasted~~ estimated cost differences to the medical assistance
80.22 program determined under paragraph (b), and report the difference in costs to the
80.23 commissioner of management and budget at least four weeks prior to a forecast under
80.24 Minnesota Statutes, section 16A.103. ~~No later than three weeks before the release of~~
80.25 ~~the forecast~~ For fiscal years 2014 to 2017, forecasts under Minnesota Statutes, section
80.26 16A.103, prepared by the commissioner of management and budget shall ~~reduce~~ include
80.27 actual or estimated adjustments to the health care access fund appropriation in section
80.28 2, subdivision 5, paragraph (g), ~~by the cumulative difference in costs determined in~~
80.29 according to paragraph (b) (d). ~~If for any fiscal year, the amount of the cumulative cost~~
80.30 ~~differences determined under paragraph (b) is positive, no adjustment shall be made to the~~
80.31 ~~health care access fund appropriation. If for any fiscal year, the amount of the cumulative~~
80.32 ~~cost differences determined under paragraph (b) is less than the original appropriation, the~~
80.33 ~~appropriation for that fiscal year is zero.~~

80.34 (d) For each fiscal year from 2014 to 2017, the commissioner of management and
80.35 budget must adjust the health care access fund appropriation by the cumulative difference
80.36 in costs reported by the commissioner of human services under paragraph (c). If, for any

81.1 fiscal year, the amount of the cumulative difference in costs determined under paragraph
 81.2 (b) is positive, no adjustment shall be made to the health care access fund appropriation.
 81.3 (e) This section expires on January 1, 2018.

81.4 **Sec. 6. EFFECTIVE DATE.**

81.5 Sections 1 and 2 are effective the day following final enactment. Sections 3 to 5 are
 81.6 effective retroactively from July 1, 2013.

81.7 **ARTICLE 15**

81.8 **HEALTH DEPARTMENT**

81.9 **Section 1. [144A.484] INTEGRATED LICENSURE; HOME AND**
 81.10 **COMMUNITY-BASED SERVICES DESIGNATION.**

81.11 Subdivision 1. **Integrated licensing established.** (a) From January 1, 2014, to
 81.12 June 30, 2015, the commissioner of health shall enforce the home and community-based
 81.13 services standards under chapter 245D for those providers who also have a home care
 81.14 license pursuant to chapter 144A as required under Laws 2013, chapter 108, article 11,
 81.15 section 31, and article 8, section 60.

81.16 (b) Beginning July 1, 2015, a home care provider applicant or license holder may
 81.17 apply to the commissioner of health for a home and community-based services designation
 81.18 for the provision of basic home and community-based services identified under section
 81.19 245D.03, subdivision 1, paragraph (b). The designation allows the license holder to
 81.20 provide basic home and community-based services that would otherwise require licensure
 81.21 under chapter 245D, under the license holder's home care license governed by sections
 81.22 144A.43 to 144A.481.

81.23 Subd. 2. **Application for home and community-based services designation.** An
 81.24 application for a home and community-based services designation must be made on the
 81.25 forms and in the manner prescribed by the commissioner. The commissioner shall provide
 81.26 the applicant with instruction for completing the application and provide information
 81.27 about the requirements of other state agencies that affect the applicant. Application for
 81.28 the home and community-based services designation is subject to the requirements under
 81.29 section 144A.473.

81.30 Subd. 3. **Home and community-based services designation fees.** A home care
 81.31 provider applicant or licensee applying for the home and community-based services
 81.32 designation or renewal of a home and community-based services designation must submit
 81.33 a fee in the amount specified in subdivision 8.

82.1 Subd. 4. **Applicability of home and community-based services requirements.** A
 82.2 home care provider with a home and community-based services designation must comply
 82.3 with the requirements for home care services governed by this chapter. For the provision
 82.4 of basic home and community-based services, the home care provider must also comply
 82.5 with the following home and community-based services licensing requirements:

- 82.6 (1) person-centered planning requirements in section 245D.07;
 82.7 (2) protection standards in section 245D.06;
 82.8 (3) emergency use of manual restraints in section 245D.061; and
 82.9 (4) service recipient rights in section 245D.04, subdivision 3, paragraph (a), clauses
 82.10 (5), (7), (8), (12), and (13), and paragraph (b).

82.11 A home care provider with the integrated license-HCBS designation may utilize a bill of
 82.12 rights which incorporates the service recipient rights in section 245D.04, subdivision 3,
 82.13 paragraph (a), clauses (5), (7), (8), (12), and (13), and paragraph (b) with the home care
 82.14 bill of rights in section 144A.44.

82.15 Subd. 5. **Monitoring and enforcement.** (a) The commissioner shall monitor for
 82.16 compliance with the home and community-based services requirements identified in
 82.17 subdivision 5, in accordance with this section and any agreements by the commissioners
 82.18 of health and human services.

82.19 (b) The commissioner shall enforce compliance with applicable home and
 82.20 community-based services licensing requirements as follows:

82.21 (1) the commissioner may deny a home and community-based services designation
 82.22 in accordance with section 144A.473 or 144A.475; and

82.23 (2) if the commissioner finds that the applicant or license holder has failed to comply
 82.24 with the applicable home and community-based services designation requirements the
 82.25 commissioner may issue:

82.26 (i) a correction order in accordance with section 144A.474;

82.27 (ii) an order of conditional license in accordance with section 144A.475;

82.28 (iii) a sanction in accordance with section 144A.475; or

82.29 (iv) any combination of clauses (i) to (iii).

82.30 Subd. 6. **Appeals.** A home care provider applicant that has been denied a temporary
 82.31 license will also be denied their application for the home and community-based services
 82.32 designation. The applicant may request reconsideration in accordance with section
 82.33 144A.473, subdivision 3. A licensed home care provider whose application for a home
 82.34 and community-based services designation has been denied or whose designation has been
 82.35 suspended or revoked may appeal the denial, suspension, revocation, or refusal to renew a
 82.36 home and community-based services designation in accordance with section 144A.475.

83.1 A license holder may request reconsideration of a correction order in accordance with
 83.2 section 144A.474, subdivision 12.

83.3 Subd. 7. **Agreements.** The commissioners of health and human services shall enter
 83.4 into any agreements necessary to implement this section.

83.5 Subd. 8. **Fees; home and community-based services designation.** (a) The initial
 83.6 fee for a basic home and community-based services designation is \$155. A home care
 83.7 provider who is seeking to renew the provider's home and community-based services
 83.8 designation must pay an annual nonrefundable fee with the annual home care license
 83.9 fee according to the following schedule and based on revenues from the home and
 83.10 community-based services:

<u>Provider Annual Revenue from HCBS</u>	<u>HCBS Designation</u>
83.13 <u>greater than \$1,500,000</u>	<u>\$320</u>
83.14 <u>greater than \$1,275,000 and no more than \$1,500,000</u>	<u>\$300</u>
83.15 <u>greater than \$1,100,000 and no more than \$1,275,000</u>	<u>\$280</u>
83.16 <u>greater than \$950,000 and no more than \$1,100,000</u>	<u>\$260</u>
83.17 <u>greater than \$850,000 and no more than \$950,000</u>	<u>\$240</u>
83.18 <u>greater than \$750,000 and no more than \$850,000</u>	<u>\$220</u>
83.19 <u>greater than \$650,000 and no more than \$750,000</u>	<u>\$200</u>
83.20 <u>greater than \$550,000 and no more than \$650,000</u>	<u>\$180</u>
83.21 <u>greater than \$450,000 and no more than \$550,000</u>	<u>\$160</u>
83.22 <u>greater than \$350,000 and no more than \$450,000</u>	<u>\$140</u>
83.23 <u>greater than \$250,000 and no more than \$350,000</u>	<u>\$120</u>
83.24 <u>greater than \$100,000 and no more than \$250,000</u>	<u>\$100</u>
83.25 <u>greater than \$50,000 and no more than \$100,000</u>	<u>\$80</u>
83.26 <u>greater than \$25,000 and no more than \$50,000</u>	<u>\$60</u>
83.27 <u>no more than \$25,000</u>	<u>\$40</u>

83.28 (b) Fees and penalties collected under this section shall be deposited in the state
 83.29 treasury and credited to the state government special revenue fund.

83.30 **EFFECTIVE DATE.** Minnesota Statutes, section 144A.484, subdivisions 2 to 8,
 83.31 are effective July 1, 2015.

83.32 Sec. 2. Minnesota Statutes 2013 Supplement, section 256B.04, subdivision 21, is
 83.33 amended to read:

83.34 Subd. 21. **Provider enrollment.** (a) If the commissioner or the Centers for
 83.35 Medicare and Medicaid Services determines that a provider is designated "high-risk," the
 83.36 commissioner may withhold payment from providers within that category upon initial

84.1 enrollment for a 90-day period. The withholding for each provider must begin on the date
84.2 of the first submission of a claim.

84.3 (b) An enrolled provider that is also licensed by the commissioner under chapter
84.4 245A or that is licensed by the Department of Health under chapter 144A and has a
84.5 HCBS designation on the home care license must designate an individual as the entity's
84.6 compliance officer. The compliance officer must:

84.7 (1) develop policies and procedures to assure adherence to medical assistance laws
84.8 and regulations and to prevent inappropriate claims submissions;

84.9 (2) train the employees of the provider entity, and any agents or subcontractors of
84.10 the provider entity including billers, on the policies and procedures under clause (1);

84.11 (3) respond to allegations of improper conduct related to the provision or billing of
84.12 medical assistance services, and implement action to remediate any resulting problems;

84.13 (4) use evaluation techniques to monitor compliance with medical assistance laws
84.14 and regulations;

84.15 (5) promptly report to the commissioner any identified violations of medical
84.16 assistance laws or regulations; and

84.17 (6) within 60 days of discovery by the provider of a medical assistance
84.18 reimbursement overpayment, report the overpayment to the commissioner and make
84.19 arrangements with the commissioner for the commissioner's recovery of the overpayment.

84.20 The commissioner may require, as a condition of enrollment in medical assistance, that a
84.21 provider within a particular industry sector or category establish a compliance program that
84.22 contains the core elements established by the Centers for Medicare and Medicaid Services.

84.23 (c) The commissioner may revoke the enrollment of an ordering or rendering
84.24 provider for a period of not more than one year, if the provider fails to maintain and, upon
84.25 request from the commissioner, provide access to documentation relating to written orders
84.26 or requests for payment for durable medical equipment, certifications for home health
84.27 services, or referrals for other items or services written or ordered by such provider, when
84.28 the commissioner has identified a pattern of a lack of documentation. A pattern means a
84.29 failure to maintain documentation or provide access to documentation on more than one
84.30 occasion. Nothing in this paragraph limits the authority of the commissioner to sanction a
84.31 provider under the provisions of section 256B.064.

84.32 (d) The commissioner shall terminate or deny the enrollment of any individual or
84.33 entity if the individual or entity has been terminated from participation in Medicare or
84.34 under the Medicaid program or Children's Health Insurance Program of any other state.

84.35 (e) As a condition of enrollment in medical assistance, the commissioner shall
84.36 require that a provider designated "moderate" or "high-risk" by the Centers for Medicare

85.1 and Medicaid Services or the commissioner permit the Centers for Medicare and Medicaid
85.2 Services, its agents, or its designated contractors and the state agency, its agents, or its
85.3 designated contractors to conduct unannounced on-site inspections of any provider location.
85.4 The commissioner shall publish in the Minnesota Health Care Program Provider Manual a
85.5 list of provider types designated "limited," "moderate," or "high-risk," based on the criteria
85.6 and standards used to designate Medicare providers in Code of Federal Regulations, title
85.7 42, section 424.518. The list and criteria are not subject to the requirements of chapter 14.
85.8 The commissioner's designations are not subject to administrative appeal.

85.9 (f) As a condition of enrollment in medical assistance, the commissioner shall
85.10 require that a high-risk provider, or a person with a direct or indirect ownership interest in
85.11 the provider of five percent or higher, consent to criminal background checks, including
85.12 fingerprinting, when required to do so under state law or by a determination by the
85.13 commissioner or the Centers for Medicare and Medicaid Services that a provider is
85.14 designated high-risk for fraud, waste, or abuse.

85.15 (g)(1) Upon initial enrollment, reenrollment, and revalidation, all durable medical
85.16 equipment, prosthetics, orthotics, and supplies (DMEPOS) suppliers operating in
85.17 Minnesota and receiving Medicaid funds must purchase a surety bond that is annually
85.18 renewed and designates the Minnesota Department of Human Services as the obligee, and
85.19 must be submitted in a form approved by the commissioner.

85.20 (2) At the time of initial enrollment or reenrollment, the provider agency must
85.21 purchase a performance bond of \$50,000. If a revalidating provider's Medicaid revenue
85.22 in the previous calendar year is up to and including \$300,000, the provider agency must
85.23 purchase a performance bond of \$50,000. If a revalidating provider's Medicaid revenue
85.24 in the previous calendar year is over \$300,000, the provider agency must purchase a
85.25 performance bond of \$100,000. The performance bond must allow for recovery of costs
85.26 and fees in pursuing a claim on the bond.

85.27 (h) The Department of Human Services may require a provider to purchase a
85.28 performance surety bond as a condition of initial enrollment, reenrollment, reinstatement,
85.29 or continued enrollment if: (1) the provider fails to demonstrate financial viability, (2) the
85.30 department determines there is significant evidence of or potential for fraud and abuse by
85.31 the provider, or (3) the provider or category of providers is designated high-risk pursuant
85.32 to paragraph (a) and as per Code of Federal Regulations, title 42, section 455.450. The
85.33 performance bond must be in an amount of \$100,000 or ten percent of the provider's
85.34 payments from Medicaid during the immediately preceding 12 months, whichever is
85.35 greater. The performance bond must name the Department of Human Services as an
85.36 obligee and must allow for recovery of costs and fees in pursuing a claim on the bond.

86.1 **ARTICLE 16**86.2 **HEALTH CARE**

86.3 Section 1. Minnesota Statutes 2012, section 256.01, is amended by adding a
86.4 subdivision to read:

86.5 Subd. 38. **Contract to match recipient third-party liability information.** The
86.6 commissioner may enter into a contract with a national organization to match recipient
86.7 third-party liability information and provide coverage and insurance primacy information
86.8 to the department at no charge to providers and the clearinghouses.

86.9 Sec. 2. Minnesota Statutes 2012, section 256.9685, subdivision 1, is amended to read:

86.10 Subdivision 1. **Authority.** (a) The commissioner shall establish procedures for
86.11 determining medical assistance ~~and general assistance medical care~~ payment rates under
86.12 a prospective payment system for inpatient hospital services in hospitals that qualify as
86.13 vendors of medical assistance. The commissioner shall establish, by rule, procedures for
86.14 implementing this section and sections 256.9686, 256.969, and 256.9695. Services must
86.15 meet the requirements of section 256B.04, subdivision 15, ~~or 256D.03, subdivision 7,~~
86.16 ~~paragraph (b)~~, to be eligible for payment.

86.17 (b) The commissioner may reduce the types of inpatient hospital admissions that
86.18 are required to be certified as medically necessary after notice in the State Register and a
86.19 30-day comment period.

86.20 Sec. 3. Minnesota Statutes 2012, section 256.9685, subdivision 1a, is amended to read:

86.21 Subd. 1a. **Administrative reconsideration.** Notwithstanding ~~sections~~ section
86.22 256B.04, subdivision 15, and 256D.03, subdivision 7, the commissioner shall establish
86.23 an administrative reconsideration process for appeals of inpatient hospital services
86.24 determined to be medically unnecessary. A physician or hospital may request a
86.25 reconsideration of the decision that inpatient hospital services are not medically necessary
86.26 by submitting a written request for review to the commissioner within 30 days after
86.27 receiving notice of the decision. The reconsideration process shall take place prior to the
86.28 procedures of subdivision 1b and shall be conducted by physicians that are independent
86.29 of the case under reconsideration. A majority decision by the physicians is necessary to
86.30 make a determination that the services were not medically necessary.

86.31 Sec. 4. Minnesota Statutes 2012, section 256.9686, subdivision 2, is amended to read:

87.1 Subd. 2. **Base year.** "Base year" means a hospital's fiscal year or years that
 87.2 is recognized by the Medicare program or a hospital's fiscal year specified by the
 87.3 commissioner if a hospital is not required to file information by the Medicare program
 87.4 from which cost and statistical data are used to establish medical assistance ~~and general~~
 87.5 ~~assistance medical care~~ payment rates.

87.6 Sec. 5. Minnesota Statutes 2012, section 256.969, subdivision 1, is amended to read:

87.7 Subdivision 1. **Hospital cost index.** (a) The hospital cost index shall be the change
 87.8 in the Consumer Price Index-All Items (United States city average) (CPI-U) forecasted
 87.9 by Data Resources, Inc. The commissioner shall use the indices as forecasted in the
 87.10 third quarter of the calendar year prior to the rate year. The hospital cost index may be
 87.11 used to adjust the base year operating payment rate through the rate year on an annually
 87.12 compounded basis.

87.13 ~~(b) For fiscal years beginning on or after July 1, 1993, the commissioner of human~~
 87.14 ~~services shall not provide automatic annual inflation adjustments for hospital payment~~
 87.15 ~~rates under medical assistance, nor under general assistance medical care, except that~~
 87.16 ~~the inflation adjustments under paragraph (a) for medical assistance, excluding general~~
 87.17 ~~assistance medical care, shall apply through calendar year 2001. The index for calendar~~
 87.18 ~~year 2000 shall be reduced 2.5 percentage points to recover overprojections of the index~~
 87.19 ~~from 1994 to 1996. The commissioner of management and budget shall include as a~~
 87.20 ~~budget change request in each biennial detailed expenditure budget submitted to the~~
 87.21 ~~legislature under section 16A.11 annual adjustments in hospital payment rates under~~
 87.22 ~~medical assistance and general assistance medical care, based upon the hospital cost index.~~

87.23 Sec. 6. Minnesota Statutes 2012, section 256.969, subdivision 2, is amended to read:

87.24 Subd. 2. **Diagnostic categories.** The commissioner shall use to the extent possible
 87.25 existing diagnostic classification systems, including the system ~~used by the Medicare~~
 87.26 ~~program created by 3M for all patient refined diagnosis-related groups (APR-DRGs)~~ to
 87.27 determine the relative values of inpatient services and case mix indices. The commissioner
 87.28 may combine diagnostic classifications into diagnostic categories and may establish
 87.29 separate categories and numbers of categories based on ~~program eligibility or hospital~~
 87.30 ~~peer group. Relative values shall be recalculated when the base year is changed. Relative~~
 87.31 ~~value determinations shall include paid claims for admissions during each hospital's base~~
 87.32 ~~year. The commissioner may extend the time period forward to obtain sufficiently valid~~
 87.33 ~~information to establish relative values~~ supplement the APR-DRG data with national
 87.34 averages. Relative value determinations shall not include property cost data, Medicare

88.1 crossover data, and data on admissions that are paid a per day transfer rate under
88.2 subdivision 14. The computation of the base year cost per admission must include identified
88.3 outlier cases and their weighted costs up to the point that they become outlier cases, but
88.4 must exclude costs recognized in outlier payments beyond that point. The commissioner
88.5 may recategorize the diagnostic classifications and recalculate relative values and case mix
88.6 indices to reflect actual hospital practices, the specific character of specialty hospitals, or
88.7 to reduce variances within the diagnostic categories after notice in the State Register ~~and a~~
88.8 ~~30-day comment period. The commissioner shall recategorize the diagnostic classifications~~
88.9 ~~and recalculate relative values and case mix indices based on the two-year schedule in~~
88.10 ~~effect prior to January 1, 2013, reflected in subdivision 2b. The first recategorization shall~~
88.11 ~~occur January 1, 2013, and shall occur every two years after. When rates are not rebased~~
88.12 ~~under subdivision 2b, the commissioner may establish relative values and case mix indices~~
88.13 ~~based on charge data and may update the base year to the most recent data available.~~

88.14 Sec. 7. Minnesota Statutes 2012, section 256.969, subdivision 2b, is amended to read:

88.15 Subd. 2b. **Operating payment rates.** ~~In determining operating payment rates for~~
88.16 ~~admissions occurring on or after the rate year beginning January 1, 1991, and every two~~
88.17 ~~years after, or more frequently as determined by the commissioner, the commissioner shall~~
88.18 ~~obtain operating data from an updated base year and establish operating payment rates~~
88.19 ~~per admission for each hospital based on the cost-finding methods and allowable costs of~~
88.20 ~~the Medicare program in effect during the base year. Rates under the general assistance~~
88.21 ~~medical care, medical assistance, and MinnesotaCare programs shall not be rebased to~~
88.22 ~~more current data on January 1, 1997, January 1, 2005, for the first 24 months of the~~
88.23 ~~rebased period beginning January 1, 2009. For the rebased period beginning January 1,~~
88.24 ~~2011, rates shall not be rebased, except that a Minnesota long-term hospital shall be~~
88.25 ~~rebased effective January 1, 2011, based on its most recent Medicare cost report ending on~~
88.26 ~~or before September 1, 2008, with the provisions under subdivisions 9 and 23, based on~~
88.27 ~~the rates in effect on December 31, 2010. For subsequent rate setting periods in which the~~
88.28 ~~base years are updated, a Minnesota long-term hospital's base year shall remain within~~
88.29 ~~the same period as other hospitals. Effective January 1, 2013, and after, rates shall not be~~
88.30 ~~rebased. The base year operating payment rate per admission is standardized by the case~~
88.31 ~~mix index and adjusted by the hospital cost index, relative values, and disproportionate~~
88.32 ~~population adjustment. The cost and charge data used to establish operating rates shall~~
88.33 ~~only reflect inpatient services covered by medical assistance and shall not include property~~
88.34 ~~cost information and costs recognized in outlier payments. In determining operating~~
88.35 ~~payment rates for admissions occurring on or after the rate year beginning January 1,~~

89.1 2011, through December 31, 2012, the operating payment rate per admission must be
89.2 based on the cost-finding methods and allowable costs of the Medicare program in effect
89.3 during the base year or years.

89.4 Sec. 8. Minnesota Statutes 2012, section 256.969, subdivision 2c, is amended to read:

89.5 Subd. 2c. **Property payment rates.** ~~For each hospital's first two consecutive~~
89.6 ~~fiscal years beginning on or after July 1, 1988, the commissioner shall limit the annual~~
89.7 ~~increase in property payment rates for depreciation, rents and leases, and interest expense~~
89.8 ~~to the annual growth in the hospital cost index derived from the methodology in effect~~
89.9 ~~on the day before July 1, 1989. When computing budgeted and settlement property~~
89.10 ~~payment rates, the commissioner shall use the annual increase in the hospital cost index~~
89.11 ~~forecasted by Data Resources, Inc., consistent with the quarter of the hospital's fiscal year~~
89.12 ~~end. For admissions occurring on or after the rate year beginning January 1, 1991, the~~
89.13 ~~commissioner shall obtain property data from an updated base year and establish property~~
89.14 ~~payment rates per admission for each hospital. Property payment rates shall be derived~~
89.15 ~~from data from the same base year that is used to establish operating payment rates. The~~
89.16 ~~property information shall include cost categories not subject to the hospital cost index~~
89.17 ~~and shall reflect the cost-finding methods and allowable costs of the Medicare program.~~
89.18 ~~The base year property payment rates shall be adjusted for increases in the property cost~~
89.19 ~~by increasing the base year property payment rate 85 percent of the percentage change~~
89.20 ~~from the base year through the year for which a Medicare cost report has been submitted~~
89.21 ~~to the Medicare program and filed with the department by the October 1 before the rate~~
89.22 ~~year. The property rates shall only reflect inpatient services covered by medical assistance.~~
89.23 ~~The commissioner shall adjust rates for the rate year beginning January 1, 1991, to ensure~~
89.24 ~~that all hospitals are subject to the hospital cost index limitation for two complete years.~~

89.25 Sec. 9. Minnesota Statutes 2012, section 256.969, is amended by adding a subdivision
89.26 to read:

89.27 Subd. 2d. **Budget neutrality factor.** For the rebased period effective September 1,
89.28 2014, when rebasing rates under subdivisions 2b and 2c, the commissioner must apply a
89.29 budget neutrality factor (BNF) to a hospital's conversion factor to ensure that total DRG
89.30 payments to hospitals do not exceed total DRG payments that would have been made to
89.31 hospitals if the relative rates and weights had not been recalibrated. For the purposes of
89.32 this section, BNF equals the percentage change from total aggregate payments calculated
89.33 under a new payment system to total aggregate payments calculated under the old system.

90.1 Sec. 10. Minnesota Statutes 2012, section 256.969, subdivision 3a, is amended to read:

90.2 Subd. 3a. **Payments.** (a) Acute care hospital billings under the medical

90.3 assistance program must not be submitted until the recipient is discharged. However,

90.4 the commissioner shall establish monthly interim payments for inpatient hospitals that

90.5 have individual patient lengths of stay over 30 days regardless of diagnostic category.

90.6 Except as provided in section 256.9693, medical assistance reimbursement for treatment

90.7 of mental illness shall be reimbursed based on diagnostic classifications. Individual

90.8 hospital payments established under this section and sections 256.9685, 256.9686, and

90.9 256.9695, in addition to third-party and recipient liability, for discharges occurring during

90.10 the rate year shall not exceed, in aggregate, the charges for the medical assistance covered

90.11 inpatient services paid for the same period of time to the hospital. ~~This payment limitation~~

90.12 ~~shall be calculated separately for medical assistance and general assistance medical~~

90.13 ~~care services. The limitation on general assistance medical care shall be effective for~~

90.14 ~~admissions occurring on or after July 1, 1991.~~ Services that have rates established under

90.15 subdivision 11 or 12, must be limited separately from other services. After consulting with

90.16 the affected hospitals, the commissioner may consider related hospitals one entity and may

90.17 merge the payment rates while maintaining separate provider numbers. The operating and

90.18 property base rates per admission or per day shall be derived from the best Medicare and

90.19 claims data available when rates are established. The commissioner shall determine the

90.20 best Medicare and claims data, taking into consideration variables of recency of the data,

90.21 audit disposition, settlement status, and the ability to set rates in a timely manner. The

90.22 commissioner shall notify hospitals of payment rates ~~by December 1 of the year preceding~~

90.23 ~~the rate year~~ 30 days prior to implementation. The rate setting data must reflect the

90.24 admissions data used to establish relative values. ~~Base year changes from 1981 to the base~~

90.25 ~~year established for the rate year beginning January 1, 1991, and for subsequent rate years,~~

90.26 ~~shall not be limited to the limits ending June 30, 1987, on the maximum rate of increase~~

90.27 ~~under subdivision 1.~~ The commissioner may adjust base year cost, relative value, and case

90.28 mix index data to exclude the costs of services that have been discontinued by the October

90.29 1 of the year preceding the rate year or that are paid separately from inpatient services.

90.30 Inpatient stays that encompass portions of two or more rate years shall have payments

90.31 established based on payment rates in effect at the time of admission unless the date of

90.32 admission preceded the rate year in effect by six months or more. In this case, operating

90.33 payment rates for services rendered during the rate year in effect and established based on

90.34 the date of admission shall be adjusted to the rate year in effect by the hospital cost index.

91.1 ~~(b) For fee-for-service admissions occurring on or after July 1, 2002, the total~~
91.2 ~~payment, before third-party liability and spenddown, made to hospitals for inpatient~~
91.3 ~~services is reduced by .5 percent from the current statutory rates.~~

91.4 ~~(c) In addition to the reduction in paragraph (b), the total payment for fee-for-service~~
91.5 ~~admissions occurring on or after July 1, 2003, made to hospitals for inpatient services~~
91.6 ~~before third-party liability and spenddown, is reduced five percent from the current~~
91.7 ~~statutory rates. Mental health services within diagnosis related groups 424 to 432, and~~
91.8 ~~facilities defined under subdivision 16 are excluded from this paragraph.~~

91.9 ~~(d) In addition to the reduction in paragraphs (b) and (c), the total payment for~~
91.10 ~~fee-for-service admissions occurring on or after August 1, 2005, made to hospitals for~~
91.11 ~~inpatient services before third-party liability and spenddown, is reduced 6.0 percent~~
91.12 ~~from the current statutory rates. Mental health services within diagnosis related groups~~
91.13 ~~424 to 432 and facilities defined under subdivision 16 are excluded from this paragraph.~~
91.14 ~~Notwithstanding section 256.9686, subdivision 7, for purposes of this paragraph, medical~~
91.15 ~~assistance does not include general assistance medical care. Payments made to managed~~
91.16 ~~care plans shall be reduced for services provided on or after January 1, 2006, to reflect~~
91.17 ~~this reduction.~~

91.18 ~~(e) In addition to the reductions in paragraphs (b), (c), and (d), the total payment for~~
91.19 ~~fee-for-service admissions occurring on or after July 1, 2008, through June 30, 2009, made~~
91.20 ~~to hospitals for inpatient services before third-party liability and spenddown, is reduced~~
91.21 ~~3.46 percent from the current statutory rates. Mental health services with diagnosis related~~
91.22 ~~groups 424 to 432 and facilities defined under subdivision 16 are excluded from this~~
91.23 ~~paragraph. Payments made to managed care plans shall be reduced for services provided~~
91.24 ~~on or after January 1, 2009, through June 30, 2009, to reflect this reduction.~~

91.25 ~~(f) In addition to the reductions in paragraphs (b), (c), and (d), the total payment for~~
91.26 ~~fee-for-service admissions occurring on or after July 1, 2009, through June 30, 2011, made~~
91.27 ~~to hospitals for inpatient services before third-party liability and spenddown, is reduced~~
91.28 ~~1.9 percent from the current statutory rates. Mental health services with diagnosis related~~
91.29 ~~groups 424 to 432 and facilities defined under subdivision 16 are excluded from this~~
91.30 ~~paragraph. Payments made to managed care plans shall be reduced for services provided~~
91.31 ~~on or after July 1, 2009, through June 30, 2011, to reflect this reduction.~~

91.32 ~~(g) In addition to the reductions in paragraphs (b), (c), and (d), the total payment~~
91.33 ~~for fee-for-service admissions occurring on or after July 1, 2011, made to hospitals for~~
91.34 ~~inpatient services before third-party liability and spenddown, is reduced 1.79 percent~~
91.35 ~~from the current statutory rates. Mental health services with diagnosis related groups~~
91.36 ~~424 to 432 and facilities defined under subdivision 16 are excluded from this paragraph.~~

92.1 ~~Payments made to managed care plans shall be reduced for services provided on or after~~
 92.2 ~~July 1, 2011, to reflect this reduction.~~

92.3 ~~(h) In addition to the reductions in paragraphs (b), (c), (d), (f), and (g), the total~~
 92.4 ~~payment for fee-for-service admissions occurring on or after July 1, 2009, made to~~
 92.5 ~~hospitals for inpatient services before third-party liability and spenddown, is reduced~~
 92.6 ~~one percent from the current statutory rates. Facilities defined under subdivision 16 are~~
 92.7 ~~excluded from this paragraph. Payments made to managed care plans shall be reduced for~~
 92.8 ~~services provided on or after October 1, 2009, to reflect this reduction.~~

92.9 ~~(i) In addition to the reductions in paragraphs (b), (c), (d), (g), and (h), the total~~
 92.10 ~~payment for fee-for-service admissions occurring on or after July 1, 2011, made to~~
 92.11 ~~hospitals for inpatient services before third-party liability and spenddown, is reduced~~
 92.12 ~~1.96 percent from the current statutory rates. Facilities defined under subdivision 16 are~~
 92.13 ~~excluded from this paragraph. Payments made to managed care plans shall be reduced for~~
 92.14 ~~services provided on or after January 1, 2011, to reflect this reduction.~~

92.15 Sec. 11. Minnesota Statutes 2012, section 256.969, subdivision 3b, is amended to read:

92.16 Subd. 3b. **Nonpayment for hospital-acquired conditions and for certain**
 92.17 **treatments.** (a) The commissioner must not make medical assistance payments to a
 92.18 hospital for any costs of care that result from a condition listed in paragraph (c), if the
 92.19 condition was hospital acquired.

92.20 (b) For purposes of this subdivision, a condition is hospital acquired if it is not
 92.21 identified by the hospital as present on admission. For purposes of this subdivision,
 92.22 medical assistance includes ~~general assistance medical care and MinnesotaCare.~~

92.23 (c) The prohibition in paragraph (a) applies to payment for each hospital-acquired
 92.24 condition listed in this paragraph that is represented by an ~~ICD-9-CM~~ ICD-10-CM
 92.25 ~~diagnosis code and is designated as a complicating condition or a major complicating~~
 92.26 ~~condition.~~ The list of conditions is defined by the Centers for Medicare and Medicaid
 92.27 Services on an annual basis with the hospital-acquired conditions (HAC) list:

- 92.28 (1) foreign object retained after surgery (~~ICD-9-CM codes 998.4 or 998.7~~);
- 92.29 (2) air embolism (~~ICD-9-CM code 999.1~~);
- 92.30 (3) blood incompatibility (~~ICD-9-CM code 999.6~~);
- 92.31 (4) pressure ulcers stage III or IV (~~ICD-9-CM codes 707.23 or 707.24~~);
- 92.32 (5) falls and trauma, including fracture, dislocation, intracranial injury, crushing
 92.33 injury, burn, and electric shock (~~ICD-9-CM codes with these ranges on the complicating~~
 92.34 ~~condition and major complicating condition list: 800-829; 830-839; 850-854; 925-929;~~
 92.35 ~~940-949; and 991-994~~);

- 93.1 (6) catheter-associated urinary tract infection (~~ICD-9-CM code 996.64~~);
- 93.2 (7) vascular catheter-associated infection (~~ICD-9-CM code 999.31~~);
- 93.3 (8) manifestations of poor glycemic control (~~ICD-9-CM codes 249.10; 249.11;~~
- 93.4 ~~249.20; 249.21; 250.10; 250.11; 250.12; 250.13; 250.20; 250.21; 250.22; 250.23; and~~
- 93.5 ~~251.0~~);
- 93.6 (9) surgical site infection (~~ICD-9-CM codes 996.67 or 998.59~~) following certain
- 93.7 orthopedic procedures (~~procedure codes 81.01; 81.02; 81.03; 81.04; 81.05; 81.06; 81.07;~~
- 93.8 ~~81.08; 81.23; 81.24; 81.31; 81.32; 81.33; 81.34; 81.35; 81.36; 81.37; 81.38; 81.83; and~~
- 93.9 ~~81.85~~);
- 93.10 (10) surgical site infection (~~ICD-9-CM code 998.59~~) following bariatric surgery
- 93.11 (~~procedure codes 44.38; 44.39; or 44.95~~) for a principal diagnosis of morbid obesity
- 93.12 (~~ICD-9-CM code 278.01~~);
- 93.13 (11) surgical site infection, mediastinitis (~~ICD-9-CM code 519.2~~) following coronary
- 93.14 artery bypass graft (~~procedure codes 36.10 to 36.19~~); and
- 93.15 (12) deep vein thrombosis (~~ICD-9-CM codes 453.40 to 453.42~~) or pulmonary
- 93.16 embolism (~~ICD-9-CM codes 415.11 or 415.19~~) following total knee replacement
- 93.17 (~~procedure code 81.54~~) or hip replacement (~~procedure codes 00.85 to 00.87 or 81.51~~
- 93.18 ~~to 81.52~~).
- 93.19 (d) The prohibition in paragraph (a) applies to any additional payments that result
- 93.20 from a hospital-acquired condition listed in paragraph (c), including, but not limited to,
- 93.21 additional treatment or procedures, readmission to the facility after discharge, increased
- 93.22 length of stay, change to a higher diagnostic category, or transfer to another hospital. In
- 93.23 the event of a transfer to another hospital, the hospital where the condition listed under
- 93.24 paragraph (c) was acquired is responsible for any costs incurred at the hospital to which
- 93.25 the patient is transferred.
- 93.26 (e) A hospital shall not bill a recipient of services for any payment disallowed under
- 93.27 this subdivision.

93.28 Sec. 12. Minnesota Statutes 2012, section 256.969, is amended by adding a subdivision

93.29 to read:

93.30 Subd. 4b. **Medical assistance cost reports for services.** (a) A hospital that meets

93.31 one of the following criteria must annually file medical assistance cost reports within six

93.32 months of the end of the hospital's fiscal year:

93.33 (1) a hospital designated as a critical access hospital that receives medical assistance

93.34 payments; or

94.1 (2) a Minnesota hospital or out-of-state hospital located within a Minnesota local
94.2 trade area that receives a disproportionate population adjustment under subdivision 9.

94.3 For purposes of this subdivision, local trade area has the meaning given in
94.4 subdivision 17.

94.5 (b) The Department of Human Services must suspend payments to any hospital that
94.6 fails to file a report required under this subdivision. Payments must remain suspended
94.7 until the report has been filed with and accepted by the Department of Human Services
94.8 inpatient rates unit.

94.9 Sec. 13. Minnesota Statutes 2012, section 256.969, subdivision 6a, is amended to read:

94.10 Subd. 6a. **Special considerations.** In determining the payment rates, the
94.11 commissioner shall consider whether the circumstances in subdivisions 7 8 to 14 exist.

94.12 Sec. 14. Minnesota Statutes 2012, section 256.969, is amended by adding a subdivision
94.13 to read:

94.14 Subd. 8c. **Hospital residents.** Payments for hospital residents shall be made
94.15 as follows:

94.16 (1) payments for the first 180 days of inpatient care shall be the APR-DRG payment
94.17 plus any appropriate outliers; and

94.18 (2) payment for all medically necessary patient care subsequent to 180 days shall
94.19 be reimbursed at a rate computed by multiplying the statewide average cost-to-charge
94.20 ratio by the usual and customary charges.

94.21 Sec. 15. Minnesota Statutes 2012, section 256.969, subdivision 9, is amended to read:

94.22 Subd. 9. **Disproportionate numbers of low-income patients served.** (a) For
94.23 admissions occurring on or after October 1, 1992, through December 31, 1992, the
94.24 medical assistance disproportionate population adjustment shall comply with federal law
94.25 and shall be paid to a hospital, excluding regional treatment centers and facilities of the
94.26 federal Indian Health Service, with a medical assistance inpatient utilization rate in excess
94.27 of the arithmetic mean. The adjustment must be determined as follows:

94.28 (1) for a hospital with a medical assistance inpatient utilization rate above the
94.29 arithmetic mean for all hospitals excluding regional treatment centers and facilities of the
94.30 federal Indian Health Service but less than or equal to one standard deviation above the
94.31 mean, the adjustment must be determined by multiplying the total of the operating and
94.32 property payment rates by the difference between the hospital's actual medical assistance

95.1 inpatient utilization rate and the arithmetic mean for all hospitals excluding regional
95.2 treatment centers and facilities of the federal Indian Health Service; and

95.3 (2) for a hospital with a medical assistance inpatient utilization rate above one
95.4 standard deviation above the mean, the adjustment must be determined by multiplying
95.5 the adjustment that would be determined under clause (1) for that hospital by 1.1. If
95.6 federal matching funds are not available for all adjustments under this subdivision, the
95.7 commissioner shall reduce payments on a pro rata basis so that all adjustments qualify for
95.8 federal match. ~~The commissioner may establish a separate disproportionate population~~
95.9 ~~operating payment rate adjustment under the general assistance medical care program.~~
95.10 ~~For purposes of this subdivision medical assistance does not include general assistance~~
95.11 ~~medical care.~~ The commissioner shall report annually on the number of hospitals likely to
95.12 receive the adjustment authorized by this paragraph. The commissioner shall specifically
95.13 report on the adjustments received by public hospitals and public hospital corporations
95.14 located in cities of the first class.

95.15 (b) For admissions occurring on or after July 1, 1993, the medical assistance
95.16 disproportionate population adjustment shall comply with federal law and shall be paid to
95.17 a hospital, excluding regional treatment centers, critical access hospitals, and facilities of
95.18 the federal Indian Health Service, with a medical assistance inpatient utilization rate in
95.19 excess of the arithmetic mean. The adjustment must be determined as follows:

95.20 (1) for a hospital with a medical assistance inpatient utilization rate above the
95.21 arithmetic mean for all hospitals excluding regional treatment centers, critical access
95.22 hospitals, and facilities of the federal Indian Health Service but less than or equal to one
95.23 standard deviation above the mean, the adjustment must be determined by multiplying the
95.24 total of the operating and property payment rates by the difference between the hospital's
95.25 actual medical assistance inpatient utilization rate and the arithmetic mean for all hospitals
95.26 excluding regional treatment centers and facilities of the federal Indian Health Service; and

95.27 (2) for a hospital with a medical assistance inpatient utilization rate above one
95.28 standard deviation above the mean, the adjustment must be determined by multiplying
95.29 the adjustment that would be determined under clause (1) for that hospital by 1.1. ~~The~~
95.30 ~~commissioner may establish a separate disproportionate population operating payment~~
95.31 ~~rate adjustment under the general assistance medical care program. For purposes of this~~
95.32 ~~subdivision, medical assistance does not include general assistance medical care.~~ The
95.33 commissioner shall report annually on the number of hospitals likely to receive the
95.34 adjustment authorized by this paragraph. The commissioner shall specifically report on
95.35 the adjustments received by public hospitals and public hospital corporations located in
95.36 cities of the first class;

96.1 ~~(3) for a hospital that had medical assistance fee-for-service payment volume during~~
96.2 ~~calendar year 1991 in excess of 13 percent of total medical assistance fee-for-service~~
96.3 ~~payment volume, a medical assistance disproportionate population adjustment shall be~~
96.4 ~~paid in addition to any other disproportionate payment due under this subdivision as~~
96.5 ~~follows: \$1,515,000 due on the 15th of each month after noon, beginning July 15, 1995.~~
96.6 ~~For a hospital that had medical assistance fee-for-service payment volume during calendar~~
96.7 ~~year 1991 in excess of eight percent of total medical assistance fee-for-service payment~~
96.8 ~~volume and was the primary hospital affiliated with the University of Minnesota, a~~
96.9 ~~medical assistance disproportionate population adjustment shall be paid in addition to any~~
96.10 ~~other disproportionate payment due under this subdivision as follows: \$505,000 due on~~
96.11 ~~the 15th of each month after noon, beginning July 15, 1995; and~~

96.12 ~~(4) effective August 1, 2005, the payments in paragraph (b), clause (3), shall be~~
96.13 ~~reduced to zero.~~

96.14 ~~(e) The commissioner shall adjust rates paid to a health maintenance organization~~
96.15 ~~under contract with the commissioner to reflect rate increases provided in paragraph (b),~~
96.16 ~~clauses (1) and (2), on a nondiscounted hospital-specific basis but shall not adjust those~~
96.17 ~~rates to reflect payments provided in clause (3).~~

96.18 ~~(d) If federal matching funds are not available for all adjustments under paragraph~~
96.19 ~~(b), the commissioner shall reduce payments under paragraph (b), clauses (1) and (2), on a~~
96.20 ~~pro rata basis so that all adjustments under paragraph (b) qualify for federal match.~~

96.21 ~~(e) For purposes of this subdivision, medical assistance does not include general~~
96.22 ~~assistance medical care.~~

96.23 ~~(f) For hospital services occurring on or after July 1, 2005, to June 30, 2007:~~

96.24 ~~(1) general assistance medical care expenditures for fee-for-service inpatient and~~
96.25 ~~outpatient hospital payments made by the department shall be considered Medicaid~~
96.26 ~~disproportionate share hospital payments, except as limited below:~~

96.27 ~~(i) only the portion of Minnesota's disproportionate share hospital allotment under~~
96.28 ~~section 1923(f) of the Social Security Act that is not spent on the disproportionate~~
96.29 ~~population adjustments in paragraph (b), clauses (1) and (2), may be used for general~~
96.30 ~~assistance medical care expenditures;~~

96.31 ~~(ii) only those general assistance medical care expenditures made to hospitals that~~
96.32 ~~qualify for disproportionate share payments under section 1923 of the Social Security Act~~
96.33 ~~and the Medicaid state plan may be considered disproportionate share hospital payments;~~

96.34 ~~(iii) only those general assistance medical care expenditures made to an individual~~
96.35 ~~hospital that would not cause the hospital to exceed its individual hospital limits under~~
96.36 ~~section 1923 of the Social Security Act may be considered; and~~

97.1 ~~(iv) general assistance medical care expenditures may be considered only to the~~
 97.2 ~~extent of Minnesota's aggregate allotment under section 1923 of the Social Security Act.~~

97.3 ~~All hospitals and prepaid health plans participating in general assistance medical care~~
 97.4 ~~must provide any necessary expenditure, cost, and revenue information required by the~~
 97.5 ~~commissioner as necessary for purposes of obtaining federal Medicaid matching funds for~~
 97.6 ~~general assistance medical care expenditures; and~~

97.7 ~~(2) (c)~~ Certified public expenditures made by Hennepin County Medical Center shall
 97.8 be considered Medicaid disproportionate share hospital payments. Hennepin County
 97.9 and Hennepin County Medical Center shall report by June 15, 2007, on payments made
 97.10 beginning July 1, 2005, or another date specified by the commissioner, that may qualify
 97.11 for reimbursement under federal law. Based on these reports, the commissioner shall
 97.12 apply for federal matching funds.

97.13 ~~(g) (d)~~ Upon federal approval of the related state plan amendment, paragraph ~~(f) (c)~~
 97.14 is effective retroactively from July 1, 2005, or the earliest effective date approved by the
 97.15 Centers for Medicare and Medicaid Services.

97.16 Sec. 16. Minnesota Statutes 2012, section 256.969, subdivision 10, is amended to read:

97.17 Subd. 10. **Separate billing by certified registered nurse anesthetists.** Hospitals
 97.18 ~~may~~ must exclude certified registered nurse anesthetist costs from the operating payment
 97.19 rate ~~as allowed by section 256B.0625, subdivision 11. To be eligible, a hospital must~~
 97.20 ~~notify the commissioner in writing by October 1 of even-numbered years to exclude~~
 97.21 ~~certified registered nurse anesthetist costs. The hospital must agree that all hospital~~
 97.22 ~~claims for the cost and charges of certified registered nurse anesthetist services will not~~
 97.23 ~~be included as part of the rates for inpatient services provided during the rate year. In~~
 97.24 ~~this case, the operating payment rate shall be adjusted to exclude the cost of certified~~
 97.25 ~~registered nurse anesthetist services.~~

97.26 ~~For admissions occurring on or after July 1, 1991, and until the expiration date of~~
 97.27 ~~section 256.9695, subdivision 3, services of certified registered nurse anesthetists provided~~
 97.28 ~~on an inpatient basis may be paid as allowed by section 256B.0625, subdivision 11, when~~
 97.29 ~~the hospital's base year did not include the cost of these services. To be eligible, a hospital~~
 97.30 ~~must notify the commissioner in writing by July 1, 1991, of the request and must comply~~
 97.31 ~~with all other requirements of this subdivision.~~

97.32 Sec. 17. Minnesota Statutes 2012, section 256.969, subdivision 14, is amended to read:

97.33 Subd. 14. **Transfers.** ~~Except as provided in subdivisions 11 and 13, Operating~~
 97.34 ~~and property payment rates for admissions that result in transfers and transfers shall be~~

98.1 established on a per day payment system. The per day payment rate shall be the sum of
 98.2 the adjusted operating and property payment rates determined under this subdivision and
 98.3 subdivisions 2, 2b, 2c, 3a, 4a, 5a, and ~~7~~ 8 to 12, divided by the arithmetic mean length
 98.4 of stay for the diagnostic category. Each admission that results in a transfer and each
 98.5 transfer is considered a separate admission to each hospital, and the total of the admission
 98.6 and transfer payments to each hospital must not exceed the total per admission payment
 98.7 that would otherwise be made to each hospital under this subdivision and subdivisions
 98.8 2, 2b, 2c, 3a, 4a, 5a, and ~~7 to 13~~ 8 to 12.

98.9 Sec. 18. Minnesota Statutes 2012, section 256.969, subdivision 17, is amended to read:

98.10 Subd. 17. **Out-of-state hospitals in local trade areas.** Out-of-state hospitals that
 98.11 are located within a Minnesota local trade area and that have more than 20 admissions in
 98.12 the base year or years shall have rates established using the same procedures and methods
 98.13 that apply to Minnesota hospitals. For this subdivision and subdivision 18, local trade area
 98.14 means a county contiguous to Minnesota and located in a metropolitan statistical area as
 98.15 determined by Medicare for October 1 prior to the most current rebased rate year. Hospitals
 98.16 that are not required by law to file information in a format necessary to establish rates shall
 98.17 have rates established based on the commissioner's estimates of the information. Relative
 98.18 values of the diagnostic categories shall not be redetermined under this subdivision until
 98.19 required by ~~rule~~ statute. Hospitals affected by this subdivision shall then be included in
 98.20 determining relative values. However, hospitals that have rates established based upon
 98.21 the commissioner's estimates of information shall not be included in determining relative
 98.22 values. This subdivision is effective for hospital fiscal years beginning on or after July
 98.23 1, 1988. A hospital shall provide the information necessary to establish rates under this
 98.24 subdivision at least 90 days before the start of the hospital's fiscal year.

98.25 Sec. 19. Minnesota Statutes 2012, section 256.969, subdivision 30, is amended to read:

98.26 Subd. 30. **Payment rates for births.** (a) For admissions occurring on or after
 98.27 ~~October 1, 2009~~ September 1, 2014, the total operating and property payment rate,
 98.28 excluding disproportionate population adjustment, for the following diagnosis-related
 98.29 groups, as they fall within the diagnostic APR-DRG categories: (1) ~~371 cesarean section~~
 98.30 ~~without complicating diagnosis~~ 5601, 5602, 5603, 5604 vaginal delivery; and (2) ~~372~~
 98.31 ~~vaginal delivery with complicating diagnosis~~; and (3) ~~373 vaginal delivery without~~
 98.32 ~~complicating diagnosis~~ 5401, 5402, 5403, 5404 cesarean section, shall be no greater
 98.33 than \$3,528.

98.34 (b) The rates described in this subdivision do not include newborn care.

99.1 (c) Payments to managed care and county-based purchasing plans under section
99.2 256B.69, 256B.692, or 256L.12 shall be reduced for services provided on or after October
99.3 1, 2009, to reflect the adjustments in paragraph (a).

99.4 (d) Prior authorization shall not be required before reimbursement is paid for a
99.5 cesarean section delivery.

99.6 Sec. 20. Minnesota Statutes 2012, section 256B.0625, subdivision 30, is amended to
99.7 read:

99.8 Subd. 30. **Other clinic services.** (a) Medical assistance covers rural health clinic
99.9 services, federally qualified health center services, nonprofit community health clinic
99.10 services, and public health clinic services. Rural health clinic services and federally
99.11 qualified health center services mean services defined in United States Code, title 42,
99.12 section 1396d(a)(2)(B) and (C). Payment for rural health clinic and federally qualified
99.13 health center services shall be made according to applicable federal law and regulation.

99.14 (b) A federally qualified health center that is beginning initial operation shall submit
99.15 an estimate of budgeted costs and visits for the initial reporting period in the form and
99.16 detail required by the commissioner. A federally qualified health center that is already in
99.17 operation shall submit an initial report using actual costs and visits for the initial reporting
99.18 period. Within 90 days of the end of its reporting period, a federally qualified health
99.19 center shall submit, in the form and detail required by the commissioner, a report of
99.20 its operations, including allowable costs actually incurred for the period and the actual
99.21 number of visits for services furnished during the period, and other information required
99.22 by the commissioner. Federally qualified health centers that file Medicare cost reports
99.23 shall provide the commissioner with a copy of the most recent Medicare cost report filed
99.24 with the Medicare program intermediary for the reporting year which support the costs
99.25 claimed on their cost report to the state.

99.26 (c) In order to continue cost-based payment under the medical assistance program
99.27 according to paragraphs (a) and (b), a federally qualified health center or rural health clinic
99.28 must apply for designation as an essential community provider within six months of final
99.29 adoption of rules by the Department of Health according to section 62Q.19, subdivision
99.30 7. For those federally qualified health centers and rural health clinics that have applied
99.31 for essential community provider status within the six-month time prescribed, medical
99.32 assistance payments will continue to be made according to paragraphs (a) and (b) for the
99.33 first three years after application. For federally qualified health centers and rural health
99.34 clinics that either do not apply within the time specified above or who have had essential
99.35 community provider status for three years, medical assistance payments for health services

100.1 provided by these entities shall be according to the same rates and conditions applicable
100.2 to the same service provided by health care providers that are not federally qualified
100.3 health centers or rural health clinics.

100.4 (d) Effective July 1, 1999, the provisions of paragraph (c) requiring a federally
100.5 qualified health center or a rural health clinic to make application for an essential
100.6 community provider designation in order to have cost-based payments made according
100.7 to paragraphs (a) and (b) no longer apply.

100.8 (e) Effective January 1, 2000, payments made according to paragraphs (a) and (b)
100.9 shall be limited to the cost phase-out schedule of the Balanced Budget Act of 1997.

100.10 (f) Effective January 1, 2001, each federally qualified health center and rural health
100.11 clinic may elect to be paid either under the prospective payment system established
100.12 in United States Code, title 42, section 1396a(aa), or under an alternative payment
100.13 methodology consistent with the requirements of United States Code, title 42, section
100.14 1396a(aa), and approved by the Centers for Medicare and Medicaid Services. The
100.15 alternative payment methodology shall be 100 percent of cost as determined according to
100.16 Medicare cost principles.

100.17 (g) For purposes of this section, "nonprofit community clinic" is a clinic that:

100.18 (1) has nonprofit status as specified in chapter 317A;

100.19 (2) has tax exempt status as provided in Internal Revenue Code, section 501(c)(3);

100.20 (3) is established to provide health services to low-income population groups,
100.21 uninsured, high-risk and special needs populations, underserved and other special needs
100.22 populations;

100.23 (4) employs professional staff at least one-half of which are familiar with the
100.24 cultural background of their clients;

100.25 (5) charges for services on a sliding fee scale designed to provide assistance to
100.26 low-income clients based on current poverty income guidelines and family size; and

100.27 (6) does not restrict access or services because of a client's financial limitations or
100.28 public assistance status and provides no-cost care as needed.

100.29 (h) By July 1 of each year, the commissioner shall notify federally qualified health
100.30 centers and rural health clinics enrolled in medical assistance of the commissioner's intent
100.31 to close out payment rates and claims processing for services provided during the calendar
100.32 year two years prior to the year in which notification is provided. If the commissioner
100.33 and federally qualified health center or rural health clinic do not mutually agree to close
100.34 out these rates and claims processing within 90 days following the commissioner's
100.35 notification, the matter shall be submitted to an arbiter to determine whether to extend the
100.36 closeout deadline.

101.1 Sec. 21. Minnesota Statutes 2012, section 256B.199, is amended to read:

101.2 **256B.199 PAYMENTS REPORTED BY GOVERNMENTAL ENTITIES.**

101.3 (a) ~~Effective July 1, 2007,~~ The commissioner shall apply for federal matching
101.4 funds for the expenditures in paragraphs (b) and (c). ~~Effective September 1, 2011, the~~
101.5 ~~commissioner shall apply for matching funds for expenditures in paragraph (c).~~

101.6 (b) The commissioner shall apply for federal matching funds for certified public
101.7 expenditures as follows:

101.8 (1) ~~Hennepin County, Hennepin County Medical Center, Ramsey County, Regions~~
101.9 ~~Hospital, the University of Minnesota, and Fairview-University Medical Center shall~~
101.10 ~~report quarterly to the commissioner beginning June 1, 2007, payments made during the~~
101.11 ~~second previous quarter that may qualify for reimbursement under federal law;~~

101.12 ~~(2) based on these reports, the commissioner shall apply for federal matching~~
101.13 ~~funds. These funds are appropriated to the commissioner for the payments under section~~
101.14 ~~256.969, subdivision 27; and~~

101.15 (3) By May 1 of each year, beginning May 1, 2007, the commissioner shall inform
101.16 the nonstate entities listed in paragraph (a) of the amount of federal disproportionate share
101.17 hospital payment money expected to be available in the current federal fiscal year.

101.18 (c) ~~The commissioner shall apply for federal matching funds for general assistance~~
101.19 ~~medical care expenditures as follows:~~

101.20 (1) ~~for hospital services occurring on or after July 1, 2007, general assistance medical~~
101.21 ~~care expenditures for fee-for-service inpatient and outpatient hospital payments made by~~
101.22 ~~the department shall be used to apply for federal matching funds, except as limited below:~~

101.23 (i) ~~only those general assistance medical care expenditures made to an individual~~
101.24 ~~hospital that would not cause the hospital to exceed its individual hospital limits under~~
101.25 ~~section 1923 of the Social Security Act may be considered; and~~

101.26 (ii) ~~general assistance medical care expenditures may be considered only to the extent~~
101.27 ~~of Minnesota's aggregate allotment under section 1923 of the Social Security Act; and~~

101.28 (2) ~~all hospitals must provide any necessary expenditure, cost, and revenue~~
101.29 ~~information required by the commissioner as necessary for purposes of obtaining federal~~
101.30 ~~Medicaid matching funds for general assistance medical care expenditures.~~

101.31 (d) ~~For the period from April 1, 2009, to September 30, 2010, the commissioner shall~~
101.32 ~~apply for additional federal matching funds available as disproportionate share hospital~~
101.33 ~~payments under the American Recovery and Reinvestment Act of 2009. These funds shall~~
101.34 ~~be made available as the state share of payments under section 256.969, subdivision 28.~~

101.35 ~~The entities required to report certified public expenditures under paragraph (b), clause~~
101.36 ~~(1), shall report additional certified public expenditures as necessary under this paragraph.~~

102.1 ~~(e)~~ (c) For services provided on or after September 1, 2011, the commissioner shall
 102.2 apply for additional federal matching funds available as disproportionate share hospital
 102.3 payments under the MinnesotaCare program ~~according to the requirements and conditions~~
 102.4 ~~of paragraph (e)~~. A hospital may elect on an annual basis to not be a disproportionate
 102.5 share hospital for purposes of this paragraph, if the hospital does not qualify for a payment
 102.6 under section 256.969, subdivision 9, paragraph (b).

102.7 Sec. 22. **REPEALER.**

102.8 Minnesota Statutes 2012, sections 256.969, subdivisions 8b, 9a, 9b, 11, 13, 20, 21,
 102.9 22, 25, 26, 27, and 28; and 256.9695, subdivisions 3 and 4, are repealed.

102.10 **ARTICLE 17**

102.11 **NORTHSTAR CARE FOR CHILDREN**

102.12 Section 1. Minnesota Statutes 2012, section 245C.05, subdivision 5, is amended to read:

102.13 Subd. 5. **Fingerprints.** (a) Except as provided in paragraph (c), for any background
 102.14 study completed under this chapter, when the commissioner has reasonable cause to
 102.15 believe that further pertinent information may exist on the subject of the background
 102.16 study, the subject shall provide the commissioner with a set of classifiable fingerprints
 102.17 obtained from an authorized agency.

102.18 (b) For purposes of requiring fingerprints, the commissioner has reasonable cause
 102.19 when, but not limited to, the:

102.20 (1) information from the Bureau of Criminal Apprehension indicates that the subject
 102.21 is a multistate offender;

102.22 (2) information from the Bureau of Criminal Apprehension indicates that multistate
 102.23 offender status is undetermined; or

102.24 (3) commissioner has received a report from the subject or a third party indicating
 102.25 that the subject has a criminal history in a jurisdiction other than Minnesota.

102.26 (c) Except as specified under section 245C.04, subdivision 1, paragraph (d), for
 102.27 background studies conducted by the commissioner for child foster care ~~or~~, adoptions, or a
 102.28 transfer of permanent legal and physical custody of a child, the subject of the background
 102.29 study, who is 18 years of age or older, shall provide the commissioner with a set of
 102.30 classifiable fingerprints obtained from an authorized agency.

102.31 Sec. 2. Minnesota Statutes 2013 Supplement, section 245C.08, subdivision 1, is
 102.32 amended to read:

103.1 Subdivision 1. **Background studies conducted by Department of Human**
103.2 **Services.** (a) For a background study conducted by the Department of Human Services,
103.3 the commissioner shall review:

103.4 (1) information related to names of substantiated perpetrators of maltreatment of
103.5 vulnerable adults that has been received by the commissioner as required under section
103.6 626.557, subdivision 9c, paragraph (j);

103.7 (2) the commissioner's records relating to the maltreatment of minors in licensed
103.8 programs, and from findings of maltreatment of minors as indicated through the social
103.9 service information system;

103.10 (3) information from juvenile courts as required in subdivision 4 for individuals
103.11 listed in section 245C.03, subdivision 1, paragraph (a), when there is reasonable cause;

103.12 (4) information from the Bureau of Criminal Apprehension, including information
103.13 regarding a background study subject's registration in Minnesota as a predatory offender
103.14 under section 243.166;

103.15 (5) except as provided in clause (6), information from the national crime information
103.16 system when the commissioner has reasonable cause as defined under section 245C.05,
103.17 subdivision 5; and

103.18 (6) for a background study related to a child foster care application for licensure, a
103.19 transfer of permanent legal and physical custody of a child under sections 260C.503 to
103.20 260C.515, or adoptions, the commissioner shall also review:

103.21 (i) information from the child abuse and neglect registry for any state in which the
103.22 background study subject has resided for the past five years; and

103.23 (ii) information from national crime information databases, when the background
103.24 study subject is 18 years of age or older.

103.25 (b) Notwithstanding expungement by a court, the commissioner may consider
103.26 information obtained under paragraph (a), clauses (3) and (4), unless the commissioner
103.27 received notice of the petition for expungement and the court order for expungement is
103.28 directed specifically to the commissioner.

103.29 (c) The commissioner shall also review criminal case information received according
103.30 to section 245C.04, subdivision 4a, from the Minnesota court information system that
103.31 relates to individuals who have already been studied under this chapter and who remain
103.32 affiliated with the agency that initiated the background study.

103.33 Sec. 3. Minnesota Statutes 2012, section 245C.33, subdivision 1, is amended to read:

103.34 Subdivision 1. **Background studies conducted by commissioner.** (a) Before
103.35 placement of a child for purposes of adoption, the commissioner shall conduct a

104.1 background study on individuals listed in ~~section~~ sections 259.41, subdivision 3, and
 104.2 260C.611, for county agencies and private agencies licensed to place children for adoption.

104.3 When a prospective adoptive parent is seeking to adopt a child who is currently placed in
 104.4 the prospective adoptive parent's home and is under the guardianship of the commissioner
 104.5 according to section 260C.325, subdivision 1, paragraph (b), and the prospective adoptive
 104.6 parent holds a child foster care license, a new background study is not required when:

104.7 (1) a background study was completed on persons required to be studied under section
 104.8 245C.03 in connection with the application for child foster care licensure after July 1, 2007;

104.9 (2) the background study included a review of the information in section 245C.08,
 104.10 subdivisions 1, 3, and 4; and

104.11 (3) as a result of the background study, the individual was either not disqualified
 104.12 or, if disqualified, the disqualification was set aside under section 245C.22, or a variance
 104.13 was issued under section 245C.30.

104.14 (b) Before placement of a child for purposes of transferring permanent legal and
 104.15 physical custody to a relative under sections 260C.503 to 260C.515, the commissioner
 104.16 shall conduct a background study on each person age 13 or older living in the home.

104.17 When a prospective relative custodian has a child foster care license, a new background
 104.18 study is not required when:

104.19 (1) a background study was completed on persons required to be studied under section
 104.20 245C.03 in connection with the application for child foster care licensure after July 1, 2007;

104.21 (2) the background study included a review of the information in section 245C.08,
 104.22 subdivisions 1, 3, and 4; and

104.23 (3) as a result of the background study, the individual was either not disqualified
 104.24 or, if disqualified, the disqualification was set aside under section 245C.22, or a variance
 104.25 was issued under section 245C.30.

104.26 Sec. 4. Minnesota Statutes 2012, section 245C.33, subdivision 4, is amended to read:

104.27 Subd. 4. **Information commissioner reviews.** (a) The commissioner shall review
 104.28 the following information regarding the background study subject:

104.29 (1) the information under section 245C.08, subdivisions 1, 3, and 4;

104.30 (2) information from the child abuse and neglect registry for any state in which the
 104.31 subject has resided for the past five years; and

104.32 (3) information from national crime information databases, when required under
 104.33 section 245C.08.

105.1 (b) The commissioner shall provide any information collected under this subdivision
 105.2 to the county or private agency that initiated the background study. The commissioner
 105.3 shall also provide the agency:

105.4 (1) notice whether the information collected shows that the subject of the background
 105.5 study has a conviction listed in United States Code, title 42, section 671(a)(20)(A); and

105.6 (2) for background studies conducted under subdivision 1, paragraph (a), the date of
 105.7 all adoption-related background studies completed on the subject by the commissioner
 105.8 after June 30, 2007, and the name of the county or private agency that initiated the
 105.9 adoption-related background study.

105.10 Sec. 5. Minnesota Statutes 2013 Supplement, section 256B.055, subdivision 1, is
 105.11 amended to read:

105.12 Subdivision 1. **Children eligible for subsidized adoption assistance.** Medical
 105.13 assistance may be paid for a child eligible for or receiving adoption assistance payments
 105.14 under title IV-E of the Social Security Act, United States Code, title 42, sections 670 to
 105.15 676, and to any child who is not title IV-E eligible but who was determined eligible for
 105.16 adoption assistance under chapter 256N or section 259A.10, subdivision 2, and has a
 105.17 special need for medical or rehabilitative care.

105.18 Sec. 6. Minnesota Statutes 2013 Supplement, section 256N.02, is amended by adding a
 105.19 subdivision to read:

105.20 Subd. 14a. **Licensed child foster parent.** "Licensed child foster parent" means a
 105.21 person who is licensed for child foster care under Minnesota Rules, parts 2960.3000 to
 105.22 2960.3340, or licensed by a Minnesota tribe in accordance with tribal standards.

105.23 Sec. 7. Minnesota Statutes 2013 Supplement, section 256N.21, subdivision 2, is
 105.24 amended to read:

105.25 Subd. 2. **Placement in foster care.** To be eligible for foster care benefits under this
 105.26 section, the child must be in placement away from the child's legal parent or guardian, or
 105.27 Indian custodian as defined in section 260.755, subdivision 10, and all of the following
 105.28 criteria must be met must meet one of the criteria in clause (1) and either clause (2) or (3):

105.29 ~~(1) the legally responsible agency must have placement authority and care~~
 105.30 ~~responsibility, including for a child 18 years old or older and under age 21, who maintains~~
 105.31 ~~eligibility for foster care consistent with section 260C.451;~~

105.32 ~~(2)~~ (1) the legally responsible agency must have placement authority to place the
 105.33 child with: (i) a voluntary placement agreement or a court order, consistent with sections

106.1 260B.198, 260C.001, and 260D.01, or ~~continued eligibility~~ consistent with section
 106.2 260C.451 for a child 18 years old or older and under age 21 who maintains eligibility for
 106.3 foster care; or (ii) a voluntary placement agreement or court order by a Minnesota tribe
 106.4 that is consistent with United States Code, title 42, section 672(a)(2); and
 106.5 ~~(3) (2) the child must be is placed in an emergency relative placement under section~~
 106.6 ~~245A.035, with a licensed foster family setting, foster residence setting, or treatment~~
 106.7 ~~foster care setting licensed under Minnesota Rules, parts 2960.3000 to 2960.3340, a~~
 106.8 ~~family foster home licensed or approved by a tribal agency or, for a child 18 years old or~~
 106.9 ~~older and under age 21, child foster parent; or~~
 106.10 (3) the child is placed in one of the following unlicensed child foster care settings:
 106.11 (i) an emergency relative placement under tribal licensing regulations or section
 106.12 245A.035, with the legally responsible agency ensuring the relative completes the required
 106.13 child foster care application process;
 106.14 (ii) a licensed adult foster home with an approved age variance under section
 106.15 245A.16 for no more than six months;
 106.16 (iii) for a child 18 years old or older and under age 21 who is eligible for extended
 106.17 foster care under section 260C.451, an unlicensed supervised independent living setting
 106.18 approved by the agency responsible for the youth's child's care; or
 106.19 (iv) a preadoptive placement in a home specified in section 245A.03, subdivision
 106.20 2, paragraph (a), clause (9), with an approved adoption home study and signed adoption
 106.21 placement agreement.

106.22 Sec. 8. Minnesota Statutes 2013 Supplement, section 256N.21, is amended by adding a
 106.23 subdivision to read:

106.24 Subd. 7. **Background study.** (a) A county or private agency conducting a
 106.25 background study for purposes of child foster care licensing or approval must conduct
 106.26 the study in accordance with chapter 245C and must meet the requirements in United
 106.27 States Code, title 42, section 671(a)(20).

106.28 (b) A Minnesota tribe conducting a background study for purposes of child foster
 106.29 care licensing or approval must conduct the study in accordance with the requirements in
 106.30 United States Code, title 42, section 671(a)(20), when applicable.

106.31 Sec. 9. Minnesota Statutes 2013 Supplement, section 256N.22, subdivision 1, is
 106.32 amended to read:

106.33 Subdivision 1. **General eligibility requirements.** (a) To be eligible for guardianship
 106.34 assistance under this section, there must be a judicial determination under section

107.1 260C.515, subdivision 4, that a transfer of permanent legal and physical custody to a
107.2 relative is in the child's best interest. For a child under jurisdiction of a tribal court, a
107.3 judicial determination under a similar provision in tribal code indicating that a relative
107.4 will assume the duty and authority to provide care, control, and protection of a child who
107.5 is residing in foster care, and to make decisions regarding the child's education, health
107.6 care, and general welfare until adulthood, and that this is in the child's best interest is
107.7 considered equivalent. Additionally, a child must:

107.8 (1) have been removed from the child's home pursuant to a voluntary placement
107.9 agreement or court order;

107.10 (2)(i) have resided in with the prospective relative custodian who has been a
107.11 licensed child foster care parent for at least six consecutive months ~~in the home of the~~
107.12 ~~prospective relative custodian~~; or

107.13 (ii) have received from the commissioner an exemption from the requirement in item
107.14 (i) ~~from the court~~ that the prospective relative custodian has been a licensed child foster
107.15 parent for at least six consecutive months, based on a determination that:

107.16 (A) an expedited move to permanency is in the child's best interest;

107.17 (B) expedited permanency cannot be completed without provision of guardianship
107.18 assistance; ~~and~~

107.19 (C) the prospective relative custodian is uniquely qualified to meet the child's needs,₂
107.20 as defined in section 260C.212, subdivision 2, on a permanent basis;

107.21 (D) the child and prospective relative custodian meet the eligibility requirements
107.22 of this section; and

107.23 (E) efforts were made by the legally responsible agency to place the child with the
107.24 prospective relative custodian as a licensed child foster parent for six consecutive months
107.25 before permanency, or an explanation why these efforts were not in the child's best interests;

107.26 (3) meet the agency determinations regarding permanency requirements in
107.27 subdivision 2;

107.28 (4) meet the applicable citizenship and immigration requirements in subdivision 3;

107.29 (5) have been consulted regarding the proposed transfer of permanent legal and
107.30 physical custody to a relative, if the child is at least 14 years of age or is expected to attain
107.31 14 years of age prior to the transfer of permanent legal and physical custody; and

107.32 (6) have a written, binding agreement under section 256N.25 among the caregiver or
107.33 caregivers, the financially responsible agency, and the commissioner established prior to
107.34 transfer of permanent legal and physical custody.

108.1 (b) In addition to the requirements in paragraph (a), the child's prospective relative
108.2 custodian or custodians must meet the applicable background study requirements in
108.3 subdivision 4.

108.4 (c) To be eligible for title IV-E guardianship assistance, a child must also meet any
108.5 additional criteria in section 473(d) of the Social Security Act. The sibling of a child
108.6 who meets the criteria for title IV-E guardianship assistance in section 473(d) of the
108.7 Social Security Act is eligible for title IV-E guardianship assistance if the child and
108.8 sibling are placed with the same prospective relative custodian or custodians, and the
108.9 legally responsible agency, relatives, and commissioner agree on the appropriateness of
108.10 the arrangement for the sibling. A child who meets all eligibility criteria except those
108.11 specific to title IV-E guardianship assistance is entitled to guardianship assistance paid
108.12 through funds other than title IV-E.

108.13 Sec. 10. Minnesota Statutes 2013 Supplement, section 256N.22, subdivision 2, is
108.14 amended to read:

108.15 Subd. 2. **Agency determinations regarding permanency.** (a) To be eligible for
108.16 guardianship assistance, the legally responsible agency must complete the following
108.17 determinations regarding permanency for the child prior to the transfer of permanent
108.18 legal and physical custody:

108.19 (1) a determination that reunification and adoption are not appropriate permanency
108.20 options for the child; and

108.21 (2) a determination that the child demonstrates a strong attachment to the prospective
108.22 relative custodian and the prospective relative custodian has a strong commitment to
108.23 caring permanently for the child.

108.24 (b) The legally responsible agency shall document the determinations in paragraph
108.25 (a) and the eligibility requirements in this section that comply with United States Code,
108.26 title 42, sections 673(d) and 675(1)(F). These determinations must be documented in a
108.27 kinship placement agreement, which must be in the format prescribed by the commissioner
108.28 and must be signed by the prospective relative custodian and the legally responsible
108.29 agency. In the case of a Minnesota tribe, the determinations and eligibility requirements
108.30 in this section may be provided in an alternative format approved by the commissioner.

108.31 Supporting information for completing each determination must be documented in the
108.32 legally responsible agency's case file and make them available for review as requested
108.33 by the financially responsible agency and the commissioner during the guardianship
108.34 assistance eligibility determination process.

109.1 Sec. 11. Minnesota Statutes 2013 Supplement, section 256N.22, subdivision 4, is
 109.2 amended to read:

109.3 Subd. 4. **Background study.** (a) A background study ~~under section 245C.33~~ must be
 109.4 completed on each prospective relative custodian and any other adult residing in the home
 109.5 of the prospective relative custodian. The background study must meet the requirements of
 109.6 United States Code, title 42, section 671(a)(20). A study completed under section 245C.33
 109.7 meets this requirement. A background study on the prospective relative custodian or adult
 109.8 residing in the household previously completed under ~~section 245C.04~~ chapter 245C for the
 109.9 purposes of child foster care licensure ~~may~~ under chapter 245A or licensure by a Minnesota
 109.10 tribe, shall be used for the purposes of this section, provided that the background study is
 109.11 ~~current~~ meets the requirements of this subdivision and the prospective relative custodian is
 109.12 a licensed child foster parent at the time of the application for guardianship assistance.

109.13 (b) If the background study reveals:

109.14 (1) a felony conviction at any time for:

109.15 (i) child abuse or neglect;

109.16 (ii) spousal abuse;

109.17 (iii) a crime against a child, including child pornography; or

109.18 (iv) a crime involving violence, including rape, sexual assault, or homicide, but not
 109.19 including other physical assault or battery; or

109.20 (2) a felony conviction within the past five years for:

109.21 (i) physical assault;

109.22 (ii) battery; or

109.23 (iii) a drug-related offense;

109.24 the prospective relative custodian is prohibited from receiving guardianship assistance
 109.25 on behalf of an otherwise eligible child.

109.26 Sec. 12. Minnesota Statutes 2013 Supplement, section 256N.22, subdivision 6, is
 109.27 amended to read:

109.28 Subd. 6. **Exclusions.** (a) A child with a guardianship assistance agreement under
 109.29 Northstar Care for Children is not eligible for the Minnesota family investment program
 109.30 child-only grant under chapter 256J.

109.31 (b) The commissioner shall not enter into a guardianship assistance agreement with:

109.32 (1) a child's biological parent or stepparent;

109.33 (2) an individual assuming permanent legal and physical custody of a child or the
 109.34 equivalent under tribal code without involvement of the child welfare system; or

110.1 (3) an individual assuming permanent legal and physical custody of a child who was
 110.2 placed in Minnesota by another state or a tribe outside of Minnesota.

110.3 Sec. 13. Minnesota Statutes 2013 Supplement, section 256N.23, subdivision 1, is
 110.4 amended to read:

110.5 Subdivision 1. **General eligibility requirements.** (a) To be eligible for Northstar
 110.6 adoption assistance under this section, a child must:

110.7 (1) be determined to be a child with special needs under subdivision 2;

110.8 (2) meet the applicable citizenship and immigration requirements in subdivision 3;

110.9 (3)(i) meet the criteria in section 473 of the Social Security Act; or

110.10 (ii) have had foster care payments paid on the child's behalf while in out-of-home

110.11 placement through the county social service agency or ~~tribe and be either under the~~

110.12 tribal social service agency prior to the issuance of a court order transferring the child's

110.13 guardianship of to the commissioner or under the jurisdiction of a Minnesota tribe and

110.14 adoption, according to tribal law, is in the child's documented permanency plan making

110.15 the child a ward of the tribe; and

110.16 (4) have a written, binding agreement under section 256N.25 among the adoptive

110.17 parent, the financially responsible agency, or, if there is no financially responsible agency,

110.18 the agency designated by the commissioner, and the commissioner established prior to

110.19 finalization of the adoption.

110.20 (b) In addition to the requirements in paragraph (a), an eligible child's adoptive parent

110.21 or parents must meet the applicable background study requirements in subdivision 4.

110.22 (c) A child who meets all eligibility criteria except those specific to title IV-E adoption

110.23 assistance shall receive adoption assistance paid through funds other than title IV-E.

110.24 (d) A child receiving Northstar kinship assistance payments under section 256N.22

110.25 is eligible for Northstar adoption assistance when the criteria in paragraph (a) are met and

110.26 the child's legal custodian is adopting the child.

110.27 Sec. 14. Minnesota Statutes 2013 Supplement, section 256N.23, subdivision 4, is

110.28 amended to read:

110.29 Subd. 4. **Background study.** (a) A background study ~~under section 259.41~~ must be

110.30 completed on each prospective adoptive parent: and all other adults residing in the home.

110.31 A background study must meet the requirements of United States Code, title 42, section

110.32 671(a)(20). A study completed under section 245C.33 meets this requirement. If the

110.33 prospective adoptive parent is a licensed child foster parent licensed under chapter 245A

110.34 or by a Minnesota tribe, the background study previously completed for the purposes of

111.1 child foster care licensure shall be used for the purpose of this section, provided that the
 111.2 background study meets all other requirements of this subdivision and the prospective
 111.3 adoptive parent is a licensed child foster parent at the time of the application for adoption
 111.4 assistance.

111.5 (b) If the background study reveals:

111.6 (1) a felony conviction at any time for:

111.7 (i) child abuse or neglect;

111.8 (ii) spousal abuse;

111.9 (iii) a crime against a child, including child pornography; or

111.10 (iv) a crime involving violence, including rape, sexual assault, or homicide, but not
 111.11 including other physical assault or battery; or

111.12 (2) a felony conviction within the past five years for:

111.13 (i) physical assault;

111.14 (ii) battery; or

111.15 (iii) a drug-related offense;

111.16 the adoptive parent is prohibited from receiving adoption assistance on behalf of an
 111.17 otherwise eligible child.

111.18 Sec. 15. Minnesota Statutes 2013 Supplement, section 256N.24, subdivision 9, is
 111.19 amended to read:

111.20 Subd. 9. **Timing of and requests for reassessments.** Reassessments for an eligible
 111.21 child must be completed within 30 days of any of the following events:

111.22 (1) for a child in continuous foster care, when six months have elapsed since
 111.23 ~~completion of the last assessment~~ the initial assessment, and annually thereafter;

111.24 (2) for a child in continuous foster care, change of placement location;

111.25 (3) for a child in foster care, at the request of the financially responsible agency or
 111.26 legally responsible agency;

111.27 (4) at the request of the commissioner; or

111.28 (5) at the request of the caregiver under subdivision 9 10.

111.29 Sec. 16. Minnesota Statutes 2013 Supplement, section 256N.24, subdivision 10,
 111.30 is amended to read:

111.31 Subd. 10. **Caregiver requests for reassessments.** (a) A caregiver may initiate
 111.32 a reassessment request for an eligible child in writing to the financially responsible
 111.33 agency or, if there is no financially responsible agency, the agency designated by the
 111.34 commissioner. The written request must include the reason for the request and the

112.1 name, address, and contact information of the caregivers. ~~For an eligible child with a~~
112.2 ~~guardianship assistance or adoption assistance agreement,~~ The caregiver may request a
112.3 reassessment if at least six months have elapsed since any ~~previously requested review~~
112.4 previous assessment or reassessment. ~~For an eligible foster child, a foster parent may~~
112.5 ~~request reassessment in less than six months with written documentation that there have~~
112.6 ~~been significant changes in the child's needs that necessitate an earlier reassessment.~~

112.7 (b) A caregiver may request a reassessment of an at-risk child for whom a
112.8 ~~guardianship assistance or an~~ adoption assistance agreement has been executed if the
112.9 caregiver has satisfied the commissioner with written documentation from a qualified
112.10 expert that the potential disability upon which eligibility for the agreement was based has
112.11 manifested itself, consistent with section 256N.25, subdivision 3, paragraph (b).

112.12 (c) If the reassessment cannot be completed within 30 days of the caregiver's request,
112.13 the agency responsible for reassessment must notify the caregiver of the reason for the
112.14 delay and a reasonable estimate of when the reassessment can be completed.

112.15 (d) Notwithstanding any provision to the contrary in paragraph (a) or subdivision 9,
112.16 when a Northstar kinship assistance agreement or adoption assistance agreement under
112.17 section 256N.25 has been signed by all parties, no reassessment may be requested or
112.18 conducted until the court finalizes the transfer of permanent legal and physical custody or
112.19 finalizes the adoption, or the assistance agreement expires according to section 256N.25,
112.20 subdivision 1.

112.21 Sec. 17. Minnesota Statutes 2013 Supplement, section 256N.25, subdivision 2, is
112.22 amended to read:

112.23 Subd. 2. **Negotiation of agreement.** (a) When a child is determined to be eligible
112.24 for guardianship assistance or adoption assistance, the financially responsible agency, or,
112.25 if there is no financially responsible agency, the agency designated by the commissioner,
112.26 must negotiate with the caregiver to develop an agreement under subdivision 1. If and when
112.27 the caregiver and agency reach concurrence as to the terms of the agreement, both parties
112.28 shall sign the agreement. The agency must submit the agreement, along with the eligibility
112.29 determination outlined in sections 256N.22, subdivision 7, and 256N.23, subdivision 7, to
112.30 the commissioner for final review, approval, and signature according to subdivision 1.

112.31 (b) A monthly payment is provided as part of the adoption assistance or guardianship
112.32 assistance agreement to support the care of children unless the child is eligible for adoption
112.33 assistance and determined to be an at-risk child, in which case ~~the special at-risk monthly~~
112.34 ~~payment under section 256N.26, subdivision 7, must~~ no payment will be made unless and

113.1 until the caregiver obtains written documentation from a qualified expert that the potential
113.2 disability upon which eligibility for the agreement was based has manifested itself.

113.3 (1) The amount of the payment made on behalf of a child eligible for guardianship
113.4 assistance or adoption assistance is determined through agreement between the prospective
113.5 relative custodian or the adoptive parent and the financially responsible agency, or, if there
113.6 is no financially responsible agency, the agency designated by the commissioner, using
113.7 the assessment tool established by the commissioner in section 256N.24, subdivision 2,
113.8 and the associated benefit and payments outlined in section 256N.26. Except as provided
113.9 under section 256N.24, subdivision 1, paragraph (c), the assessment tool establishes
113.10 the monthly benefit level for a child under foster care. The monthly payment under a
113.11 guardianship assistance agreement or adoption assistance agreement may be negotiated up
113.12 to the monthly benefit level under foster care. In no case may the amount of the payment
113.13 under a guardianship assistance agreement or adoption assistance agreement exceed the
113.14 foster care maintenance payment which would have been paid during the month if the
113.15 child with respect to whom the guardianship assistance or adoption assistance payment is
113.16 made had been in a foster family home in the state.

113.17 (2) The rate schedule for the agreement is determined based on the age of the
113.18 child on the date that the prospective adoptive parent or parents or relative custodian or
113.19 custodians sign the agreement.

113.20 (3) The income of the relative custodian or custodians or adoptive parent or parents
113.21 must not be taken into consideration when determining eligibility for guardianship
113.22 assistance or adoption assistance or the amount of the payments under section 256N.26.

113.23 (4) With the concurrence of the relative custodian or adoptive parent, the amount of
113.24 the payment may be adjusted periodically using the assessment tool established by the
113.25 commissioner in section 256N.24, subdivision 2, and the agreement renegotiated under
113.26 subdivision 3 when there is a change in the child's needs or the family's circumstances.

113.27 ~~(5) The guardianship assistance or adoption assistance agreement of a child who is~~
113.28 ~~identified as at-risk receives the special at-risk monthly payment under section 256N.26,~~
113.29 ~~subdivision 7, unless and until the potential disability manifests itself, as documented by~~
113.30 ~~an appropriate professional, and the commissioner authorizes commencement of payment~~
113.31 ~~by modifying the agreement accordingly. A relative custodian or An adoptive parent~~
113.32 ~~of an at-risk child with a guardianship assistance or an adoption assistance agreement~~
113.33 ~~may request a reassessment of the child under section 256N.24, subdivision 9 10, and~~
113.34 ~~renegotiation of the guardianship assistance or adoption assistance agreement under~~
113.35 ~~subdivision 3 to include a monthly payment, if the caregiver has written documentation~~
113.36 ~~from a qualified expert that the potential disability upon which eligibility for the agreement~~

114.1 was based has manifested itself. Documentation of the disability must be limited to
114.2 evidence deemed appropriate by the commissioner.

114.3 (c) For guardianship assistance agreements:

114.4 (1) the initial amount of the monthly guardianship assistance payment must be
114.5 equivalent to the foster care rate in effect at the time that the agreement is signed less any
114.6 offsets under section 256N.26, subdivision 11, or a lesser negotiated amount if agreed to
114.7 by the prospective relative custodian and specified in that agreement, unless ~~the child is~~
114.8 ~~identified as at-risk~~ or the guardianship assistance agreement is entered into when a child
114.9 is under the age of six; and

114.10 ~~(2) an at-risk child must be assigned level A as outlined in section 256N.26 and~~
114.11 ~~receive the special at-risk monthly payment under section 256N.26, subdivision 7, unless~~
114.12 ~~and until the potential disability manifests itself, as documented by a qualified expert, and~~
114.13 ~~the commissioner authorizes commencement of payment by modifying the agreement~~
114.14 ~~accordingly; and~~

114.15 ~~(3)~~ (2) the amount of the monthly payment for a guardianship assistance agreement
114.16 for a child, ~~other than an at-risk child~~, who is under the age of six must be as specified in
114.17 section 256N.26, subdivision 5.

114.18 (d) For adoption assistance agreements:

114.19 (1) for a child in foster care with the prospective adoptive parent immediately prior
114.20 to adoptive placement, the initial amount of the monthly adoption assistance payment
114.21 must be equivalent to the foster care rate in effect at the time that the agreement is signed
114.22 less any offsets in section 256N.26, subdivision 11, or a lesser negotiated amount if agreed
114.23 to by the prospective adoptive parents and specified in that agreement, unless the child is
114.24 identified as at-risk or the adoption assistance agreement is entered into when a child is
114.25 under the age of six;

114.26 (2) for an at-risk child who must be assigned level A as outlined in section
114.27 ~~256N.26 and receive the special at-risk monthly payment under section 256N.26,~~
114.28 ~~subdivision 7, no payment will be made~~ unless and until the potential disability manifests
114.29 itself, as documented by an appropriate professional, and the commissioner authorizes
114.30 commencement of payment by modifying the agreement accordingly;

114.31 (3) the amount of the monthly payment for an adoption assistance agreement for
114.32 a child under the age of six, other than an at-risk child, must be as specified in section
114.33 256N.26, subdivision 5;

114.34 (4) for a child who is in the guardianship assistance program immediately prior
114.35 to adoptive placement, the initial amount of the adoption assistance payment must be
114.36 equivalent to the guardianship assistance payment in effect at the time that the adoption

115.1 assistance agreement is signed or a lesser amount if agreed to by the prospective adoptive
115.2 parent and specified in that agreement, unless the child is identified as an at-risk child; and
115.3 (5) for a child who is not in foster care placement or the guardianship assistance
115.4 program immediately prior to adoptive placement or negotiation of the adoption assistance
115.5 agreement, the initial amount of the adoption assistance agreement must be determined
115.6 using the assessment tool and process in this section and the corresponding payment
115.7 amount outlined in section 256N.26.

115.8 Sec. 18. Minnesota Statutes 2013 Supplement, section 256N.25, subdivision 3, is
115.9 amended to read:

115.10 Subd. 3. **Renegotiation of agreement.** (a) A relative custodian or adoptive
115.11 parent of a child with a guardianship assistance or adoption assistance agreement may
115.12 request renegotiation of the agreement when there is a change in the needs of the child
115.13 or in the family's circumstances. When a relative custodian or adoptive parent requests
115.14 renegotiation of the agreement, a reassessment of the child must be completed consistent
115.15 with section 256N.24, subdivisions 9 and 10. If the reassessment indicates that the
115.16 child's level has changed, the financially responsible agency or, if there is no financially
115.17 responsible agency, the agency designated by the commissioner or the commissioner's
115.18 designee, and the caregiver must renegotiate the agreement to include a payment with
115.19 the level determined through the reassessment process. The agreement must not be
115.20 renegotiated unless the commissioner, the financially responsible agency, and the caregiver
115.21 mutually agree to the changes. The effective date of any renegotiated agreement must be
115.22 determined by the commissioner.

115.23 (b) ~~A relative custodian or~~ An adoptive parent of an at-risk child with a ~~guardianship~~
115.24 ~~assistance or an~~ adoption assistance agreement may request renegotiation of the agreement
115.25 to include a monthly payment ~~higher than the special at-risk monthly payment~~ under
115.26 section 256N.26, ~~subdivision 7,~~ if the caregiver has written documentation from a
115.27 qualified expert that the potential disability upon which eligibility for the agreement
115.28 was based has manifested itself. Documentation of the disability must be limited to
115.29 evidence deemed appropriate by the commissioner. Prior to renegotiating the agreement, a
115.30 reassessment of the child must be conducted as outlined in section 256N.24, subdivision
115.31 9. The reassessment must be used to renegotiate the agreement to include an appropriate
115.32 monthly payment. The agreement must not be renegotiated unless the commissioner, the
115.33 financially responsible agency, and the caregiver mutually agree to the changes. The
115.34 effective date of any renegotiated agreement must be determined by the commissioner.

116.1 (c) Renegotiation of a guardianship assistance or adoption assistance agreement is
116.2 required when one of the circumstances outlined in section 256N.26, subdivision 13,
116.3 occurs.

116.4 Sec. 19. Minnesota Statutes 2013 Supplement, section 256N.26, subdivision 1, is
116.5 amended to read:

116.6 Subdivision 1. **Benefits.** (a) There are three benefits under Northstar Care for
116.7 Children: medical assistance, basic payment, and supplemental difficulty of care payment.

116.8 (b) A child is eligible for medical assistance under subdivision 2.

116.9 (c) A child is eligible for the basic payment under subdivision 3, except for a child
116.10 assigned level A under section 256N.24, subdivision 1, because the child is determined to
116.11 be an at-risk child receiving ~~guardianship assistance or~~ adoption assistance.

116.12 (d) A child, including a foster child age 18 to 21, is eligible for an additional
116.13 supplemental difficulty of care payment under subdivision 4, as determined by the
116.14 assessment under section 256N.24.

116.15 (e) An eligible child entering guardianship assistance or adoption assistance under
116.16 the age of six receives a basic payment and supplemental difficulty of care payment as
116.17 specified in subdivision 5.

116.18 (f) A child transitioning in from a pre-Northstar Care for Children program under
116.19 section 256N.28, subdivision 7, shall receive basic and difficulty of care supplemental
116.20 payments according to those provisions.

116.21 Sec. 20. Minnesota Statutes 2013 Supplement, section 256N.27, subdivision 4, is
116.22 amended to read:

116.23 Subd. 4. **Nonfederal share.** (a) The commissioner shall establish a percentage share
116.24 of the maintenance payments, reduced by federal reimbursements under title IV-E of the
116.25 Social Security Act, to be paid by the state and to be paid by the financially responsible
116.26 agency.

116.27 (b) These state and local shares must initially be calculated based on the ratio of the
116.28 average appropriate expenditures made by the state and all financially responsible agencies
116.29 during calendar years 2011, 2012, 2013, and 2014. For purposes of this calculation,
116.30 appropriate expenditures for the financially responsible agencies must include basic and
116.31 difficulty of care payments for foster care reduced by federal reimbursements, but not
116.32 including any initial clothing allowance, administrative payments to child care agencies
116.33 specified in section 317A.907, child care, or other support or ancillary expenditures. For

117.1 purposes of this calculation, appropriate expenditures for the state shall include adoption
117.2 assistance and relative custody assistance, reduced by federal reimbursements.

117.3 (c) For each of the periods January 1, 2015, to June 30, 2016, and fiscal years 2017,
117.4 2018, and 2019, the commissioner shall adjust this initial percentage of state and local
117.5 shares to reflect the relative expenditure trends during calendar years 2011, 2012, 2013, and
117.6 2014, taking into account appropriations for Northstar Care for Children and the turnover
117.7 rates of the components. In making these adjustments, the commissioner's goal shall be to
117.8 make these state and local expenditures other than the appropriations for Northstar Care
117.9 for Children to be the same as they would have been had Northstar Care for Children not
117.10 been implemented, or if that is not possible, proportionally higher or lower, as appropriate.
117.11 Except for adjustments so that the costs of the phase-in are borne by the state, the state and
117.12 local share percentages for fiscal year 2019 must be used for all subsequent years.

117.13 Sec. 21. Minnesota Statutes 2012, section 257.85, subdivision 11, is amended to read:

117.14 Subd. 11. **Financial considerations.** (a) Payment of relative custody assistance
117.15 under a relative custody assistance agreement is subject to the availability of state funds
117.16 and payments may be reduced or suspended on order of the commissioner if insufficient
117.17 funds are available.

117.18 (b) ~~Upon receipt from a local agency of a claim for reimbursement, the commissioner~~
117.19 ~~shall reimburse the local agency in an amount equal to 100 percent of the relative custody~~
117.20 ~~assistance payments provided to relative custodians. The A local agency may not seek and~~
117.21 ~~the commissioner shall not provide reimbursement for the administrative costs associated~~
117.22 ~~with performing the duties described in subdivision 4.~~

117.23 (c) For the purposes of determining eligibility or payment amounts under MFIP,
117.24 relative custody assistance payments shall be excluded in determining the family's
117.25 available income.

117.26 (d) For expenditures made on or before December 31, 2014, upon receipt from a
117.27 local agency of a claim for reimbursement, the commissioner shall reimburse the local
117.28 agency in an amount equal to 100 percent of the relative custody assistance payments
117.29 provided to relative custodians.

117.30 (e) For expenditures made on or after January 1, 2015, upon receipt from a local
117.31 agency of a claim for reimbursement, the commissioner shall reimburse the local agency as
117.32 part of the Northstar Care for Children fiscal reconciliation process under section 256N.27.

117.33 Sec. 22. Minnesota Statutes 2012, section 260C.212, subdivision 1, is amended to read:

118.1 Subdivision 1. **Out-of-home placement; plan.** (a) An out-of-home placement plan
118.2 shall be prepared within 30 days after any child is placed in foster care by court order or a
118.3 voluntary placement agreement between the responsible social services agency and the
118.4 child's parent pursuant to section 260C.227 or chapter 260D.

118.5 (b) An out-of-home placement plan means a written document which is prepared
118.6 by the responsible social services agency jointly with the parent or parents or guardian
118.7 of the child and in consultation with the child's guardian ad litem, the child's tribe, if the
118.8 child is an Indian child, the child's foster parent or representative of the foster care facility,
118.9 and, where appropriate, the child. For a child in voluntary foster care for treatment under
118.10 chapter 260D, preparation of the out-of-home placement plan shall additionally include
118.11 the child's mental health treatment provider. As appropriate, the plan shall be:

118.12 (1) submitted to the court for approval under section 260C.178, subdivision 7;

118.13 (2) ordered by the court, either as presented or modified after hearing, under section
118.14 260C.178, subdivision 7, or 260C.201, subdivision 6; and

118.15 (3) signed by the parent or parents or guardian of the child, the child's guardian ad
118.16 litem, a representative of the child's tribe, the responsible social services agency, and, if
118.17 possible, the child.

118.18 (c) The out-of-home placement plan shall be explained to all persons involved in its
118.19 implementation, including the child who has signed the plan, and shall set forth:

118.20 (1) a description of the foster care home or facility selected, including how the
118.21 out-of-home placement plan is designed to achieve a safe placement for the child in the
118.22 least restrictive, most family-like, setting available which is in close proximity to the home
118.23 of the parent or parents or guardian of the child when the case plan goal is reunification,
118.24 and how the placement is consistent with the best interests and special needs of the child
118.25 according to the factors under subdivision 2, paragraph (b);

118.26 (2) the specific reasons for the placement of the child in foster care, and when
118.27 reunification is the plan, a description of the problems or conditions in the home of the
118.28 parent or parents which necessitated removal of the child from home and the changes the
118.29 parent or parents must make in order for the child to safely return home;

118.30 (3) a description of the services offered and provided to prevent removal of the child
118.31 from the home and to reunify the family including:

118.32 (i) the specific actions to be taken by the parent or parents of the child to eliminate
118.33 or correct the problems or conditions identified in clause (2), and the time period during
118.34 which the actions are to be taken; and

118.35 (ii) the reasonable efforts, or in the case of an Indian child, active efforts to be made
118.36 to achieve a safe and stable home for the child including social and other supportive

119.1 services to be provided or offered to the parent or parents or guardian of the child, the
119.2 child, and the residential facility during the period the child is in the residential facility;

119.3 (4) a description of any services or resources that were requested by the child or the
119.4 child's parent, guardian, foster parent, or custodian since the date of the child's placement
119.5 in the residential facility, and whether those services or resources were provided and if
119.6 not, the basis for the denial of the services or resources;

119.7 (5) the visitation plan for the parent or parents or guardian, other relatives as defined
119.8 in section 260C.007, subdivision 27, and siblings of the child if the siblings are not placed
119.9 together in foster care, and whether visitation is consistent with the best interest of the
119.10 child, during the period the child is in foster care;

119.11 (6) when a child cannot return to or be in the care of either parent, documentation of
119.12 steps to finalize the permanency plan for the child, including:

119.13 (i) reasonable efforts to place the child for adoption or legal guardianship of the child
119.14 if the court has issued an order terminating the rights of both parents of the child or of the
119.15 only known, living parent of the child. At a minimum, the documentation must include
119.16 consideration of whether adoption is in the best interests of the child, child-specific
119.17 recruitment efforts such as relative search and the use of state, regional, and national
119.18 adoption exchanges to facilitate orderly and timely placements in and outside of the state.
119.19 A copy of this documentation shall be provided to the court in the review required under
119.20 section 260C.317, subdivision 3, paragraph (b); and

119.21 (ii) documentation necessary to support the requirements of the kinship placement
119.22 agreement under section 256N.22 when adoption is determined not to be in the child's
119.23 best interest;

119.24 (7) efforts to ensure the child's educational stability while in foster care, including:

119.25 (i) efforts to ensure that the child remains in the same school in which the child was
119.26 enrolled prior to placement or upon the child's move from one placement to another,
119.27 including efforts to work with the local education authorities to ensure the child's
119.28 educational stability; or

119.29 (ii) if it is not in the child's best interest to remain in the same school that the child
119.30 was enrolled in prior to placement or move from one placement to another, efforts to
119.31 ensure immediate and appropriate enrollment for the child in a new school;

119.32 (8) the educational records of the child including the most recent information
119.33 available regarding:

119.34 (i) the names and addresses of the child's educational providers;

119.35 (ii) the child's grade level performance;

119.36 (iii) the child's school record;

- 120.1 (iv) a statement about how the child's placement in foster care takes into account
120.2 proximity to the school in which the child is enrolled at the time of placement; and
- 120.3 (v) any other relevant educational information;
- 120.4 (9) the efforts by the local agency to ensure the oversight and continuity of health
120.5 care services for the foster child, including:
- 120.6 (i) the plan to schedule the child's initial health screens;
- 120.7 (ii) how the child's known medical problems and identified needs from the screens,
120.8 including any known communicable diseases, as defined in section 144.4172, subdivision
120.9 2, will be monitored and treated while the child is in foster care;
- 120.10 (iii) how the child's medical information will be updated and shared, including
120.11 the child's immunizations;
- 120.12 (iv) who is responsible to coordinate and respond to the child's health care needs,
120.13 including the role of the parent, the agency, and the foster parent;
- 120.14 (v) who is responsible for oversight of the child's prescription medications;
- 120.15 (vi) how physicians or other appropriate medical and nonmedical professionals
120.16 will be consulted and involved in assessing the health and well-being of the child and
120.17 determine the appropriate medical treatment for the child; and
- 120.18 (vii) the responsibility to ensure that the child has access to medical care through
120.19 either medical insurance or medical assistance;
- 120.20 (10) the health records of the child including information available regarding:
- 120.21 (i) the names and addresses of the child's health care and dental care providers;
- 120.22 (ii) a record of the child's immunizations;
- 120.23 (iii) the child's known medical problems, including any known communicable
120.24 diseases as defined in section 144.4172, subdivision 2;
- 120.25 (iv) the child's medications; and
- 120.26 (v) any other relevant health care information such as the child's eligibility for
120.27 medical insurance or medical assistance;
- 120.28 (11) an independent living plan for a child age 16 or older. The plan should include,
120.29 but not be limited to, the following objectives:
- 120.30 (i) educational, vocational, or employment planning;
- 120.31 (ii) health care planning and medical coverage;
- 120.32 (iii) transportation including, where appropriate, assisting the child in obtaining a
120.33 driver's license;
- 120.34 (iv) money management, including the responsibility of the agency to ensure that
120.35 the youth annually receives, at no cost to the youth, a consumer report as defined under
120.36 section 13C.001 and assistance in interpreting and resolving any inaccuracies in the report;

121.1 (v) planning for housing;
 121.2 (vi) social and recreational skills; and
 121.3 (vii) establishing and maintaining connections with the child's family and
 121.4 community; and

121.5 (12) for a child in voluntary foster care for treatment under chapter 260D, diagnostic
 121.6 and assessment information, specific services relating to meeting the mental health care
 121.7 needs of the child, and treatment outcomes.

121.8 (d) The parent or parents or guardian and the child each shall have the right to legal
 121.9 counsel in the preparation of the case plan and shall be informed of the right at the time
 121.10 of placement of the child. The child shall also have the right to a guardian ad litem.
 121.11 If unable to employ counsel from their own resources, the court shall appoint counsel
 121.12 upon the request of the parent or parents or the child or the child's legal guardian. The
 121.13 parent or parents may also receive assistance from any person or social services agency
 121.14 in preparation of the case plan.

121.15 After the plan has been agreed upon by the parties involved or approved or ordered
 121.16 by the court, the foster parents shall be fully informed of the provisions of the case plan
 121.17 and shall be provided a copy of the plan.

121.18 Upon discharge from foster care, the parent, adoptive parent, or permanent legal and
 121.19 physical custodian, as appropriate, and the child, if appropriate, must be provided with
 121.20 a current copy of the child's health and education record.

121.21 Sec. 23. Minnesota Statutes 2012, section 260C.515, subdivision 4, is amended to read:

121.22 Subd. 4. **Custody to relative.** The court may order permanent legal and physical
 121.23 custody to a fit and willing relative in the best interests of the child according to the
 121.24 following ~~conditions~~ requirements:

121.25 (1) an order for transfer of permanent legal and physical custody to a relative shall
 121.26 only be made after the court has reviewed the suitability of the prospective legal and
 121.27 physical custodian, including a review of the background study required under sections
 121.28 245C.33 and 256N.22, subdivision 4;

121.29 (2) in transferring permanent legal and physical custody to a relative, the juvenile
 121.30 court shall follow the standards applicable under this chapter and chapter 260, and the
 121.31 procedures in the Minnesota Rules of Juvenile Protection Procedure;

121.32 (3) a transfer of legal and physical custody includes responsibility for the protection,
 121.33 education, care, and control of the child and decision making on behalf of the child;

122.1 (4) a permanent legal and physical custodian may not return a child to the permanent
122.2 care of a parent from whom the court removed custody without the court's approval and
122.3 without notice to the responsible social services agency;

122.4 (5) the social services agency may file a petition naming a fit and willing relative as
122.5 a proposed permanent legal and physical custodian. A petition for transfer of permanent
122.6 legal and physical custody to a relative who is not a parent shall be accompanied by a
122.7 kinship placement agreement under section 256N.22, subdivision 2, between the agency
122.8 and proposed permanent legal and physical custodian;

122.9 (6) another party to the permanency proceeding regarding the child may file a
122.10 petition to transfer permanent legal and physical custody to a relative, ~~but the~~. The petition
122.11 must include facts upon which the court can make the determination required under clause
122.12 (7) and must be filed not later than the date for the required admit-deny hearing under
122.13 section 260C.507; or if the agency's petition is filed under section 260C.503, subdivision
122.14 2, the petition must be filed not later than 30 days prior to the trial required under section
122.15 260C.509; and

122.16 (7) where a petition is for transfer of permanent legal and physical custody to a
122.17 relative who is not a parent, the court must find that:

122.18 (i) transfer of permanent legal and physical custody and receipt of Northstar kinship
122.19 assistance under chapter 256N, when requested and the child is eligible, is in the child's
122.20 best interests;

122.21 (ii) adoption is not in the child's best interests based on the determinations in the
122.22 kinship placement agreement required under section 256N.22, subdivision 2;

122.23 (iii) the agency made efforts to discuss adoption with the child's parent or parents,
122.24 or the agency did not make efforts to discuss adoption and the reasons why efforts were
122.25 not made; and

122.26 (iv) there are reasons to separate siblings during placement, if applicable;

122.27 (8) the court may defer finalization of an order transferring permanent legal and
122.28 physical custody to a relative when deferring finalization is necessary to determine
122.29 eligibility for Northstar kinship assistance under chapter 256N; and

122.30 ~~(7)~~ (9) the juvenile court may maintain jurisdiction over the responsible social
122.31 services agency, the parents or guardian of the child, the child, and the permanent legal
122.32 and physical custodian for purposes of ensuring appropriate services are delivered to the
122.33 child and permanent legal custodian for the purpose of ensuring conditions ordered by the
122.34 court related to the care and custody of the child are met.

123.1 Sec. 24. Minnesota Statutes 2012, section 260C.611, is amended to read:

123.2 **260C.611 ADOPTION STUDY REQUIRED.**

123.3 (a) An adoption study under section 259.41 approving placement of the child in the
123.4 home of the prospective adoptive parent shall be completed before placing any child under
123.5 the guardianship of the commissioner in a home for adoption. If a prospective adoptive
123.6 parent has a current child foster care license under chapter 245A and is seeking to adopt
123.7 a foster child who is placed in the prospective adoptive parent's home and is under the
123.8 guardianship of the commissioner according to section 260C.325, subdivision 1, the child
123.9 foster care home study meets the requirements of this section for an approved adoption
123.10 home study if:

123.11 (1) the written home study on which the foster care license was based is completed
123.12 in the commissioner's designated format, consistent with the requirements in sections
123.13 260C.215, subdivision 4, clause (5); and 259.41, subdivision 2; and Minnesota Rules,
123.14 part 2960.3060, subpart 4;

123.15 (2) the background studies on each prospective adoptive parent and all required
123.16 household members were completed according to section 245C.33;

123.17 (3) the commissioner has not issued, within the last three years, a sanction on the
123.18 license under section 245A.07 or an order of a conditional license under section 245A.06;
123.19 and

123.20 (4) the legally responsible agency determines that the individual needs of the child
123.21 are being met by the prospective adoptive parent through an assessment under section
123.22 256N.24, subdivision 2, or a documented placement decision consistent with section
123.23 260C.212, subdivision 2.

123.24 (b) If a prospective adoptive parent has previously held a foster care license or
123.25 adoptive home study, any update necessary to the foster care license, or updated or new
123.26 adoptive home study, if not completed by the licensing authority responsible for the
123.27 previous license or home study, shall include collateral information from the previous
123.28 licensing or approving agency, if available.

123.29 Sec. 25. **REVISOR'S INSTRUCTION.**

123.30 The revisor of statutes shall change the term "guardianship assistance" to "Northstar
123.31 kinship assistance" wherever it appears in Minnesota Statutes and Minnesota Rules to
123.32 refer to the program components related to Northstar Care for Children under Minnesota
123.33 Statutes, chapter 256N.

123.34 Sec. 26. **REPEALER.**

124.1 Minnesota Statutes 2013 Supplement, section 256N.26, subdivision 7, is repealed.

124.2 **ARTICLE 18**

124.3 **COMMUNITY FIRST SERVICES AND SUPPORTS**

124.4 Section 1. Minnesota Statutes 2012, section 245C.03, is amended by adding a
124.5 subdivision to read:

124.6 Subd. 8. **Community first services and supports organizations.** The
124.7 commissioner shall conduct background studies on any individual required under section
124.8 256B.85 to have a background study completed under this chapter.

124.9 Sec. 2. Minnesota Statutes 2012, section 245C.04, is amended by adding a subdivision
124.10 to read:

124.11 Subd. 7. **Community first services and supports organizations.** (a) The
124.12 commissioner shall conduct a background study of an individual required to be studied
124.13 under section 245C.03, subdivision 8, at least upon application for initial enrollment
124.14 under section 256B.85.

124.15 (b) Before an individual described in section 245C.03, subdivision 8, begins a
124.16 position allowing direct contact with a person served by an organization required to initiate
124.17 a background study under section 256B.85, the organization must receive a notice from
124.18 the commissioner that the support worker is:

124.19 (1) not disqualified under section 245C.14; or

124.20 (2) disqualified, but the individual has received a set-aside of the disqualification
124.21 under section 245C.22.

124.22 Sec. 3. Minnesota Statutes 2012, section 245C.10, is amended by adding a subdivision
124.23 to read:

124.24 Subd. 10. **Community first services and supports organizations.** The
124.25 commissioner shall recover the cost of background studies initiated by an agency-provider
124.26 delivering services under section 256B.85, subdivision 11, or a financial management
124.27 services contractor providing service functions under section 256B.85, subdivision 13,
124.28 through a fee of no more than \$20 per study, charged to the organization responsible for
124.29 submitting the background study form. The fees collected under this subdivision are
124.30 appropriated to the commissioner for the purpose of conducting background studies.

124.31 Sec. 4. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 2, is
124.32 amended to read:

125.1 Subd. 2. **Definitions.** (a) For the purposes of this section, the terms defined in
125.2 this subdivision have the meanings given.

125.3 (b) "Activities of daily living" or "ADLs" means eating, toileting, grooming,
125.4 dressing, bathing, mobility, positioning, and transferring.

125.5 (c) "Agency-provider model" means a method of CFSS under which a qualified
125.6 agency provides services and supports through the agency's own employees and policies.
125.7 The agency must allow the participant to have a significant role in the selection and
125.8 dismissal of support workers of their choice for the delivery of their specific services
125.9 and supports.

125.10 (d) "Behavior" means a description of a need for services and supports used to
125.11 determine the home care rating and additional service units. The presence of Level I
125.12 behavior is used to determine the home care rating. "Level I behavior" means physical
125.13 aggression towards self or others or destruction of property that requires the immediate
125.14 response of another person. If qualified for a home care rating as described in subdivision
125.15 8, additional service units can be added as described in subdivision 8, paragraph (f), for
125.16 the following behaviors:

125.17 (1) Level I behavior;

125.18 (2) increased vulnerability due to cognitive deficits or socially inappropriate
125.19 behavior; or

125.20 (3) increased need for assistance for ~~recipients~~ participants who are verbally
125.21 aggressive or resistive to care so that time needed to perform activities of daily living is
125.22 increased.

125.23 (e) "Budget model" means a service delivery method of CFSS that allows the
125.24 use of a service budget and assistance from a vendor fiscal/employer agent financial
125.25 management services (FMS) contractor for a participant to directly employ support
125.26 workers and purchase supports and goods.

125.27 ~~(e)~~ (f) "Complex health-related needs" means an intervention listed in clauses (1)
125.28 to (8) that has been ordered by a physician, and is specified in a community support
125.29 plan, including:

125.30 (1) tube feedings requiring:

125.31 (i) a gastrojejunostomy tube; or

125.32 (ii) continuous tube feeding lasting longer than 12 hours per day;

125.33 (2) wounds described as:

125.34 (i) stage III or stage IV;

125.35 (ii) multiple wounds;

125.36 (iii) requiring sterile or clean dressing changes or a wound vac; or

- 126.1 (iv) open lesions such as burns, fistulas, tube sites, or ostomy sites that require
 126.2 specialized care;
- 126.3 (3) parenteral therapy described as:
- 126.4 (i) IV therapy more than two times per week lasting longer than four hours for
 126.5 each treatment; or
- 126.6 (ii) total parenteral nutrition (TPN) daily;
- 126.7 (4) respiratory interventions, including:
- 126.8 (i) oxygen required more than eight hours per day;
- 126.9 (ii) respiratory vest more than one time per day;
- 126.10 (iii) bronchial drainage treatments more than two times per day;
- 126.11 (iv) sterile or clean suctioning more than six times per day;
- 126.12 (v) dependence on another to apply respiratory ventilation augmentation devices
 126.13 such as BiPAP and CPAP; and
- 126.14 (vi) ventilator dependence under section 256B.0652;
- 126.15 (5) insertion and maintenance of catheter, including:
- 126.16 (i) sterile catheter changes more than one time per month;
- 126.17 (ii) clean intermittent catheterization, and including self-catheterization more than
 126.18 six times per day; or
- 126.19 (iii) bladder irrigations;
- 126.20 (6) bowel program more than two times per week requiring more than 30 minutes to
 126.21 perform each time;
- 126.22 (7) neurological intervention, including:
- 126.23 (i) seizures more than two times per week and requiring significant physical
 126.24 assistance to maintain safety; or
- 126.25 (ii) swallowing disorders diagnosed by a physician and requiring specialized
 126.26 assistance from another on a daily basis; and
- 126.27 (8) other congenital or acquired diseases creating a need for significantly increased
 126.28 direct hands-on assistance and interventions in six to eight activities of daily living.
- 126.29 ~~(f)~~ (g) "Community first services and supports" or "CFSS" means the assistance and
 126.30 supports program under this section needed for accomplishing activities of daily living,
 126.31 instrumental activities of daily living, and health-related tasks through hands-on assistance
 126.32 to accomplish the task or constant supervision and cueing to accomplish the task, or the
 126.33 purchase of goods as defined in subdivision 7, ~~paragraph (a)~~, clause (3), that replace
 126.34 the need for human assistance.
- 126.35 ~~(g)~~ (h) "Community first services and supports service delivery plan" or "service
 126.36 delivery plan" means a written ~~summary of document~~ document detailing the services and supports

127.1 chosen by the participant to meet assessed needs that is are within the approved CFSS
 127.2 service authorization amount. Services and supports are based on the community support
 127.3 plan identified in section 256B.0911 and coordinated services and support plan and budget
 127.4 identified in section 256B.0915, subdivision 6, if applicable, that is determined by the
 127.5 participant to meet the assessed needs, using a person-centered planning process.

127.6 (i) "Consultation services" means a Minnesota health care program enrolled provider
 127.7 organization that is under contract with the department and has the knowledge, skills,
 127.8 and ability to assist CFSS participants in using either the agency-provider model under
 127.9 subdivision 11 or the budget model under subdivision 13.

127.10 ~~(h)~~ (j) "Critical activities of daily living" means transferring, mobility, eating, and
 127.11 toileting.

127.12 ~~(i)~~ (k) "Dependency" in activities of daily living means a person requires hands-on
 127.13 assistance or constant supervision and cueing to accomplish one or more of the activities
 127.14 of daily living every day or on the days during the week that the activity is performed;
 127.15 however, a child may not be found to be dependent in an activity of daily living if,
 127.16 because of the child's age, an adult would either perform the activity for the child or assist
 127.17 the child with the activity and the assistance needed is the assistance appropriate for
 127.18 a typical child of the same age.

127.19 ~~(j)~~ (l) "Extended CFSS" means CFSS services and supports under the
 127.20 agency-provider model included in a service plan through one of the home and
 127.21 community-based services waivers and approved and authorized under sections
 127.22 256B.0915; 256B.092, subdivision 5; and 256B.49, which exceed the amount, duration,
 127.23 and frequency of the state plan CFSS services for participants.

127.24 ~~(k)~~ (m) "Financial management services contractor or vendor" or "FMS contractor"
 127.25 means a qualified organization having necessary to use the budget model under subdivision
 127.26 13 that has a written contract with the department to provide vendor fiscal/employer agent
 127.27 financial management services necessary to use the budget model under subdivision 13
 127.28 that (FMS). Services include but are not limited to: participant education and technical
 127.29 assistance; CFSS service delivery planning and budgeting; filing and payment of federal
 127.30 and state payroll taxes on behalf of the participant; initiating criminal background
 127.31 checks; billing, making payments, and for approved CFSS funds; monitoring of
 127.32 spending expenditures; accounting and disbursing CFSS funds; providing assistance in
 127.33 obtaining liability, workers' compensation, and unemployment coverage and filings; and
 127.34 assisting participant instruction and technical assistance to the participant in fulfilling
 127.35 employer-related requirements in accordance with Section 3504 of the Internal Revenue

128.1 Code and the ~~Internal Revenue Service Revenue Procedure 70-6~~ related regulations and
 128.2 interpretations, including Code of Federal Regulations, title 26, section 31.3504-1.

128.3 ~~(l) "Budget model" means a service delivery method of CFSS that allows the use of~~
 128.4 ~~an individualized CFSS service delivery plan and service budget and provides assistance~~
 128.5 ~~from the financial management services contractor to facilitate participant employment of~~
 128.6 ~~support workers and the acquisition of supports and goods.~~

128.7 ~~(m)~~ (n) "Health-related procedures and tasks" means procedures and tasks related
 128.8 to the specific needs of an individual that can be ~~delegated~~ taught or assigned by a
 128.9 state-licensed healthcare or mental health professional and performed by a support worker.

128.10 ~~(n)~~ (o) "Instrumental activities of daily living" means activities related to
 128.11 living independently in the community, including but not limited to: meal planning,
 128.12 preparation, and cooking; shopping for food, clothing, or other essential items; laundry;
 128.13 housecleaning; assistance with medications; managing finances; communicating needs
 128.14 and preferences during activities; arranging supports; and assistance with traveling around
 128.15 and participating in the community.

128.16 ~~(o)~~ (p) "Legal representative" means parent of a minor, a court-appointed guardian,
 128.17 or another representative with legal authority to make decisions about services and
 128.18 supports for the participant. Other representatives with legal authority to make decisions
 128.19 include but are not limited to a health care agent or an attorney-in-fact authorized through
 128.20 a health care directive or power of attorney.

128.21 ~~(p)~~ (q) "Medication assistance" means providing verbal or visual reminders to take
 128.22 regularly scheduled medication, and includes any of the following supports listed in clauses
 128.23 (1) to (3) and other types of assistance, except that a support worker may not determine
 128.24 medication dose or time for medication or inject medications into veins, muscles, or skin:

128.25 (1) under the direction of the participant or the participant's representative, bringing
 128.26 medications to the participant including medications given through a nebulizer, opening a
 128.27 container of previously set-up medications, emptying the container into the participant's
 128.28 hand, opening and giving the medication in the original container to the participant, or
 128.29 bringing to the participant liquids or food to accompany the medication;

128.30 (2) organizing medications as directed by the participant or the participant's
 128.31 representative; and

128.32 (3) providing verbal or visual reminders to perform regularly scheduled medications.

128.33 ~~(q)~~ (r) "Participant's representative" means a parent, family member, advocate,
 128.34 or other adult authorized by the participant to serve as a representative in connection
 128.35 with the provision of CFSS. This authorization must be in writing or by another method
 128.36 that clearly indicates the participant's free choice. The participant's representative must

129.1 have no financial interest in the provision of any services included in the participant's
 129.2 service delivery plan and must be capable of providing the support necessary to assist
 129.3 the participant in the use of CFSS. If through the assessment process described in
 129.4 subdivision 5 a participant is determined to be in need of a participant's representative, one
 129.5 must be selected. If the participant is unable to assist in the selection of a participant's
 129.6 representative, the legal representative shall appoint one. Two persons may be designated
 129.7 as a participant's representative for reasons such as divided households and court-ordered
 129.8 custodies. Duties of a participant's representatives may include:

129.9 (1) being available while ~~care is~~ services are provided in a method agreed upon by
 129.10 the participant or the participant's legal representative and documented in the participant's
 129.11 CFSS service delivery plan;

129.12 (2) monitoring CFSS services to ensure the participant's CFSS service delivery
 129.13 plan is being followed; and

129.14 (3) reviewing and signing CFSS time sheets after services are provided to provide
 129.15 verification of the CFSS services.

129.16 ~~(r)~~ (s) "Person-centered planning process" means a process that is directed by the
 129.17 participant to plan for services and supports. The person-centered planning process must:

129.18 (1) include people chosen by the participant;

129.19 (2) provide necessary information and support to ensure that the participant directs
 129.20 the process to the maximum extent possible, and is enabled to make informed choices
 129.21 and decisions;

129.22 (3) be timely and occur at time and locations of convenience to the participant;

129.23 (4) reflect cultural considerations of the participant;

129.24 (5) include strategies for solving conflict or disagreement within the process,
 129.25 including clear conflict-of-interest guidelines for all planning;

129.26 (6) provide the participant choices of the services and supports they receive and the
 129.27 staff providing those services and supports;

129.28 (7) include a method for the participant to request updates to the plan; and

129.29 (8) record the alternative home and community-based settings that were considered
 129.30 by the participant.

129.31 ~~(s)~~ (t) "Shared services" means the provision of CFSS services by the same CFSS
 129.32 support worker to two or three participants who voluntarily enter into an agreement
 129.33 to receive services at the same time and in the same setting by the same ~~provider~~
 129.34 agency-provider.

129.35 ~~(t)~~ "Support specialist" means a professional with the skills and ability to assist the
 129.36 participant using either the agency-provider model under subdivision 11 or the flexible

130.1 ~~spending model under subdivision 13, in services including but not limited to assistance~~
 130.2 ~~regarding:~~

130.3 ~~(1) the development, implementation, and evaluation of the CFSS service delivery~~
 130.4 ~~plan under subdivision 6;~~

130.5 ~~(2) recruitment, training, or supervision, including supervision of health-related tasks~~
 130.6 ~~or behavioral supports appropriately delegated or assigned by a health care professional,~~
 130.7 ~~and evaluation of support workers; and~~

130.8 ~~(3) facilitating the use of informal and community supports, goods, or resources.~~

130.9 (u) "Support worker" means an a qualified and trained employee of the agency
 130.10 provider agency-provider or of the participant employer under the budget model who
 130.11 has direct contact with the participant and provides services as specified within the
 130.12 participant's service delivery plan.

130.13 (v) "Wages and benefits" means the hourly wages and salaries, the employer's
 130.14 share of FICA taxes, Medicare taxes, state and federal unemployment taxes, workers'
 130.15 compensation, mileage reimbursement, health and dental insurance, life insurance,
 130.16 disability insurance, long-term care insurance, uniform allowance, contributions to
 130.17 employee retirement accounts, or other forms of employee compensation and benefits.

130.18 (w) "Worker training and development" means services for developing workers'
 130.19 skills as required by the participant's individual CFSS delivery plan that are arranged for
 130.20 or provided by the agency-provider or purchased by the participant employer. These
 130.21 services include training, education, direct observation and supervision, and evaluation
 130.22 and coaching of job skills and tasks, including supervision of health-related tasks or
 130.23 behavioral supports.

130.24 Sec. 5. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 3, is
 130.25 amended to read:

130.26 Subd. 3. **Eligibility.** (a) CFSS is available to a person who meets one of the
 130.27 following:

130.28 (1) is ~~a recipient~~ an enrollee of medical assistance as determined under section
 130.29 256B.055, 256B.056, or 256B.057, subdivisions 5 and 9;

130.30 (2) is ~~a recipient of~~ participant in the alternative care program under section
 130.31 256B.0913;

130.32 (3) is a ~~waiver recipient~~ participant as defined under section 256B.0915, 256B.092,
 130.33 256B.093, or 256B.49; or

130.34 (4) has medical services identified in a participant's individualized education
 130.35 program and is eligible for services as determined in section 256B.0625, subdivision 26.

131.1 (b) In addition to meeting the eligibility criteria in paragraph (a), a person must also
 131.2 meet all of the following:

131.3 (1) require assistance and be determined dependent in one activity of daily living or
 131.4 Level I behavior based on assessment under section 256B.0911; and

131.5 (2) is not a ~~recipient of~~ participant under a family support grant under section 252.32;

131.6 ~~(3) lives in the person's own apartment or home including a family foster care setting~~
 131.7 ~~licensed under chapter 245A, but not in corporate foster care under chapter 245A; or a~~
 131.8 ~~noncertified boarding care home or a boarding and lodging establishment under chapter~~
 131.9 ~~157.~~

131.10 Sec. 6. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 5, is
 131.11 amended to read:

131.12 Subd. 5. **Assessment requirements.** (a) The assessment of functional need must:

131.13 (1) be conducted by a certified assessor according to the criteria established in
 131.14 section 256B.0911, subdivision 3a;

131.15 (2) be conducted face-to-face, initially and at least annually thereafter, or when there
 131.16 is a significant change in the participant's condition or a change in the need for services
 131.17 and supports, or at the request of the participant; and

131.18 (3) be completed using the format established by the commissioner.

131.19 ~~(b) A participant who is residing in a facility may be assessed and choose CFSS for~~
 131.20 ~~the purpose of using CFSS to return to the community as described in subdivisions 3~~
 131.21 ~~and 7, paragraph (a), clause (5).~~

131.22 ~~(e)~~ (b) The results of the assessment and any recommendations and authorizations
 131.23 for CFSS must be determined and communicated in writing by the lead agency's certified
 131.24 assessor as defined in section 256B.0911 to the participant and the agency-provider or
 131.25 ~~financial management services provider~~ FMS contractor chosen by the participant within
 131.26 40 calendar days and must include the participant's right to appeal under section 256.045,
 131.27 subdivision 3.

131.28 ~~(d)~~ (c) The lead agency assessor may ~~request~~ authorize a temporary authorization
 131.29 for CFSS services to be provided under the agency-provider model. Authorization for
 131.30 a temporary level of CFSS services under the agency-provider model is limited to the
 131.31 time specified by the commissioner, but shall not exceed 45 days. The level of services
 131.32 authorized under this ~~provision~~ paragraph shall have no bearing on a future authorization.

131.33 Sec. 7. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 6, is
 131.34 amended to read:

132.1 Subd. 6. **Community first services and support service delivery plan.** (a) The
 132.2 CFSS service delivery plan must be developed, ~~implemented,~~ and evaluated through a
 132.3 person-centered planning process by the participant, or the participant's representative
 132.4 or legal representative who may be assisted by a ~~support specialist~~ consultation services
 132.5 provider. The CFSS service delivery plan must reflect the services and supports that
 132.6 are important to the participant and for the participant to meet the needs assessed
 132.7 by the certified assessor and identified in the community support plan under section
 132.8 256B.0911, subdivision 3, or the coordinated services and support plan identified in
 132.9 section 256B.0915, subdivision 6, if applicable. The CFSS service delivery plan must be
 132.10 reviewed by the participant, the consultation services provider, and the agency-provider
 132.11 or ~~financial management services~~ FMS contractor prior to starting services and at least
 132.12 annually upon reassessment, or when there is a significant change in the participant's
 132.13 condition, or a change in the need for services and supports.

132.14 (b) The commissioner shall establish the format and criteria for the CFSS service
 132.15 delivery plan.

132.16 (c) The CFSS service delivery plan must be person-centered and:

132.17 (1) specify the consultation services provider, agency-provider₂ or ~~financial~~
 132.18 ~~management services~~ FMS contractor selected by the participant;

132.19 (2) reflect the setting in which the participant resides that is chosen by the participant;

132.20 (3) reflect the participant's strengths and preferences;

132.21 (4) include the means to address the clinical and support needs as identified through
 132.22 an assessment of functional needs;

132.23 (5) include individually identified goals and desired outcomes;

132.24 (6) reflect the services and supports, paid and unpaid, that will assist the participant
 132.25 to achieve identified goals, including the costs of the services and supports, and the
 132.26 providers of those services and supports, including natural supports;

132.27 (7) identify the amount and frequency of face-to-face supports and amount and
 132.28 frequency of remote supports and technology that will be used;

132.29 (8) identify risk factors and measures in place to minimize them, including
 132.30 individualized backup plans;

132.31 (9) be understandable to the participant and the individuals providing support;

132.32 (10) identify the individual or entity responsible for monitoring the plan;

132.33 (11) be finalized and agreed to in writing by the participant and signed by all
 132.34 individuals and providers responsible for its implementation;

132.35 (12) be distributed to the participant and other people involved in the plan; ~~and~~

132.36 (13) prevent the provision of unnecessary or inappropriate care;₂

133.1 (14) include a detailed budget for expenditures for budget model participants or
 133.2 participants under the agency-provider model if purchasing goods; and

133.3 (15) include a plan for worker training and development detailing what service
 133.4 components will be used, when the service components will be used, how they will be
 133.5 provided, and how these service components relate to the participant's individual needs
 133.6 and CFSS support worker services.

133.7 (d) The total units of agency-provider services or the service budget allocation
 133.8 amount for the budget model include both annual totals and a monthly average amount
 133.9 that cover the number of months of the service authorization. The amount used each
 133.10 month may vary, but additional funds must not be provided above the annual service
 133.11 authorization amount unless a change in condition is assessed and authorized by the
 133.12 certified assessor and documented in the community support plan, coordinated services
 133.13 and supports plan, and CFSS service delivery plan.

133.14 (e) In assisting with the development or modification of the plan during the
 133.15 authorization time period, the consultation services provider shall:

133.16 (1) consult with the FMS contractor on the spending budget when applicable; and

133.17 (2) consult with the participant or participant's representative, agency-provider, and
 133.18 case manager/care coordinator.

133.19 (f) The service plan must be approved by the consultation services provider for
 133.20 participants without a case manager/care coordinator. A case manager/care coordinator
 133.21 must approve the plan for a waiver or alternative care program participant.

133.22 Sec. 8. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 7, is
 133.23 amended to read:

133.24 Subd. 7. **Community first services and supports; covered services.** Within the
 133.25 service unit authorization or service budget allocation amount, services and supports
 133.26 covered under CFSS include:

133.27 (1) assistance to accomplish activities of daily living (ADLs), instrumental activities
 133.28 of daily living (IADLs), and health-related procedures and tasks through hands-on
 133.29 assistance to accomplish the task or constant supervision and cueing to accomplish the task;

133.30 (2) assistance to acquire, maintain, or enhance the skills necessary for the participant
 133.31 to accomplish activities of daily living, instrumental activities of daily living, or
 133.32 health-related tasks;

133.33 (3) expenditures for items, services, supports, environmental modifications, or
 133.34 goods, including assistive technology. These expenditures must:

133.35 (i) relate to a need identified in a participant's CFSS service delivery plan;

134.1 (ii) increase independence or substitute for human assistance to the extent that
 134.2 expenditures would otherwise be made for human assistance for the participant's assessed
 134.3 needs;

134.4 (4) observation and redirection for behavior or symptoms where there is a need for
 134.5 assistance. An assessment of behaviors must meet the criteria in this clause. A ~~recipient~~
 134.6 participant qualifies as having a need for assistance due to behaviors if the ~~recipient's~~
 134.7 participant's behavior requires assistance at least four times per week and shows one or
 134.8 more of the following behaviors:

134.9 (i) physical aggression towards self or others, or destruction of property that requires
 134.10 the immediate response of another person;

134.11 (ii) increased vulnerability due to cognitive deficits or socially inappropriate
 134.12 behavior; or

134.13 (iii) increased need for assistance for ~~recipients~~ participants who are verbally
 134.14 aggressive or resistive to care so that time needed to perform activities of daily living is
 134.15 increased;

134.16 (5) back-up systems or mechanisms, such as the use of pagers or other electronic
 134.17 devices, to ensure continuity of the participant's services and supports;

134.18 ~~(6) transition costs, including:~~

134.19 ~~(i) deposits for rent and utilities;~~

134.20 ~~(ii) first month's rent and utilities;~~

134.21 ~~(iii) bedding;~~

134.22 ~~(iv) basic kitchen supplies;~~

134.23 ~~(v) other necessities, to the extent that these necessities are not otherwise covered~~
 134.24 ~~under any other funding that the participant is eligible to receive; and~~

134.25 ~~(vi) other required necessities for an individual to make the transition from a nursing~~
 134.26 ~~facility, institution for mental diseases, or intermediate care facility for persons with~~
 134.27 ~~developmental disabilities to a community-based home setting where the participant~~
 134.28 ~~resides; and~~

134.29 ~~(7) (6) services provided by a support specialist consultation services provider~~
 134.30 ~~under contract with the department and defined under subdivision 2 that are chosen by~~
 134.31 ~~the participant. 17;~~

134.32 (7) services provided by an FMS contractor under contract with the department
 134.33 as defined under subdivision 13;

134.34 (8) CFSS services that may be provided by a qualified support worker who is
 134.35 a parent, stepparent, or legal guardian of a participant under age 18, or who is the
 134.36 participant's spouse. These support workers shall not provide any medical assistance home

135.1 and community-based services in excess of 40 hours per seven-day period regardless of
 135.2 the number of parents, combination of parents and spouses, or number of children who
 135.3 receive medical assistance services; and

135.4 (9) worker training and development services as defined in subdivision 2, paragraph
 135.5 (w), and described in subdivision 18a.

135.6 Sec. 9. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 8, is
 135.7 amended to read:

135.8 Subd. 8. **Determination of CFSS service methodology.** (a) All community first
 135.9 services and supports must be authorized by the commissioner or the commissioner's
 135.10 designee before services begin, except for the assessments established in section
 135.11 256B.0911. The authorization for CFSS must be completed as soon as possible following
 135.12 an assessment but no later than 40 calendar days from the date of the assessment.

135.13 (b) The amount of CFSS authorized must be based on the ~~recipient's~~ participant's
 135.14 home care rating described in paragraphs (d) and (e) and any additional service units for
 135.15 which the ~~person~~ participant qualifies as described in paragraph (f).

135.16 (c) The home care rating shall be determined by the commissioner or the
 135.17 commissioner's designee based on information submitted to the commissioner identifying
 135.18 the following for a ~~recipient~~ participant:

135.19 (1) the total number of dependencies of activities of daily living as defined in
 135.20 subdivision 2, paragraph (b);

135.21 (2) the presence of complex health-related needs as defined in subdivision 2,
 135.22 paragraph (e); and

135.23 (3) the presence of Level I behavior as defined in subdivision 2, paragraph (d);
 135.24 ~~clause (1).~~

135.25 (d) The methodology to determine the total service units for CFSS for each home
 135.26 care rating is based on the median paid units per day for each home care rating from
 135.27 fiscal year 2007 data for the PCA program.

135.28 (e) Each home care rating is designated by the letters P through Z and EN and has
 135.29 the following base number of service units assigned:

135.30 (1) P home care rating requires Level I behavior or one to three dependencies in
 135.31 ADLs and qualifies one for five service units;

135.32 (2) Q home care rating requires Level I behavior and one to three dependencies in
 135.33 ADLs and qualifies one for six service units;

135.34 (3) R home care rating requires a complex health-related need and one to three
 135.35 dependencies in ADLs and qualifies one for seven service units;

136.1 (4) S home care rating requires four to six dependencies in ADLs and qualifies
136.2 one for ten service units;

136.3 (5) T home care rating requires four to six dependencies in ADLs and Level I
136.4 behavior and qualifies one for 11 service units;

136.5 (6) U home care rating requires four to six dependencies in ADLs and a complex
136.6 health-related need and qualifies one for 14 service units;

136.7 (7) V home care rating requires seven to eight dependencies in ADLs and qualifies
136.8 one for 17 service units;

136.9 (8) W home care rating requires seven to eight dependencies in ADLs and Level I
136.10 behavior and qualifies one for 20 service units;

136.11 (9) Z home care rating requires seven to eight dependencies in ADLs and a complex
136.12 health-related need and qualifies one for 30 service units; and

136.13 (10) EN home care rating includes ventilator dependency as defined in section
136.14 256B.0651, subdivision 1, paragraph (g). ~~Recipients~~ Participants who meet the definition
136.15 of ventilator-dependent and the EN home care rating and utilize a combination of
136.16 CFSS and other home care services are limited to a total of 96 service units per day for
136.17 those services in combination. Additional units may be authorized when a ~~recipient's~~
136.18 participant's assessment indicates a need for two staff to perform activities. Additional
136.19 time is limited to 16 service units per day.

136.20 (f) Additional service units are provided through the assessment and identification of
136.21 the following:

136.22 (1) 30 additional minutes per day for a dependency in each critical activity of daily
136.23 living as defined in subdivision 2, paragraph ~~(h)~~ (j);

136.24 (2) 30 additional minutes per day for each complex health-related function as
136.25 defined in subdivision 2, paragraph ~~(e)~~ (f); and

136.26 (3) 30 additional minutes per day for each behavior issue as defined in subdivision 2,
136.27 paragraph (d).

136.28 (g) The service budget for budget model participants shall be based on:

136.29 (1) assessed units as determined by the home care rating; and

136.30 (2) a multiplier established by the commissioner for administrative expenses.

136.31 Sec. 10. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 9, is
136.32 amended to read:

136.33 Subd. 9. **Noncovered services.** (a) Services or supports that are not eligible for
136.34 payment under this section include those that:

137.1 (1) are not authorized by the certified assessor or included in the written service
137.2 delivery plan;

137.3 (2) are provided prior to the authorization of services and the approval of the written
137.4 CFSS service delivery plan;

137.5 (3) are duplicative of other paid services in the written service delivery plan;

137.6 (4) supplant natural unpaid supports that appropriately meet a need in the service
137.7 plan, are provided voluntarily to the participant, and are selected by the participant in lieu
137.8 of other services and supports;

137.9 (5) are not effective means to meet the participant's needs; and

137.10 (6) are available through other funding sources, including, but not limited to, funding
137.11 through title IV-E of the Social Security Act.

137.12 (b) Additional services, goods, or supports that are not covered include:

137.13 (1) those that are not for the direct benefit of the participant, except that services for
137.14 caregivers such as training to improve the ability to provide CFSS are considered to directly
137.15 benefit the participant if chosen by the participant and approved in the support plan;

137.16 (2) any fees incurred by the participant, such as Minnesota health care programs fees
137.17 and co-pays, legal fees, or costs related to advocate agencies;

137.18 (3) insurance, except for insurance costs related to employee coverage;

137.19 (4) room and board costs for the participant ~~with the exception of allowable~~
137.20 ~~transition costs in subdivision 7, clause (6);~~

137.21 (5) services, supports, or goods that are not related to the assessed needs;

137.22 (6) special education and related services provided under the Individuals with
137.23 Disabilities Education Act and vocational rehabilitation services provided under the
137.24 Rehabilitation Act of 1973;

137.25 (7) assistive technology devices and assistive technology services other than those
137.26 for back-up systems or mechanisms to ensure continuity of service and supports listed in
137.27 subdivision 7;

137.28 (8) medical supplies and equipment;

137.29 (9) environmental modifications, except as specified in subdivision 7;

137.30 (10) expenses for travel, lodging, or meals related to training the participant; or the
137.31 participant's representative; or legal representative; ~~or paid or unpaid caregivers that~~
137.32 ~~exceed \$500 in a 12-month period;~~

137.33 (11) experimental treatments;

137.34 (12) any service or good covered by other medical assistance state plan services,
137.35 including prescription and over-the-counter medications, compounds, and solutions and
137.36 related fees, including premiums and co-payments;

- 138.1 (13) membership dues or costs, except when the service is necessary and appropriate
 138.2 to treat a physical condition or to improve or maintain the participant's physical condition.
 138.3 The condition must be identified in the participant's CFSS plan and monitored by a
 138.4 physician enrolled in a Minnesota health care program;
- 138.5 (14) vacation expenses other than the cost of direct services;
- 138.6 (15) vehicle maintenance or modifications not related to the disability, health
 138.7 condition, or physical need; ~~and~~
- 138.8 (16) tickets and related costs to attend sporting or other recreational or entertainment
 138.9 events;
- 138.10 (17) instrumental activities of daily living for children under the age of 18, except
 138.11 when immediate attention is needed for health or hygiene reasons integral to CFSS
 138.12 services and the assessor has listed the need in the service plan;
- 138.13 (18) services provided and billed by a provider who is not an enrolled CFSS provider;
 138.14 (19) CFSS provided by a participant's representative or paid legal guardian;
 138.15 (20) services that are used solely as a child care or babysitting service;
 138.16 (21) services that are the responsibility or in the daily rate of a residential or program
 138.17 license holder under the terms of a service agreement and administrative rules;
- 138.18 (22) sterile procedures;
 138.19 (23) giving of injections into veins, muscles, or skin;
 138.20 (24) homemaker services that are not an integral part of the assessed CFSS service;
 138.21 (25) home maintenance or chore services;
 138.22 (26) home care services, including hospice services if elected by the participant,
 138.23 covered by Medicare or any other insurance held by the participant;
 138.24 (27) services to other members of the participant's household;
 138.25 (28) services not specified as covered under medical assistance as CFSS;
 138.26 (29) application of restraints or implementation of deprivation procedures;
 138.27 (30) assessments by CFSS provider organizations or by independently enrolled
 138.28 registered nurses;
- 138.29 (31) services provided in lieu of legally required staffing in a residential or child
 138.30 care setting; and
- 138.31 (32) services provided by the residential or program license holder in a residence for
 138.32 more than four persons.

138.33 Sec. 11. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 10,
 138.34 is amended to read:

- 139.1 Subd. 10. **Provider Agency-provider and FMS contractor qualifications and,**
 139.2 **general requirements, and duties.** (a) Agency-providers delivering services under the
 139.3 agency-provider model under subdivision 11 or ~~financial management service (FMS)~~
 139.4 FMS contractors under subdivision 13 shall:
- 139.5 (1) enroll as a medical assistance Minnesota health care programs provider and meet
 139.6 all applicable provider standards and requirements;
- 139.7 ~~(2) comply with medical assistance provider enrollment requirements;~~
 139.8 ~~(3)~~ (2) demonstrate compliance with ~~law~~ federal and state laws and policies ~~of~~ for
 139.9 CFSS as determined by the commissioner;
- 139.10 ~~(4)~~ (3) comply with background study requirements under chapter 245C and
 139.11 maintain documentation of background study requests and results;
- 139.12 ~~(5)~~ (4) verify and maintain records of all services and expenditures by the participant,
 139.13 including hours worked by support workers ~~and support specialists~~;
- 139.14 ~~(6)~~ (5) not engage in any agency-initiated direct contact or marketing in person, by
 139.15 telephone, or other electronic means to potential participants, guardians, family members,
 139.16 or participants' representatives;
- 139.17 (6) directly provide services and not use a subcontractor or reporting agent;
- 139.18 (7) meet the financial requirements established by the commissioner for financial
 139.19 solvency;
- 139.20 (8) have never had a lead agency contract or provider agreement discontinued due to
 139.21 fraud, or have never had an owner, board member, or manager fail a state or FBI-based
 139.22 criminal background check while enrolled or seeking enrollment as a Minnesota health
 139.23 care programs provider;
- 139.24 (9) have established business practices that include written policies and procedures,
 139.25 internal controls, and a system that demonstrates the organization's ability to deliver
 139.26 quality CFSS; and
- 139.27 (10) have an office located in Minnesota.
- 139.28 (b) In conducting general duties, agency-providers and VF/EA financial management
 139.29 services contractors shall:
- 139.30 ~~(7)~~ (1) pay support workers and support specialists based upon actual hours of
 139.31 services provided;
- 139.32 (2) pay for worker training and development services based upon actual hours of
 139.33 services provided or the unit cost of the training session purchased;
- 139.34 ~~(8)~~ (3) withhold and pay all applicable federal and state payroll taxes;
- 139.35 ~~(9)~~ (4) make arrangements and pay unemployment insurance, taxes, workers'
 139.36 compensation, liability insurance, and other benefits, if any;

140.1 ~~(10)~~ (5) enter into a written agreement with the participant, participant's
140.2 representative, or legal representative that assigns roles and responsibilities to be
140.3 performed before services, supports, or goods are provided using a format established by
140.4 the commissioner;

140.5 ~~(11)~~ (6) report maltreatment as required under sections 626.556 and 626.557; ~~and~~
140.6 ~~(12)~~ (7) provide the participant with a copy of the service-related rights under
140.7 subdivision 20 at the start of services and supports; and
140.8 (8) comply with any data requests from the department.

140.9 Sec. 12. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 11,
140.10 is amended to read:

140.11 Subd. 11. **Agency-provider model.** (a) The agency-provider model ~~is limited to~~
140.12 ~~the~~ includes services provided by support workers and ~~support specialists~~ staff providing
140.13 worker training and development services who are employed by an agency-provider
140.14 that is licensed according to chapter 245A or meets other criteria established by the
140.15 commissioner, including required training.

140.16 (b) The agency-provider shall allow the participant to have a significant role in the
140.17 selection and dismissal of the support workers for the delivery of the services and supports
140.18 specified in the participant's service delivery plan.

140.19 (c) A participant may use authorized units of CFSS services as needed within a
140.20 service authorization that is not greater than 12 months. Using authorized units in a
140.21 flexible manner in either the agency-provider model or the budget model does not increase
140.22 the total amount of services and supports authorized for a participant or included in the
140.23 participant's service delivery plan.

140.24 (d) A participant may share CFSS services. Two or three CFSS participants may
140.25 share services at the same time provided by the same support worker.

140.26 (e) The agency-provider must use a minimum of 72.5 percent of the revenue
140.27 generated by the medical assistance payment for CFSS for support worker wages and
140.28 benefits. The agency-provider must document how this requirement is being met. The
140.29 revenue generated by the ~~support specialist~~ worker training and development services
140.30 and the reasonable costs associated with the support specialist worker training and
140.31 development services must not be used in making this calculation.

140.32 (f) The agency-provider model must be used by individuals who have been restricted
140.33 by the Minnesota restricted recipient program under Minnesota Rules, parts 9505.2160
140.34 to 9505.2245.

141.1 (g) Participants purchasing goods under this model, along with support worker
 141.2 services, must:

141.3 (1) specify the goods in the service delivery plan and detailed budget for
 141.4 expenditures that must be approved by the consultation services provider or the case
 141.5 manager/care coordinator; and

141.6 (2) use the FMS contractor for the billing and payment of such goods.

141.7 Sec. 13. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 12,
 141.8 is amended to read:

141.9 Subd. 12. **Requirements for enrollment of CFSS provider agency-provider**

141.10 **agencies.** (a) All CFSS ~~provider agencies~~ agency-providers must provide, at the time of
 141.11 enrollment, reenrollment, and revalidation as a CFSS ~~provider agency~~ agency-provider in
 141.12 a format determined by the commissioner, information and documentation that includes,
 141.13 but is not limited to, the following:

141.14 (1) the CFSS ~~provider agency's~~ agency-provider's current contact information
 141.15 including address, telephone number, and e-mail address;

141.16 (2) proof of surety bond coverage. Upon new enrollment, or if the ~~provider agency's~~
 141.17 agency-provider's Medicaid revenue in the previous calendar year is less than or equal
 141.18 to \$300,000, the ~~provider agency~~ agency-provider must purchase a performance bond of
 141.19 \$50,000. If the ~~provider agency's~~ agency-provider's Medicaid revenue in the previous
 141.20 calendar year is greater than \$300,000, the ~~provider agency~~ agency-provider must
 141.21 purchase a performance bond of \$100,000. The performance bond must be in a form
 141.22 approved by the commissioner, must be renewed annually, and must allow for recovery of
 141.23 costs and fees in pursuing a claim on the bond;

141.24 (3) proof of fidelity bond coverage in the amount of \$20,000;

141.25 (4) proof of workers' compensation insurance coverage;

141.26 (5) proof of liability insurance;

141.27 (6) a description of the CFSS ~~provider agency's~~ agency-provider's organization
 141.28 identifying the names of all owners, managing employees, staff, board of directors, and
 141.29 the affiliations of the directors; and owners, ~~or staff~~ to other service providers;

141.30 (7) a copy of the CFSS ~~provider agency's~~ agency-provider's written policies and
 141.31 procedures including: hiring of employees; training requirements; service delivery;
 141.32 and employee and consumer safety including process for notification and resolution
 141.33 of consumer grievances, identification and prevention of communicable diseases, and
 141.34 employee misconduct;

142.1 (8) copies of all other forms the CFSS ~~provider agency~~ agency-provider uses in the
142.2 course of daily business including, but not limited to:

142.3 (i) a copy of the CFSS ~~provider agency's~~ agency-provider's time sheet if the time
142.4 sheet varies from the standard time sheet for CFSS services approved by the commissioner,
142.5 and a letter requesting approval of the CFSS ~~provider agency's~~ agency-provider's
142.6 nonstandard time sheet; and

142.7 (ii) ~~the~~ a copy of the participant's individual CFSS provider agency's template for the
142.8 CFSS-care service delivery plan;

142.9 (9) a list of all training and classes that the CFSS ~~provider agency~~ agency-provider
142.10 requires of its staff providing CFSS services;

142.11 (10) documentation that the CFSS ~~provider agency~~ agency-provider and staff have
142.12 successfully completed all the training required by this section;

142.13 (11) documentation of the ~~agency's~~ agency-provider's marketing practices;

142.14 (12) disclosure of ownership, leasing, or management of all residential properties
142.15 that are used or could be used for providing home care services;

142.16 (13) documentation that the ~~agency~~ agency-provider will use at least the following
142.17 percentages of revenue generated from the medical assistance rate paid for CFSS services
142.18 for ~~employee personal care assistant~~ CFSS support worker wages and benefits: 72.5
142.19 percent of revenue from CFSS providers. The revenue generated by the ~~support specialist~~
142.20 worker training and development services and the reasonable costs associated with the
142.21 ~~support specialist~~ worker training and development services shall not be used in making
142.22 this calculation; and

142.23 (14) documentation that the ~~agency~~ agency-provider does not burden ~~recipients'~~
142.24 participants' free exercise of their right to choose service providers by requiring ~~personal~~
142.25 ~~care assistants~~ CFSS support workers to sign an agreement not to work with any particular
142.26 CFSS ~~recipient~~ participant or for another CFSS ~~provider agency~~ agency-provider after
142.27 leaving the agency and that the agency is not taking action on any such agreements or
142.28 requirements regardless of the date signed.

142.29 (b) CFSS ~~provider agencies~~ agency-providers shall provide to the commissioner
142.30 the information specified in paragraph (a).

142.31 (c) All CFSS ~~provider agencies~~ agency-providers shall require all employees in
142.32 management and supervisory positions and owners of the agency who are active in the
142.33 day-to-day management and operations of the agency to complete mandatory training as
142.34 determined by the commissioner. Employees in management and supervisory positions
142.35 and owners who are active in the day-to-day operations of an agency who have completed
142.36 the required training as an employee with a CFSS ~~provider agency~~ agency-provider do

143.1 not need to repeat the required training if they are hired by another agency, if they have
 143.2 completed the training within the past three years. ~~CFSS provider-agency agency-provider~~
 143.3 ~~billing staff shall complete training about CFSS program financial management. Any new~~
 143.4 ~~owners or employees in management and supervisory positions involved in the day-to-day~~
 143.5 ~~operations are required to complete mandatory training as a requisite of working for the~~
 143.6 ~~agency. CFSS provider agencies certified for participation in Medicare as home health~~
 143.7 ~~agencies are exempt from the training required in this subdivision.~~

143.8 (d) The commissioner shall send annual review notifications to agency-providers 30
 143.9 days prior to renewal. The notification must:

143.10 (1) list the materials and information the agency-provider is required to submit;

143.11 (2) provide instructions on submitting information to the commissioner; and

143.12 (3) provide a due date by which the commissioner must receive the requested

143.13 information.

143.14 Agency-providers shall submit the required documentation for annual review within
 143.15 30 days of notification from the commissioner. If no documentation is submitted, the
 143.16 agency-provider enrollment number must be terminated or suspended.

143.17 Sec. 14. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 13,
 143.18 is amended to read:

143.19 Subd. 13. **Budget model.** (a) Under the budget model participants ~~can~~ may exercise
 143.20 more responsibility and control over the services and supports described and budgeted
 143.21 within the CFSS service delivery plan. Participants must use services provided by an FMS
 143.22 contractor as defined in subdivision 2, paragraph (m). Under this model, participants may
 143.23 use their approved service budget allocation to:

143.24 (1) directly employ support workers, and pay wages, federal and state payroll taxes,
 143.25 and premiums for workers' compensation, liability, and health insurance coverage; and

143.26 (2) obtain supports and goods as defined in subdivision 7; and

143.27 (3) ~~choose a range of support assistance services from the financial management~~
 143.28 ~~services (FMS) contractor related to:~~

143.29 (i) ~~assistance in managing the budget to meet the service delivery plan needs,~~
 143.30 ~~consistent with federal and state laws and regulations;~~

143.31 (ii) ~~the employment, training, supervision, and evaluation of workers by the~~
 143.32 ~~participant;~~

143.33 (iii) ~~acquisition and payment for supports and goods; and~~

143.34 (iv) ~~evaluation of individual service outcomes as needed for the scope of the~~
 143.35 ~~participant's degree of control and responsibility.~~

144.1 (b) Participants who are unable to fulfill any of the functions listed in paragraph (a)
 144.2 may authorize a legal representative or participant's representative to do so on their behalf.

144.3 (c) The commissioner shall disenroll or exclude participants from the budget model
 144.4 and transfer them to the agency-provider model under the following circumstances that
 144.5 include but are not limited to:

144.6 (1) when a participant has been restricted by the Minnesota restricted recipient
 144.7 program, in which case the participant may be excluded for a specified time period under
 144.8 Minnesota Rules, parts 9505.2160 to 9505.2245;

144.9 (2) when a participant exits the budget model during the participant's service plan
 144.10 year. Upon transfer, the participant shall not access the budget model for the remainder of
 144.11 that service plan year; or

144.12 (3) when the department determines that the participant or participant's representative
 144.13 or legal representative cannot manage participant responsibilities under the budget model.
 144.14 The commissioner must develop policies for determining if a participant is unable to
 144.15 manage responsibilities under the budget model.

144.16 (d) A participant may appeal in writing to the department under section 256.045,
 144.17 subdivision 3, to contest the department's decision under paragraph (c), clause (3), to
 144.18 disenroll or exclude the participant from the budget model.

144.19 ~~(e)~~ (e) The FMS contractor shall not provide CFSS services and supports under the
 144.20 agency-provider service model.

144.21 (f) The FMS contractor shall provide service functions as determined by the
 144.22 commissioner for budget model participants that include but are not limited to:

144.23 ~~(1) information and consultation about CFSS;~~

144.24 ~~(2) (1) assistance with the development of the detailed budget for expenditures~~
 144.25 ~~portion of the service delivery plan and budget model as requested by the consultation~~
 144.26 ~~services provider or participant;~~

144.27 ~~(3) (2) billing and making payments for budget model expenditures;~~

144.28 ~~(4) (3) assisting participants in fulfilling employer-related requirements according to~~
 144.29 ~~Internal Revenue Service Revenue Procedure 70-6, section 3504, Agency Employer Tax~~
 144.30 ~~Liability, regulation 137036-08 section 3504 of the Internal Revenue Code and related~~
 144.31 ~~regulations and interpretations, including Code of Federal Regulations, title 26, section~~
 144.32 ~~31.3504-1, which includes assistance with filing and paying payroll taxes, and obtaining~~
 144.33 ~~worker compensation coverage;~~

144.34 ~~(5) (4) data recording and reporting of participant spending; and~~

144.35 ~~(6) (5) other duties established in the contract with the department, including with~~
 144.36 ~~respect to providing assistance to the participant, participant's representative, or legal~~

145.1 representative in performing their employer responsibilities regarding support workers.

145.2 The support worker shall not be considered the employee of the ~~financial management~~
145.3 ~~services~~ FMS contractor; and

145.4 (6) billing, payment, and accounting of approved expenditures for goods for
145.5 agency-provider participants.

145.6 ~~(d) A participant who requests to purchase goods and supports along with support~~
145.7 ~~worker services under the agency-provider model must use the budget model with~~
145.8 ~~a service delivery plan that specifies the amount of services to be authorized to the~~
145.9 ~~agency-provider and the expenditures to be paid by the FMS contractor.~~

145.10 ~~(e)~~ (g) The FMS contractor shall:

145.11 (1) not limit or restrict the participant's choice of service or support providers or
145.12 service delivery models consistent with any applicable state and federal requirements;

145.13 (2) provide the participant, consultation services provider, and the targeted case
145.14 manager, if applicable, with a monthly written summary of the spending for services and
145.15 supports that were billed against the spending budget;

145.16 (3) be knowledgeable of state and federal employment regulations, including those
145.17 under the Fair Labor Standards Act of 1938, and comply with the requirements under ~~the~~
145.18 ~~Internal Revenue Service Revenue Procedure 70-6, Section 3504, section 3504 of the~~
145.19 Internal Revenue Code and related regulations and interpretations, including Code of
145.20 Federal Regulations, title 26, section 31.3504-1, regarding agency employer tax liability
145.21 for vendor or fiscal employer agent, and any requirements necessary to process employer
145.22 and employee deductions, provide appropriate and timely submission of employer tax
145.23 liabilities, and maintain documentation to support medical assistance claims;

145.24 (4) have current and adequate liability insurance and bonding and sufficient cash
145.25 flow as determined by the commissioner and have on staff or under contract a certified
145.26 public accountant or an individual with a baccalaureate degree in accounting;

145.27 (5) assume fiscal accountability for state funds designated for the program and be
145.28 held liable for any overpayments or violations of applicable statutes or rules, including
145.29 but not limited to the Minnesota False Claims Act; and

145.30 (6) maintain documentation of receipts, invoices, and bills to track all services and
145.31 supports expenditures for any goods purchased and maintain time records of support
145.32 workers. The documentation and time records must be maintained for a minimum of
145.33 five years from the claim date and be available for audit or review upon request by the
145.34 commissioner. Claims submitted by the FMS contractor to the commissioner for payment
145.35 must correspond with services, amounts, and time periods as authorized in the participant's

146.1 ~~spending service budget and service plan and must contain specific identifying information~~
 146.2 ~~as determined by the commissioner.~~

146.3 ~~(f)~~ (h) The commissioner of human services shall:

146.4 (1) establish rates and payment methodology for the FMS contractor;

146.5 (2) identify a process to ensure quality and performance standards for the FMS
 146.6 contractor and ensure statewide access to FMS contractors; and

146.7 (3) establish a uniform protocol for delivering and administering CFSS services
 146.8 to be used by eligible FMS contractors.

146.9 ~~(g) The commissioner of human services shall disenroll or exclude participants from~~
 146.10 ~~the budget model and transfer them to the agency-provider model under the following~~
 146.11 ~~circumstances that include but are not limited to:~~

146.12 ~~(1) when a participant has been restricted by the Minnesota restricted recipient~~
 146.13 ~~program, the participant may be excluded for a specified time period under Minnesota~~
 146.14 ~~Rules, parts 9505.2160 to 9505.2245;~~

146.15 ~~(2) when a participant exits the budget model during the participant's service plan~~
 146.16 ~~year. Upon transfer, the participant shall not access the budget model for the remainder of~~
 146.17 ~~that service plan year; or~~

146.18 ~~(3) when the department determines that the participant or participant's representative~~
 146.19 ~~or legal representative cannot manage participant responsibilities under the budget model.~~
 146.20 ~~The commissioner must develop policies for determining if a participant is unable to~~
 146.21 ~~manage responsibilities under a budget model.~~

146.22 ~~(h) A participant may appeal under section 256.045, subdivision 3, in writing to the~~
 146.23 ~~department to contest the department's decision under paragraph (c), clause (3), to remove~~
 146.24 ~~or exclude the participant from the budget model.~~

146.25 Sec. 15. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 15,
 146.26 is amended to read:

146.27 Subd. 15. **Documentation of support services provided.** (a) Support services
 146.28 provided to a participant by a support worker employed by either an agency-provider
 146.29 or the participant acting as the employer must be documented daily by each support
 146.30 worker, on a time sheet form approved by the commissioner. All documentation may be
 146.31 Web-based, electronic, or paper documentation. The completed form must be submitted
 146.32 on a monthly regular basis to the provider or the participant and the FMS contractor
 146.33 selected by the participant to provide assistance with meeting the participant's employer
 146.34 obligations and kept in the recipient's health participant's record.

147.1 (b) The activity documentation must correspond to the written service delivery plan
 147.2 and be reviewed by the agency-provider or the participant and the FMS contractor when
 147.3 the participant is ~~acting as~~ the employer of the support worker.

147.4 (c) The time sheet must be on a form approved by the commissioner documenting
 147.5 time the support worker provides services ~~in the home~~ to the participant. The following
 147.6 criteria must be included in the time sheet:

147.7 (1) full name of the support worker and individual provider number;

147.8 (2) ~~provider~~ agency-provider name and telephone numbers, if ~~an agency-provider is~~
 147.9 responsible for delivery services under the written service plan;

147.10 (3) full name of the participant;

147.11 (4) consecutive dates, including month, day, and year, and arrival and departure
 147.12 times with a.m. or p.m. notations;

147.13 (5) signatures of the participant or the participant's representative;

147.14 (6) personal signature of the support worker;

147.15 (7) any shared care provided, if applicable;

147.16 (8) a statement that it is a federal crime to provide false information on CFSS
 147.17 billings for medical assistance payments; and

147.18 (9) dates and location of ~~recipient~~ participant stays in a hospital, care facility, or
 147.19 incarceration.

147.20 Sec. 16. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 16,
 147.21 is amended to read:

147.22 Subd. 16. **Support workers requirements.** (a) Support workers shall:

147.23 (1) enroll with the department as a support worker after a background study under
 147.24 chapter 245C has been completed and the support worker has received a notice from the
 147.25 commissioner that:

147.26 (i) the support worker is not disqualified under section 245C.14; or

147.27 (ii) is disqualified, but the support worker has received a set-aside of the
 147.28 disqualification under section 245C.22;

147.29 (2) have the ability to effectively communicate with the participant or the
 147.30 participant's representative;

147.31 (3) have the skills and ability to provide the services and supports according to
 147.32 the ~~person's~~ participant's CFSS service delivery plan and respond appropriately to the
 147.33 participant's needs;

147.34 (4) not be a participant of CFSS, unless the support services provided by the support
 147.35 worker differ from those provided to the support worker;

148.1 (5) complete the basic standardized training as determined by the commissioner
148.2 before completing enrollment. The training must be available in languages other than
148.3 English and to those who need accommodations due to disabilities. Support worker
148.4 training must include successful completion of the following training components: basic
148.5 first aid, vulnerable adult, child maltreatment, OSHA universal precautions, basic roles
148.6 and responsibilities of support workers including information about basic body mechanics,
148.7 emergency preparedness, orientation to positive behavioral practices, orientation to
148.8 responding to a mental health crisis, fraud issues, time cards and documentation, and an
148.9 overview of person-centered planning and self-direction. Upon completion of the training
148.10 components, the support worker must pass the certification test to provide assistance
148.11 to participants;

148.12 (6) complete training and orientation on the participant's individual needs; and

148.13 (7) maintain the privacy and confidentiality of the participant, and not independently
148.14 determine the medication dose or time for medications for the participant.

148.15 (b) The commissioner may deny or terminate a support worker's provider enrollment
148.16 and provider number if the support worker:

148.17 (1) lacks the skills, knowledge, or ability to adequately or safely perform the
148.18 required work;

148.19 (2) fails to provide the authorized services required by the participant employer;

148.20 (3) has been intoxicated by alcohol or drugs while providing authorized services to
148.21 the participant or while in the participant's home;

148.22 (4) has manufactured or distributed drugs while providing authorized services to the
148.23 participant or while in the participant's home; or

148.24 (5) has been excluded as a provider by the commissioner of human services, or the
148.25 United States Department of Health and Human Services, Office of Inspector General,
148.26 from participation in Medicaid, Medicare, or any other federal health care program.

148.27 (c) A support worker may appeal in writing to the commissioner to contest the
148.28 decision to terminate the support worker's provider enrollment and provider number.

148.29 (d) A support worker must not provide or be paid for more than 275 hours of
148.30 CFSS per month, regardless of the number of participants the support worker serves or
148.31 the number of agency-providers or participant employers by which the support worker
148.32 is employed. The department shall not disallow the number of hours per day a support
148.33 worker works unless it violates other law.

148.34 Sec. 17. Minnesota Statutes 2013 Supplement, section 256B.85, is amended by adding
148.35 a subdivision to read:

149.1 Subd. 16a. **Exception to support worker requirements.** The support worker for a
 149.2 participant may be allowed to enroll with a different CFSS agency-provider or FMS
 149.3 contractor upon initiation of a new background study according to chapter 245C, if the
 149.4 following conditions are met:

149.5 (1) the commissioner determines that the support worker's change in enrollment or
 149.6 affiliation is needed to ensure continuity of services and protect the health and safety
 149.7 of the participant;

149.8 (2) the chosen agency-provider or FMS contractor has been continuously enrolled as
 149.9 a CFSS agency-provider or FMS contractor for at least two years or since the inception of
 149.10 the CFSS program, whichever is shorter;

149.11 (3) the participant served by the support worker chooses to transfer to the CFSS
 149.12 agency-provider or the FMS contractor to which the support worker is transferring;

149.13 (4) the support worker has been continuously enrolled with the former CFSS
 149.14 agency-provider or FMS contractor since the support worker's last background study
 149.15 was completed; and

149.16 (5) the support worker continues to meet requirements of subdivision 16, excluding
 149.17 paragraph (a), clause (1).

149.18 Sec. 18. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 17,
 149.19 is amended to read:

149.20 Subd. 17. ~~Support specialist requirements and payments~~ Consultation services
 149.21 description and duties. ~~The commissioner shall develop qualifications, scope of~~
 149.22 ~~functions, and payment rates and service limits for a support specialist that may provide~~
 149.23 ~~additional or specialized assistance necessary to plan, implement, arrange, augment, or~~
 149.24 ~~evaluate services and supports.~~

149.25 (a) Consultation services means providing assistance to the participant in making
 149.26 informed choices regarding CFSS services in general and self-directed tasks in particular
 149.27 and in developing a person-centered service delivery plan to achieve quality service
 149.28 outcomes.

149.29 (b) Consultation services is a required service that may include but is not limited to:

149.30 (1) an initial and annual orientation to CFSS information and policies, including
 149.31 selecting a service model;

149.32 (2) assistance with the development, implementation, management, and evaluation
 149.33 of the person-centered service delivery plan;

149.34 (3) consultation on recruiting, selecting, training, managing, directing, evaluating,
 149.35 and supervising support workers;

150.1 (4) reviewing the use of and access to informal and community supports, goods, or
 150.2 resources;

150.3 (5) remediation support; and

150.4 (6) assistance with accessing FMS contractors or agency-providers.

150.5 (c) Duties of a consultation services provider shall include but are not limited to:

150.6 (1) review and finalization of the CFSS service delivery plan by the consultation
 150.7 services provider organization;

150.8 (2) distribution of copies of the final service delivery plan to the participant and
 150.9 to the agency-provider or FMS contractor, case manager/care coordinator, and other
 150.10 designated parties;

150.11 (3) an evaluation of services upon receiving information from an FMS contractor
 150.12 indicating spending or participant employer concerns;

150.13 (4) a biannual review of services if the participant does not have a case manager/care
 150.14 coordinator and when the support worker is a paid parent of a minor participant or the
 150.15 participant's spouse;

150.16 (5) collection and reporting of data as required by the department; and

150.17 (6) providing the participant with a copy of the service-related rights under
 150.18 subdivision 20 at the start of consultation services.

150.19 Sec. 19. Minnesota Statutes 2013 Supplement, section 256B.85, is amended by adding
 150.20 a subdivision to read:

150.21 Subd. 17a. **Consultation service provider qualifications and requirements.**

150.22 The commissioner shall develop the qualifications and requirements for providers of
 150.23 consultation services under subdivision 17. These providers must satisfy at least the
 150.24 following qualifications and requirements:

150.25 (1) are under contract with the department;

150.26 (2) are not the FMS contractor as defined in subdivision 2, paragraph (m), the CFSS
 150.27 or HCBS waiver agency-provider or vendor to the participant, or a lead agency;

150.28 (3) meet the service standards as established by the commissioner;

150.29 (4) employ lead professional staff with a minimum of three years' experience
 150.30 in providing support planning, support broker, or consultation services and consumer
 150.31 education to participants using a self-directed program using FMS under medical
 150.32 assistance;

150.33 (5) are knowledgeable about CFSS roles and responsibilities including those of the
 150.34 certified assessor, FMS contractor, agency-provider, and case manager/care coordinator;

150.35 (6) comply with medical assistance provider requirements;

- 151.1 (7) understand the CFSS program and its policies;
 151.2 (8) are knowledgeable about self-directed principles and the application of the
 151.3 person-centered planning process;
 151.4 (9) have general knowledge of the FMS contractor duties and participant
 151.5 employment model, including all applicable federal, state, and local laws and regulations
 151.6 regarding tax, labor, employment, and liability and workers' compensation coverage for
 151.7 household workers; and
 151.8 (10) have all employees, including lead professional staff, staff in management
 151.9 and supervisory positions, and owners of the agency who are active in the day-to-day
 151.10 management and operations of the agency, complete training as specified in the contract
 151.11 with the department.

151.12 Sec. 20. Minnesota Statutes 2013 Supplement, section 256B.85, is amended by adding
 151.13 a subdivision to read:

151.14 Subd. 17b. **Financial management services and consultation services payment**
 151.15 **methodology.** The commissioner shall establish a cost-neutral funding mechanism for
 151.16 FMS and consultation services.

151.17 Sec. 21. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 18,
 151.18 is amended to read:

151.19 Subd. 18. **Service unit and budget allocation requirements and limits.** (a) For the
 151.20 agency-provider model, services will be authorized in units of service. The total service
 151.21 unit amount must be established based upon the assessed need for CFSS services, and must
 151.22 not exceed the maximum number of units available as determined under subdivision 8.

151.23 (b) For the budget model, the service budget allocation allowed for services and
 151.24 supports is established by ~~multiplying the number of units authorized under subdivision 8~~
 151.25 ~~by the payment rate established by the commissioner~~ defined in subdivision 8, paragraph
 151.26 (g).

151.27 Sec. 22. Minnesota Statutes 2013 Supplement, section 256B.85, is amended by adding
 151.28 a subdivision to read:

151.29 Subd. 18a. **Worker training and development services.** (a) The commissioner
 151.30 shall develop the scope of tasks and functions, service standards, and service limits for
 151.31 worker training and development services.

152.1 (b) Worker training and development services are in addition to the participant's
152.2 assessed service units or service budget. Services provided according to this subdivision
152.3 must:

152.4 (1) help support workers obtain and expand the skills and knowledge necessary to
152.5 ensure competency in providing quality services as needed and defined in the participant's
152.6 service delivery plan;

152.7 (2) be provided or arranged for by the agency-provider under subdivision 11 or
152.8 purchased by the participant employer under the budget model under subdivision 13; and

152.9 (3) be described in the participant's CFSS service delivery plan and documented in
152.10 the participant's file.

152.11 (c) Services covered under worker training and development shall include:

152.12 (1) support worker training on the participant's individual assessed needs, condition,
152.13 or both, provided individually or in a group setting by a skilled and knowledgeable trainer
152.14 beyond any training the participant or participant's representative provides;

152.15 (2) tuition for professional classes and workshops for the participant's support
152.16 workers that relate to the participant's assessed needs, condition, or both;

152.17 (3) direct observation, monitoring, coaching, and documentation of support worker
152.18 job skills and tasks, beyond any training the participant or participant's representative
152.19 provides, including supervision of health-related tasks or behavioral supports that is
152.20 conducted by an appropriate professional based on the participant's assessed needs. These
152.21 services must be provided within 14 days of the start of services or the start of a new
152.22 support worker and must be specified in the participant's service delivery plan; and

152.23 (4) reporting service and support concerns to the appropriate provider.

152.24 (d) Worker training and development services shall not include:

152.25 (1) general agency training, worker orientation, or training on CFSS self-directed
152.26 models;

152.27 (2) payment for preparation or development time for the trainer or presenter;

152.28 (3) payment of the support worker's salary or compensation during the training;

152.29 (4) training or supervision provided by the participant, the participant's support
152.30 worker, or the participant's informal supports, including the participant's representative; or

152.31 (5) services in excess of 96 units per annual service authorization, unless approved
152.32 by the department.

152.33 Sec. 23. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 23,
152.34 is amended to read:

153.1 Subd. 23. **Commissioner's access.** When the commissioner is investigating a
153.2 possible overpayment of Medicaid funds, the commissioner must be given immediate
153.3 access without prior notice to the ~~agency-provider~~ agency-provider or FMS contractor's
153.4 office during regular business hours and to documentation and records related to services
153.5 provided and submission of claims for services provided. Denying the commissioner
153.6 access to records is cause for immediate suspension of payment and terminating the agency
153.7 provider's enrollment according to section 256B.064 or terminating the FMS contract.

153.8 Sec. 24. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 24,
153.9 is amended to read:

153.10 Subd. 24. **CFSS agency-providers; background studies.** CFSS agency-providers
153.11 enrolled to provide ~~personal care assistance~~ CFSS services under the medical assistance
153.12 program shall comply with the following:

153.13 (1) owners who have a five percent interest or more and all managing employees
153.14 are subject to a background study as provided in chapter 245C. This applies to currently
153.15 enrolled CFSS agency-providers and those agencies seeking enrollment as a CFSS
153.16 agency-provider. "Managing employee" has the same meaning as Code of Federal
153.17 Regulations, title 42, section 455. An organization is barred from enrollment if:

153.18 (i) the organization has not initiated background studies on owners managing
153.19 employees; or

153.20 (ii) the organization has initiated background studies on owners and managing
153.21 employees, but the commissioner has sent the organization a notice that an owner or
153.22 managing employee of the organization has been disqualified under section 245C.14, and
153.23 the owner or managing employee has not received a set-aside of the disqualification
153.24 under section 245C.22;

153.25 (2) a background study must be initiated and completed for all ~~support specialists~~
153.26 staff providing worker training and development employed by the agency-provider; and

153.27 (3) a background study must be initiated and completed for all support workers.

153.28 Sec. 25. Laws 2013, chapter 108, article 7, section 49, the effective date, is amended to
153.29 read:

153.30 **EFFECTIVE DATE.** This section is effective upon federal approval but no earlier
153.31 than April 1, 2014. The service will begin 90 days after federal approval ~~or April 1,~~
153.32 ~~2014, whichever is later.~~ The commissioner of human services shall notify the revisor of
153.33 statutes when this occurs.

154.1 **ARTICLE 19**154.2 **CONTINUING CARE**

154.3 Section 1. Minnesota Statutes 2012, section 13.46, subdivision 4, is amended to read:

154.4 Subd. 4. **Licensing data.** (a) As used in this subdivision:

154.5 (1) "licensing data" are all data collected, maintained, used, or disseminated by the
154.6 welfare system pertaining to persons licensed or registered or who apply for licensure
154.7 or registration or who formerly were licensed or registered under the authority of the
154.8 commissioner of human services;

154.9 (2) "client" means a person who is receiving services from a licensee or from an
154.10 applicant for licensure; and

154.11 (3) "personal and personal financial data" are Social Security numbers, identity
154.12 of and letters of reference, insurance information, reports from the Bureau of Criminal
154.13 Apprehension, health examination reports, and social/home studies.

154.14 (b)(1)(i) Except as provided in paragraph (c), the following data on applicants,
154.15 license holders, and former licensees are public: name, address, telephone number of
154.16 licensees, date of receipt of a completed application, dates of licensure, licensed capacity,
154.17 type of client preferred, variances granted, record of training and education in child care
154.18 and child development, type of dwelling, name and relationship of other family members,
154.19 previous license history, class of license, the existence and status of complaints, and the
154.20 number of serious injuries to or deaths of individuals in the licensed program as reported
154.21 to the commissioner of human services, the local social services agency, or any other
154.22 county welfare agency. For purposes of this clause, a serious injury is one that is treated
154.23 by a physician.

154.24 (ii) When a correction order, an order to forfeit a fine, an order of license suspension,
154.25 an order of temporary immediate suspension, an order of license revocation, an order
154.26 of license denial, or an order of conditional license has been issued, or a complaint is
154.27 resolved, the following data on current and former licensees and applicants are public: the
154.28 substance and investigative findings of the licensing or maltreatment complaint, licensing
154.29 violation, or substantiated maltreatment; the record of informal resolution of a licensing
154.30 violation; orders of hearing; findings of fact; conclusions of law; specifications of the final
154.31 correction order, fine, suspension, temporary immediate suspension, revocation, denial, or
154.32 conditional license contained in the record of licensing action; whether a fine has been
154.33 paid; and the status of any appeal of these actions.

154.34 (iii) When a license denial under section 245A.05 or a sanction under section
154.35 245A.07 is based on a determination that the license holder or applicant is responsible for

155.1 maltreatment under section 626.556 or 626.557, the identity of the applicant or license
155.2 holder as the individual responsible for maltreatment is public data at the time of the
155.3 issuance of the license denial or sanction.

155.4 (iv) When a license denial under section 245A.05 or a sanction under section
155.5 245A.07 is based on a determination that the license holder or applicant is disqualified
155.6 under chapter 245C, the identity of the license holder or applicant as the disqualified
155.7 individual and the reason for the disqualification are public data at the time of the
155.8 issuance of the licensing sanction or denial. If the applicant or license holder requests
155.9 reconsideration of the disqualification and the disqualification is affirmed, the reason for
155.10 the disqualification and the reason to not set aside the disqualification are public data.

155.11 (2) Notwithstanding sections 626.556, subdivision 11, and 626.557, subdivision 12b,
155.12 when any person subject to disqualification under section 245C.14 in connection with a
155.13 license to provide family day care for children, child care center services, foster care for
155.14 children in the provider's home, or foster care or day care services for adults in the provider's
155.15 home is a substantiated perpetrator of maltreatment, and the substantiated maltreatment is
155.16 a reason for a licensing action, the identity of the substantiated perpetrator of maltreatment
155.17 is public data. For purposes of this clause, a person is a substantiated perpetrator if the
155.18 maltreatment determination has been upheld under section 256.045; 626.556, subdivision
155.19 10i; 626.557, subdivision 9d; or chapter 14, or if an individual or facility has not timely
155.20 exercised appeal rights under these sections, except as provided under clause (1).

155.21 (3) For applicants who withdraw their application prior to licensure or denial of a
155.22 license, the following data are public: the name of the applicant, the city and county in
155.23 which the applicant was seeking licensure, the dates of the commissioner's receipt of the
155.24 initial application and completed application, the type of license sought, and the date
155.25 of withdrawal of the application.

155.26 (4) For applicants who are denied a license, the following data are public: the name
155.27 and address of the applicant, the city and county in which the applicant was seeking
155.28 licensure, the dates of the commissioner's receipt of the initial application and completed
155.29 application, the type of license sought, the date of denial of the application, the nature of
155.30 the basis for the denial, the record of informal resolution of a denial, orders of hearings,
155.31 findings of fact, conclusions of law, specifications of the final order of denial, and the
155.32 status of any appeal of the denial.

155.33 (5) The following data on persons subject to disqualification under section 245C.14 in
155.34 connection with a license to provide family day care for children, child care center services,
155.35 foster care for children in the provider's home, or foster care or day care services for adults
155.36 in the provider's home, are public: the nature of any disqualification set aside under section

156.1 245C.22, subdivisions 2 and 4, and the reasons for setting aside the disqualification; the
156.2 nature of any disqualification for which a variance was granted under sections 245A.04,
156.3 subdivision 9; and 245C.30, and the reasons for granting any variance under section
156.4 245A.04, subdivision 9; and, if applicable, the disclosure that any person subject to
156.5 a background study under section 245C.03, subdivision 1, has successfully passed a
156.6 background study. If a licensing sanction under section 245A.07, or a license denial under
156.7 section 245A.05, is based on a determination that an individual subject to disqualification
156.8 under chapter 245C is disqualified, the disqualification as a basis for the licensing sanction
156.9 or denial is public data. As specified in clause (1), item (iv), if the disqualified individual
156.10 is the license holder or applicant, the identity of the license holder or applicant and the
156.11 reason for the disqualification are public data; and, if the license holder or applicant
156.12 requested reconsideration of the disqualification and the disqualification is affirmed, the
156.13 reason for the disqualification and the reason to not set aside the disqualification are
156.14 public data. If the disqualified individual is an individual other than the license holder or
156.15 applicant, the identity of the disqualified individual shall remain private data.

156.16 (6) When maltreatment is substantiated under section 626.556 or 626.557 and the
156.17 victim and the substantiated perpetrator are affiliated with a program licensed under
156.18 chapter 245A, the commissioner of human services, local social services agency, or
156.19 county welfare agency may inform the license holder where the maltreatment occurred of
156.20 the identity of the substantiated perpetrator and the victim.

156.21 (7) Notwithstanding clause (1), for child foster care, only the name of the license
156.22 holder and the status of the license are public if the county attorney has requested that data
156.23 otherwise classified as public data under clause (1) be considered private data based on the
156.24 best interests of a child in placement in a licensed program.

156.25 (c) The following are private data on individuals under section 13.02, subdivision
156.26 12, or nonpublic data under section 13.02, subdivision 9: personal and personal financial
156.27 data on family day care program and family foster care program applicants and licensees
156.28 and their family members who provide services under the license.

156.29 (d) The following are private data on individuals: the identity of persons who have
156.30 made reports concerning licensees or applicants that appear in inactive investigative data,
156.31 and the records of clients or employees of the licensee or applicant for licensure whose
156.32 records are received by the licensing agency for purposes of review or in anticipation of a
156.33 contested matter. The names of reporters of complaints or alleged violations of licensing
156.34 standards under chapters 245A, 245B, 245C, and 245D, and applicable rules and alleged
156.35 maltreatment under sections 626.556 and 626.557, are confidential data and may be
156.36 disclosed only as provided in section 626.556, subdivision 11, or 626.557, subdivision 12b.

157.1 (e) Data classified as private, confidential, nonpublic, or protected nonpublic under
157.2 this subdivision become public data if submitted to a court or administrative law judge as
157.3 part of a disciplinary proceeding in which there is a public hearing concerning a license
157.4 which has been suspended, immediately suspended, revoked, or denied.

157.5 (f) Data generated in the course of licensing investigations that relate to an alleged
157.6 violation of law are investigative data under subdivision 3.

157.7 (g) Data that are not public data collected, maintained, used, or disseminated under
157.8 this subdivision that relate to or are derived from a report as defined in section 626.556,
157.9 subdivision 2, or 626.5572, subdivision 18, are subject to the destruction provisions of
157.10 sections 626.556, subdivision 11c, and 626.557, subdivision 12b.

157.11 (h) Upon request, not public data collected, maintained, used, or disseminated under
157.12 this subdivision that relate to or are derived from a report of substantiated maltreatment as
157.13 defined in section 626.556 or 626.557 may be exchanged with the Department of Health
157.14 for purposes of completing background studies pursuant to section 144.057 and with
157.15 the Department of Corrections for purposes of completing background studies pursuant
157.16 to section 241.021.

157.17 (i) Data on individuals collected according to licensing activities under chapters
157.18 245A and 245C, data on individuals collected by the commissioner of human services
157.19 according to investigations under chapters 245A, 245B, ~~and 245C~~, and 245D, and
157.20 sections 626.556 and 626.557 may be shared with the Department of Human Rights, the
157.21 Department of Health, the Department of Corrections, the ombudsman for mental health
157.22 and developmental disabilities, and the individual's professional regulatory board when
157.23 there is reason to believe that laws or standards under the jurisdiction of those agencies may
157.24 have been violated or the information may otherwise be relevant to the board's regulatory
157.25 jurisdiction. Background study data on an individual who is the subject of a background
157.26 study under chapter 245C for a licensed service for which the commissioner of human
157.27 services is the license holder may be shared with the commissioner and the commissioner's
157.28 delegate by the licensing division. Unless otherwise specified in this chapter, the identity
157.29 of a reporter of alleged maltreatment or licensing violations may not be disclosed.

157.30 (j) In addition to the notice of determinations required under section 626.556,
157.31 subdivision 10f, if the commissioner or the local social services agency has determined
157.32 that an individual is a substantiated perpetrator of maltreatment of a child based on sexual
157.33 abuse, as defined in section 626.556, subdivision 2, and the commissioner or local social
157.34 services agency knows that the individual is a person responsible for a child's care in
157.35 another facility, the commissioner or local social services agency shall notify the head
157.36 of that facility of this determination. The notification must include an explanation of the

158.1 individual's available appeal rights and the status of any appeal. If a notice is given under
 158.2 this paragraph, the government entity making the notification shall provide a copy of the
 158.3 notice to the individual who is the subject of the notice.

158.4 (k) All not public data collected, maintained, used, or disseminated under this
 158.5 subdivision and subdivision 3 may be exchanged between the Department of Human
 158.6 Services, Licensing Division, and the Department of Corrections for purposes of
 158.7 regulating services for which the Department of Human Services and the Department
 158.8 of Corrections have regulatory authority.

158.9 Sec. 2. Minnesota Statutes 2013 Supplement, section 245.8251, is amended to read:

158.10 **245.8251 POSITIVE SUPPORT STRATEGIES AND EMERGENCY**
 158.11 **MANUAL RESTRAINT; LICENSED FACILITIES AND PROGRAMS.**

158.12 Subdivision 1. **Rules governing the use of positive support strategies and**
 158.13 **restricting or prohibiting aversive and deprivation procedures.** The commissioner
 158.14 of human services shall, ~~within 24 months of May 23, 2013~~ by August 31, 2015, adopt
 158.15 rules governing the use of positive support strategies, ~~safety interventions, and emergency~~
 158.16 ~~use of manual restraint, and restricting or prohibiting the use of aversive and deprivation~~
 158.17 ~~procedures, in all facilities and services licensed under chapter 245D: and in all licensed~~
 158.18 ~~facilities and licensed services serving persons with a developmental disability or related~~
 158.19 ~~condition. For the purposes of this section, "developmental disability or related condition"~~
 158.20 ~~has the meaning given in Minnesota Rules, part 9525.0016, subpart 2, items A to E.~~

158.21 Subd. 2. **Data collection.** (a) The commissioner shall, with stakeholder input,
 158.22 ~~develop~~ identify data ~~collection~~ elements specific to incidents of emergency use of
 158.23 manual restraint and positive support transition plans for persons receiving services from
 158.24 ~~providers governed~~ licensed facilities and licensed services under chapter 245D and in
 158.25 licensed facilities and licensed services serving persons with a developmental disability
 158.26 or related condition as defined in Minnesota Rules, part 9525.0016, subpart 2, effective
 158.27 January 1, 2014. ~~Providers~~ Licensed facilities and licensed services shall report the data in
 158.28 a format and at a frequency determined by the commissioner of human services. ~~Providers~~
 158.29 ~~shall submit the data~~ to the commissioner and the Office of the Ombudsman for Mental
 158.30 Health and Developmental Disabilities.

158.31 (b) Beginning July 1, 2013, ~~providers~~ licensed facilities and licensed services
 158.32 regulated under Minnesota Rules, parts 9525.2700 to 9525.2810, shall submit data
 158.33 regarding the use of all controlled procedures identified in Minnesota Rules, part
 158.34 9525.2740, in a format and at a frequency determined by the commissioner. ~~Providers~~

159.1 ~~shall submit the data~~ to the commissioner and the Office of the Ombudsman for Mental
159.2 Health and Developmental Disabilities.

159.3 Subd. 3. **External program review committee.** Rules adopted according to this
159.4 section shall establish requirements for an external program review committee appointed
159.5 by the commissioner to monitor the rules after adoption of the rules.

159.6 Subd. 4. **Interim review panel.** (a) The commissioner shall establish an interim
159.7 review panel by August 15, 2014, for the purpose of reviewing requests for emergency
159.8 use of procedures that have been part of an approved positive support transition plan
159.9 when necessary to protect a person from imminent risk of serious injury as defined in
159.10 section 245.91, subdivision 6, due to self-injurious behavior. The panel must make
159.11 recommendations to the commissioner to approve or deny these requests based on criteria
159.12 to be established by the interim review panel. The interim review panel shall operate until
159.13 the external program review committee is established as required under subdivision 3.

159.14 (b) Members of the interim review panel shall be selected based on their expertise
159.15 and knowledge related to the use of positive support strategies as alternatives to
159.16 the use of aversive or deprivation procedures. The commissioner shall seek input
159.17 and recommendations from the Office of the Ombudsman for Mental Health and
159.18 Developmental Disabilities and the Minnesota Governor's Council on Developmental
159.19 Disabilities in establishing the interim review panel. Members of the interim review panel
159.20 shall include the following representatives:

159.21 (1) an expert in positive supports;

159.22 (2) a mental health professional, as defined in section 245.462;

159.23 (3) a licensed health professional as defined in section 245D.02, subdivision 14;

159.24 (4) a representative of the Department of Health;

159.25 (5) a representative of the Office of the Ombudsman for Mental Health and
159.26 Developmental Disabilities; and

159.27 (6) a representative of the Minnesota Disability Law Center.

159.28 Sec. 3. Minnesota Statutes 2013 Supplement, section 245A.042, subdivision 3, is
159.29 amended to read:

159.30 Subd. 3. **Implementation.** (a) The commissioner shall implement the
159.31 responsibilities of this chapter according to the timelines in paragraphs (b) and (c)
159.32 only within the limits of available appropriations or other administrative cost recovery
159.33 methodology.

159.34 (b) The licensure of home and community-based services according to this section
159.35 shall be implemented January 1, 2014. License applications shall be received and

160.1 processed on a phased-in schedule as determined by the commissioner beginning July
160.2 1, 2013. Licenses will be issued thereafter upon the commissioner's determination that
160.3 the application is complete according to section 245A.04.

160.4 (c) Within the limits of available appropriations or other administrative cost recovery
160.5 methodology, implementation of compliance monitoring must be phased in after January
160.6 1, 2014.

160.7 (1) Applicants who do not currently hold a license issued under chapter 245B must
160.8 receive an initial compliance monitoring visit after 12 months of the effective date of the
160.9 initial license for the purpose of providing technical assistance on how to achieve and
160.10 maintain compliance with the applicable law or rules governing the provision of home and
160.11 community-based services under chapter 245D. If during the review the commissioner
160.12 finds that the license holder has failed to achieve compliance with an applicable law or
160.13 rule and this failure does not imminently endanger the health, safety, or rights of the
160.14 persons served by the program, the commissioner may issue a licensing review report with
160.15 recommendations for achieving and maintaining compliance.

160.16 (2) Applicants who do currently hold a license issued under this chapter must receive
160.17 a compliance monitoring visit after 24 months of the effective date of the initial license.

160.18 (d) Nothing in this subdivision shall be construed to limit the commissioner's
160.19 authority to suspend or revoke a license or issue a fine at any time under section 245A.07,
160.20 or issue correction orders and make a license conditional for failure to comply with
160.21 applicable laws or rules under section 245A.06, based on the nature, chronicity, or severity
160.22 of the violation of law or rule and the effect of the violation on the health, safety, or
160.23 rights of persons served by the program.

160.24 (e) License holders governed under chapter 245D must ensure compliance with the
160.25 following requirements within the stated timelines:

160.26 (1) service initiation and service planning requirements must be met at the next
160.27 annual meeting of the person's support team or by January 1, 2015, whichever is later,
160.28 for the following:

160.29 (i) provision of a written notice that identifies the service recipient rights and an
160.30 explanation of those rights as required under section 245D.04, subdivision 1;

160.31 (ii) service planning for basic support services as required under section 245D.07,
160.32 subdivision 2; and

160.33 (iii) service planning for intensive support services under section 245D.071,
160.34 subdivisions 3 and 4;

160.35 (2) staff orientation to program requirements as required under section 245D.09,
160.36 subdivision 4, for staff hired before January 1, 2014, must be met by January 1, 2015.

161.1 The license holder may otherwise provide documentation verifying these requirements
 161.2 were met before January 1, 2014;

161.3 (3) development of policy and procedures as required under section 245D.11, must
 161.4 be completed no later than August 31, 2014;

161.5 (4) written notice and copies of policies and procedures must be provided to
 161.6 all persons or their legal representatives and case managers as required under section
 161.7 245D.10, subdivision 4, paragraphs (b) and (c), by September 15, 2014, or within 30 days
 161.8 of development of the required policies and procedures, whichever is earlier; and

161.9 (5) all employees must be informed of the revisions and training must be provided on
 161.10 implementation of the revised policies and procedures as required under section 245D.10,
 161.11 subdivision 4, paragraph (d), by September 15, 2014, or within 30 days of development of
 161.12 the required policies and procedures, whichever is earlier.

161.13 Sec. 4. Minnesota Statutes 2013 Supplement, section 245D.02, subdivision 3, is
 161.14 amended to read:

161.15 Subd. 3. **Case manager.** "Case manager" means the individual designated
 161.16 to provide waiver case management services, care coordination, or long-term care
 161.17 consultation, as specified in sections 256B.0913, 256B.0915, 256B.092, and 256B.49,
 161.18 or successor provisions. For purposes of this chapter, "case manager" includes case
 161.19 management services as defined in Minnesota Rules, part 9520.0902, subpart 3.

161.20 Sec. 5. Minnesota Statutes 2013 Supplement, section 245D.02, subdivision 4b, is
 161.21 amended to read:

161.22 Subd. 4b. **Coordinated service and support plan.** "Coordinated service and
 161.23 support plan" has the meaning given in sections 256B.0913, subdivision 8; 256B.0915,
 161.24 subdivision 6; 256B.092, subdivision 1b; and 256B.49, subdivision 15, or successor
 161.25 provisions. For purposes of this chapter, "coordinated service and support plan" includes
 161.26 the individual program plan or individual treatment plan as defined in Minnesota Rules,
 161.27 part 9520.0510, subpart 12.

161.28 Sec. 6. Minnesota Statutes 2013 Supplement, section 245D.02, subdivision 8b, is
 161.29 amended to read:

161.30 Subd. 8b. **Expanded support team.** "Expanded support team" means the members
 161.31 of the support team defined in subdivision ~~46~~ 34 and a licensed health or mental health
 161.32 professional or other licensed, certified, or qualified professionals or consultants working

162.1 with the person and included in the team at the request of the person or the person's legal
162.2 representative.

162.3 Sec. 7. Minnesota Statutes 2013 Supplement, section 245D.02, subdivision 11, is
162.4 amended to read:

162.5 Subd. 11. **Incident.** "Incident" means an occurrence which involves a person and
162.6 requires the program to make a response that is not a part of the program's ordinary
162.7 provision of services to that person, and includes:

162.8 (1) serious injury of a person as determined by section 245.91, subdivision 6;

162.9 (2) a person's death;

162.10 (3) any medical emergency, unexpected serious illness, or significant unexpected
162.11 change in an illness or medical condition of a person that requires the program to call
162.12 911, physician treatment, or hospitalization;

162.13 (4) any mental health crisis that requires the program to call 911 or a mental
162.14 health crisis intervention team, or a similar mental health response team or service when
162.15 available and appropriate;

162.16 (5) an act or situation involving a person that requires the program to call 911,
162.17 law enforcement, or the fire department;

162.18 (6) a person's unauthorized or unexplained absence from a program;

162.19 (7) conduct by a person receiving services against another person receiving services
162.20 that:

162.21 (i) is so severe, pervasive, or objectively offensive that it substantially interferes with
162.22 a person's opportunities to participate in or receive service or support;

162.23 (ii) places the person in actual and reasonable fear of harm;

162.24 (iii) places the person in actual and reasonable fear of damage to property of the
162.25 person; or

162.26 (iv) substantially disrupts the orderly operation of the program;

162.27 (8) any sexual activity between persons receiving services involving force or
162.28 coercion as defined under section 609.341, subdivisions 3 and 14;

162.29 (9) any emergency use of manual restraint as identified in section 245D.061; or

162.30 (10) a report of alleged or suspected child or vulnerable adult maltreatment under
162.31 section 626.556 or 626.557.

162.32 Sec. 8. Minnesota Statutes 2013 Supplement, section 245D.02, subdivision 15b,
162.33 is amended to read:

163.1 Subd. 15b. **Mechanical restraint.** ~~(a) Except for devices worn by the person that~~
 163.2 ~~trigger electronic alarms to warn staff that a person is leaving a room or area, which~~
 163.3 ~~do not, in and of themselves, restrict freedom of movement, or the use of adaptive aids~~
 163.4 ~~or equipment or orthotic devices ordered by a health care professional used to treat or~~
 163.5 ~~manage a medical condition;~~ "Mechanical restraint" means the use of devices, materials,
 163.6 or equipment attached or adjacent to the person's body, or the use of practices that are
 163.7 intended to restrict freedom of movement or normal access to one's body or body parts,
 163.8 or limits a person's voluntary movement or holds a person immobile as an intervention
 163.9 precipitated by a person's behavior. The term applies to the use of mechanical restraint
 163.10 used to prevent injury with persons who engage in self-injurious behaviors, such as
 163.11 head-banging, gouging, or other actions resulting in tissue damage that have caused or
 163.12 could cause medical problems resulting from the self-injury.

163.13 (b) Mechanical restraint does not include the following:

163.14 (1) devices worn by the person that trigger electronic alarms to warn staff that a
 163.15 person is leaving a room or area, which do not, in and of themselves, restrict freedom of
 163.16 movement; or

163.17 (2) the use of adaptive aids or equipment or orthotic devices ordered by a health care
 163.18 professional used to treat or manage a medical condition.

163.19 Sec. 9. Minnesota Statutes 2013 Supplement, section 245D.02, subdivision 29, is
 163.20 amended to read:

163.21 Subd. 29. **Seclusion.** "Seclusion" means ~~the placement of a person alone in:~~ (1)
 163.22 removing a person involuntarily to a room from which exit is prohibited by a staff person
 163.23 or a mechanism such as a lock, a device, or an object positioned to hold the door closed
 163.24 or otherwise prevent the person from leaving the room; or (2) otherwise involuntarily
 163.25 removing or separating a person from an area, activity, situation, or social contact with
 163.26 others and blocking or preventing the person's return.

163.27 Sec. 10. Minnesota Statutes 2013 Supplement, section 245D.02, subdivision 34,
 163.28 is amended to read:

163.29 Subd. 34. **Support team.** "Support team" means the service planning team
 163.30 identified in section 256B.49, subdivision 15, ~~or~~ the interdisciplinary team identified in
 163.31 Minnesota Rules, part 9525.0004, subpart 14; or the case management team as defined in
 163.32 Minnesota Rules, part 9520.0902, subpart 6.

164.1 Sec. 11. Minnesota Statutes 2013 Supplement, section 245D.02, subdivision 34a,
164.2 is amended to read:

164.3 Subd. 34a. **Time out.** "Time out" means ~~removing a person involuntarily from an~~
164.4 ~~ongoing activity to a room, either locked or unlocked, or otherwise separating a person~~
164.5 ~~from others in a way that prevents social contact and prevents the person from leaving the~~
164.6 ~~situation if the person chooses~~ the involuntary removal of a person for a period of time to
164.7 a designated area from which the person is not prevented from leaving. For the purpose of
164.8 this chapter, "time out" does not mean voluntary removal or self-removal for the purpose
164.9 of calming, prevention of escalation, or de-escalation of behavior ~~for a period of up to 15~~
164.10 ~~minutes.~~ "Time out" ~~does not include a person voluntarily moving from an ongoing activity~~
164.11 ~~to an unlocked room or otherwise separating from a situation or social contact with others~~
164.12 ~~if the person chooses.~~ For the purposes of this definition, "voluntarily" means without
164.13 ~~being forced, compelled, or coerced.~~; nor does it mean taking a brief "break" or "rest" from
164.14 an activity for the purpose of providing the person an opportunity to regain self-control.
164.15 For the purpose of this subdivision, "brief" means a duration of three minutes or less.

164.16 Sec. 12. Minnesota Statutes 2013 Supplement, section 245D.02, is amended by adding
164.17 a subdivision to read:

164.18 Subd. 35b. **Unlicensed staff.** "Unlicensed staff" means individuals not otherwise
164.19 licensed or certified by a governmental health board or agency.

164.20 Sec. 13. Minnesota Statutes 2013 Supplement, section 245D.03, subdivision 1, is
164.21 amended to read:

164.22 Subdivision 1. **Applicability.** (a) The commissioner shall regulate the provision of
164.23 home and community-based services to persons with disabilities and persons age 65 and
164.24 older pursuant to this chapter. The licensing standards in this chapter govern the provision
164.25 of basic support services and intensive support services.

164.26 (b) Basic support services provide the level of assistance, supervision, and care that
164.27 is necessary to ensure the health and safety of the person and do not include services that
164.28 are specifically directed toward the training, treatment, habilitation, or rehabilitation of
164.29 the person. Basic support services include:

164.30 (1) in-home and out-of-home respite care services as defined in section 245A.02,
164.31 subdivision 15, and under the brain injury, community alternative care, community
164.32 alternatives for disabled individuals, developmental disability, and elderly waiver plans;

164.33 (2) adult companion services as defined under the brain injury, community
164.34 alternatives for disabled individuals, and elderly waiver plans, excluding adult companion

165.1 services provided under the Corporation for National and Community Services Senior
165.2 Companion Program established under the Domestic Volunteer Service Act of 1973,
165.3 Public Law 98-288;

165.4 (3) personal support as defined under the developmental disability waiver plan;

165.5 (4) 24-hour emergency assistance, personal emergency response as defined under the
165.6 community alternatives for disabled individuals and developmental disability waiver plans;

165.7 (5) night supervision services as defined under the brain injury waiver plan; and

165.8 (6) homemaker services as defined under the community alternatives for disabled
165.9 individuals, brain injury, community alternative care, developmental disability, and elderly
165.10 waiver plans, excluding providers licensed by the Department of Health under chapter
165.11 144A and those providers providing cleaning services only.

165.12 (c) Intensive support services provide assistance, supervision, and care that is
165.13 necessary to ensure the health and safety of the person and services specifically directed
165.14 toward the training, habilitation, or rehabilitation of the person. Intensive support services
165.15 include:

165.16 (1) intervention services, including:

165.17 (i) behavioral support services as defined under the brain injury and community
165.18 alternatives for disabled individuals waiver plans;

165.19 (ii) in-home or out-of-home crisis respite services as defined under the developmental
165.20 disability waiver plan; and

165.21 (iii) specialist services as defined under the current developmental disability waiver
165.22 plan;

165.23 (2) in-home support services, including:

165.24 (i) in-home family support and supported living services as defined under the
165.25 developmental disability waiver plan;

165.26 (ii) independent living services training as defined under the brain injury and
165.27 community alternatives for disabled individuals waiver plans; and

165.28 (iii) semi-independent living services;

165.29 (3) residential supports and services, including:

165.30 (i) supported living services as defined under the developmental disability waiver
165.31 plan provided in a family or corporate child foster care residence, a family adult foster
165.32 care residence, a community residential setting, or a supervised living facility;

165.33 (ii) foster care services as defined in the brain injury, community alternative care,
165.34 and community alternatives for disabled individuals waiver plans provided in a family or
165.35 corporate child foster care residence, a family adult foster care residence, or a community
165.36 residential setting; and

166.1 (iii) residential services provided to more than four persons with developmental
 166.2 disabilities in a supervised living facility that is certified by the Department of Health as
 166.3 an ICF/DD, including ICFs/DD;

166.4 (4) day services, including:

166.5 (i) structured day services as defined under the brain injury waiver plan;

166.6 (ii) day training and habilitation services under sections 252.40 to 252.46, and as
 166.7 defined under the developmental disability waiver plan; and

166.8 (iii) prevocational services as defined under the brain injury and community
 166.9 alternatives for disabled individuals waiver plans; and

166.10 (5) supported employment as defined under the brain injury, developmental
 166.11 disability, and community alternatives for disabled individuals waiver plans.

166.12 Sec. 14. Minnesota Statutes 2013 Supplement, section 245D.03, is amended by adding
 166.13 a subdivision to read:

166.14 Subd. 1a. **Effect.** The home and community-based services standards establish
 166.15 health, safety, welfare, and rights protections for persons receiving services governed by
 166.16 this chapter. The standards recognize the diversity of persons receiving these services and
 166.17 require that these services are provided in a manner that meets each person's individual
 166.18 needs and ensures continuity in service planning, care, and coordination between the
 166.19 license holder and members of each person's support team or expanded support team.

166.20 Sec. 15. Minnesota Statutes 2013 Supplement, section 245D.03, subdivision 2, is
 166.21 amended to read:

166.22 **Subd. 2. Relationship to other standards governing home and community-based**
 166.23 **services.** (a) A license holder governed by this chapter is also subject to the licensure
 166.24 requirements under chapter 245A.

166.25 (b) ~~A corporate or family child foster care site controlled by a license holder and~~
 166.26 ~~providing services governed by this chapter is exempt from compliance with section~~
 166.27 ~~245D.04. This exemption applies to foster care homes where at least one resident is~~
 166.28 ~~receiving residential supports and services licensed according to this chapter. This chapter~~
 166.29 ~~does not apply to corporate or family child foster care homes that do not provide services~~
 166.30 ~~licensed under this chapter.~~

166.31 (c) A family adult foster care site controlled by a license holder and providing
 166.32 services governed by this chapter is exempt from compliance with Minnesota Rules,
 166.33 parts 9555.6185; 9555.6225, subpart 8; 9555.6245; 9555.6255; and 9555.6265. These
 166.34 exemptions apply to family adult foster care homes where at least one resident is receiving

167.1 residential supports and services licensed according to this chapter. This chapter does
 167.2 not apply to family adult foster care homes that do not provide services licensed under
 167.3 this chapter.

167.4 (d) A license holder providing services licensed according to this chapter in a
 167.5 supervised living facility is exempt from compliance with ~~sections~~ section 245D.04;
 167.6 ~~245D.05, subdivision 2; and 245D.06, subdivision 2, clauses (1), (4), and (5).~~

167.7 (e) A license holder providing residential services to persons in an ICF/DD is exempt
 167.8 from compliance with sections 245D.04; 245D.05, subdivision 1b; 245D.06, subdivision
 167.9 2, clauses (4) and (5); 245D.071, subdivisions 4 and 5; 245D.081, subdivision 2; 245D.09,
 167.10 subdivision 7; 245D.095, subdivision 2; and 245D.11, subdivision 3.

167.11 (f) A license holder providing homemaker services licensed according to this chapter
 167.12 and registered according to chapter 144A is exempt from compliance with section 245D.04.

167.13 (g) Nothing in this chapter prohibits a license holder from concurrently serving
 167.14 persons without disabilities or people who are or are not age 65 and older, provided this
 167.15 chapter's standards are met as well as other relevant standards.

167.16 (h) The documentation required under sections 245D.07 and 245D.071 must meet
 167.17 the individual program plan requirements identified in section 256B.092 or successor
 167.18 provisions.

167.19 Sec. 16. Minnesota Statutes 2013 Supplement, section 245D.03, subdivision 3, is
 167.20 amended to read:

167.21 Subd. 3. **Variance.** If the conditions in section 245A.04, subdivision 9, are met,
 167.22 the commissioner may grant a variance to any of the requirements in this chapter, except
 167.23 sections 245D.04; 245D.06, subdivision 4, paragraph (b), and subdivision 6; and ~~245D.061,~~
 167.24 ~~subdivision 3,~~ or provisions governing data practices and information rights of persons.

167.25 Sec. 17. Minnesota Statutes 2013 Supplement, section 245D.04, subdivision 3, is
 167.26 amended to read:

167.27 Subd. 3. **Protection-related rights.** (a) A person's protection-related rights include
 167.28 the right to:

167.29 (1) have personal, financial, service, health, and medical information kept private,
 167.30 and be advised of disclosure of this information by the license holder;

167.31 (2) access records and recorded information about the person in accordance with
 167.32 applicable state and federal law, regulation, or rule;

167.33 (3) be free from maltreatment;

168.1 (4) be free from restraint, time out, ~~or seclusion~~, or any aversive, deprivation, or
168.2 other prohibited procedure identified in section 245D.06, subdivision 5, except for: (i)
168.3 emergency use of manual restraint to protect the person from imminent danger to self or
168.4 others according to the requirements in section ~~245D.06~~; 245D.061; or (ii) the use of
168.5 safety interventions as part of a positive support transition plan under section 245D.06,
168.6 subdivision 8;

168.7 (5) receive services in a clean and safe environment when the license holder is the
168.8 owner, lessor, or tenant of the service site;

168.9 (6) be treated with courtesy and respect and receive respectful treatment of the
168.10 person's property;

168.11 (7) reasonable observance of cultural and ethnic practice and religion;

168.12 (8) be free from bias and harassment regarding race, gender, age, disability,
168.13 spirituality, and sexual orientation;

168.14 (9) be informed of and use the license holder's grievance policy and procedures,
168.15 including knowing how to contact persons responsible for addressing problems and to
168.16 appeal under section 256.045;

168.17 (10) know the name, telephone number, and the Web site, e-mail, and street
168.18 addresses of protection and advocacy services, including the appropriate state-appointed
168.19 ombudsman, and a brief description of how to file a complaint with these offices;

168.20 (11) assert these rights personally, or have them asserted by the person's family,
168.21 authorized representative, or legal representative, without retaliation;

168.22 (12) give or withhold written informed consent to participate in any research or
168.23 experimental treatment;

168.24 (13) associate with other persons of the person's choice;

168.25 (14) personal privacy; and

168.26 (15) engage in chosen activities.

168.27 (b) For a person residing in a residential site licensed according to chapter 245A,
168.28 or where the license holder is the owner, lessor, or tenant of the residential service site,
168.29 protection-related rights also include the right to:

168.30 (1) have daily, private access to and use of a non-coin-operated telephone for local
168.31 calls and long-distance calls made collect or paid for by the person;

168.32 (2) receive and send, without interference, uncensored, unopened mail or electronic
168.33 correspondence or communication;

168.34 (3) have use of and free access to common areas in the residence; and

169.1 (4) privacy for visits with the person's spouse, next of kin, legal counsel, religious
 169.2 advisor, or others, in accordance with section 363A.09 of the Human Rights Act, including
 169.3 privacy in the person's bedroom.

169.4 (c) Restriction of a person's rights under ~~subdivision 2, clause (10), or~~ paragraph (a),
 169.5 clauses (13) to (15), or paragraph (b) is allowed only if determined necessary to ensure
 169.6 the health, safety, and well-being of the person. Any restriction of those rights must be
 169.7 documented in the person's coordinated service and support plan or coordinated service
 169.8 and support plan addendum. The restriction must be implemented in the least restrictive
 169.9 alternative manner necessary to protect the person and provide support to reduce or
 169.10 eliminate the need for the restriction in the most integrated setting and inclusive manner.
 169.11 The documentation must include the following information:

169.12 (1) the justification for the restriction based on an assessment of the person's
 169.13 vulnerability related to exercising the right without restriction;

169.14 (2) the objective measures set as conditions for ending the restriction;

169.15 (3) a schedule for reviewing the need for the restriction based on the conditions
 169.16 for ending the restriction to occur semiannually from the date of initial approval, at a
 169.17 minimum, or more frequently if requested by the person, the person's legal representative,
 169.18 if any, and case manager; and

169.19 (4) signed and dated approval for the restriction from the person, or the person's
 169.20 legal representative, if any. A restriction may be implemented only when the required
 169.21 approval has been obtained. Approval may be withdrawn at any time. If approval is
 169.22 withdrawn, the right must be immediately and fully restored.

169.23 Sec. 18. Minnesota Statutes 2013 Supplement, section 245D.05, subdivision 1, is
 169.24 amended to read:

169.25 Subdivision 1. **Health needs.** (a) The license holder is responsible for meeting
 169.26 health service needs assigned in the coordinated service and support plan or the
 169.27 coordinated service and support plan addendum, consistent with the person's health needs.
 169.28 The license holder is responsible for promptly notifying the person's legal representative,
 169.29 if any, and the case manager of changes in a person's physical and mental health needs
 169.30 affecting health service needs assigned to the license holder in the coordinated service and
 169.31 support plan or the coordinated service and support plan addendum, when discovered by
 169.32 the license holder, unless the license holder has reason to know the change has already
 169.33 been reported. The license holder must document when the notice is provided.

169.34 (b) If responsibility for meeting the person's health service needs has been assigned
 169.35 to the license holder in the coordinated service and support plan or the coordinated service

170.1 and support plan addendum, the license holder must maintain documentation on how the
 170.2 person's health needs will be met, including a description of the procedures the license
 170.3 holder will follow in order to:

170.4 (1) provide medication setup, assistance, or ~~medication~~ administration according
 170.5 to this chapter. Unlicensed staff responsible for medication setup or medication
 170.6 administration under this section must complete training according to section 245D.09,
 170.7 subdivision 4a, paragraph (d);

170.8 (2) monitor health conditions according to written instructions from a licensed
 170.9 health professional;

170.10 (3) assist with or coordinate medical, dental, and other health service appointments; or

170.11 (4) use medical equipment, devices, or adaptive aides or technology safely and
 170.12 correctly according to written instructions from a licensed health professional.

170.13 Sec. 19. Minnesota Statutes 2013 Supplement, section 245D.05, subdivision 1a,
 170.14 is amended to read:

170.15 Subd. 1a. **Medication setup.** (a) For the purposes of this subdivision, "medication
 170.16 setup" means the arranging of medications according to instructions from the pharmacy,
 170.17 the prescriber, or a licensed nurse, for later administration when the license holder
 170.18 is assigned responsibility ~~for medication assistance or medication administration~~ in
 170.19 the coordinated service and support plan or the coordinated service and support plan
 170.20 addendum. A prescription label or the prescriber's written or electronically recorded order
 170.21 for the prescription is sufficient to constitute written instructions from the prescriber.

170.22 (b) If responsibility for medication setup is assigned to the license holder in
 170.23 the coordinated service and support plan or the coordinated service and support plan
 170.24 addendum, or if the license holder provides it as part of medication assistance or
 170.25 medication administration, the license holder must document in the person's medication
 170.26 administration record: dates of setup, name of medication, quantity of dose, times to be
 170.27 administered, and route of administration at time of setup; and, when the person will be
 170.28 away from home, to whom the medications were given.

170.29 Sec. 20. Minnesota Statutes 2013 Supplement, section 245D.05, subdivision 1b,
 170.30 is amended to read:

170.31 Subd. 1b. **Medication assistance.** (a) For purposes of this subdivision, "medication
 170.32 assistance" means any of the following:

171.1 (1) bringing to the person and opening a container of previously set up medications,
 171.2 emptying the container into the person's hand, or opening and giving the medications in
 171.3 the original container to the person under the direction of the person;

171.4 (2) bringing to the person liquids or food to accompany the medication; or

171.5 (3) providing reminders to take regularly scheduled medication or perform regularly
 171.6 scheduled treatments and exercises.

171.7 (b) If responsibility for medication assistance is assigned to the license holder
 171.8 in the coordinated service and support plan or the coordinated service and support
 171.9 plan addendum, the license holder must ensure that the requirements of subdivision 2,
 171.10 paragraph (b), have been met when staff provides medication assistance to enable is
 171.11 provided in a manner that enables a person to self-administer medication or treatment
 171.12 when the person is capable of directing the person's own care, or when the person's legal
 171.13 representative is present and able to direct care for the person. For the purposes of this
 171.14 subdivision, "medication assistance" means any of the following:

171.15 (1) bringing to the person and opening a container of previously set up medications,
 171.16 emptying the container into the person's hand, or opening and giving the medications in
 171.17 the original container to the person;

171.18 (2) bringing to the person liquids or food to accompany the medication; or

171.19 (3) providing reminders to take regularly scheduled medication or perform regularly
 171.20 scheduled treatments and exercises.

171.21 Sec. 21. Minnesota Statutes 2013 Supplement, section 245D.05, subdivision 2, is
 171.22 amended to read:

171.23 Subd. 2. **Medication administration.** (a) If responsibility for medication
 171.24 administration is assigned to the license holder in the coordinated service and support
 171.25 plan or the coordinated service and support plan addendum, the license holder must
 171.26 implement the following medication administration procedures to ensure a person takes
 171.27 medications and treatments as prescribed For purposes of this subdivision, "medication
 171.28 administration" means:

171.29 (1) checking the person's medication record;

171.30 (2) preparing the medication as necessary;

171.31 (3) administering the medication or treatment to the person;

171.32 (4) documenting the administration of the medication or treatment or the reason for
 171.33 not administering the medication or treatment; and

171.34 (5) reporting to the prescriber or a nurse any concerns about the medication or
 171.35 treatment, including side effects, effectiveness, or a pattern of the person refusing to

172.1 take the medication or treatment as prescribed. Adverse reactions must be immediately
172.2 reported to the prescriber or a nurse.

172.3 (b)(1) If responsibility for medication administration is assigned to the license holder
172.4 in the coordinated service and support plan or the coordinated service and support plan
172.5 addendum, the license holder must implement medication administration procedures
172.6 to ensure a person takes medications and treatments as prescribed. The license holder
172.7 must ensure that the requirements in clauses (2) to (4) and (3) have been met before
172.8 administering medication or treatment.

172.9 (2) The license holder must obtain written authorization from the person or the
172.10 person's legal representative to administer medication or treatment and must obtain
172.11 reauthorization annually as needed. This authorization shall remain in effect unless it is
172.12 withdrawn in writing and may be withdrawn at any time. If the person or the person's
172.13 legal representative refuses to authorize the license holder to administer medication, the
172.14 medication must not be administered. The refusal to authorize medication administration
172.15 must be reported to the prescriber as expeditiously as possible.

172.16 ~~(3) The staff person responsible for administering the medication or treatment must~~
172.17 ~~complete medication administration training according to section 245D.09, subdivision~~
172.18 ~~4a, paragraphs (a) and (c), and, as applicable to the person, paragraph (d).~~

172.19 ~~(4)~~ (3) For a license holder providing intensive support services, the medication or
172.20 treatment must be administered according to the license holder's medication administration
172.21 policy and procedures as required under section 245D.11, subdivision 2, clause (3).

172.22 (c) The license holder must ensure the following information is documented in the
172.23 person's medication administration record:

172.24 (1) the information on the current prescription label or the prescriber's current
172.25 written or electronically recorded order or prescription that includes the person's name,
172.26 description of the medication or treatment to be provided, and the frequency and other
172.27 information needed to safely and correctly administer the medication or treatment to
172.28 ensure effectiveness;

172.29 (2) information on any risks or other side effects that are reasonable to expect, and
172.30 any contraindications to its use. This information must be readily available to all staff
172.31 administering the medication;

172.32 (3) the possible consequences if the medication or treatment is not taken or
172.33 administered as directed;

172.34 (4) instruction on when and to whom to report the following:

172.35 (i) if a dose of medication is not administered or treatment is not performed as
172.36 prescribed, whether by error by the staff or the person or by refusal by the person; and

173.1 (ii) the occurrence of possible adverse reactions to the medication or treatment;

173.2 (5) notation of any occurrence of a dose of medication not being administered or
 173.3 treatment not performed as prescribed, whether by error by the staff or the person or by
 173.4 refusal by the person, or of adverse reactions, and when and to whom the report was
 173.5 made; and

173.6 (6) notation of when a medication or treatment is started, administered, changed, or
 173.7 discontinued.

173.8 Sec. 22. Minnesota Statutes 2013 Supplement, section 245D.05, subdivision 4, is
 173.9 amended to read:

173.10 Subd. 4. **Reviewing and reporting medication and treatment issues.** (a) When
 173.11 assigned responsibility for medication administration, the license holder must ensure
 173.12 that the information maintained in the medication administration record is current and
 173.13 is regularly reviewed to identify medication administration errors. At a minimum, the
 173.14 review must be conducted every three months, or more frequently as directed in the
 173.15 coordinated service and support plan or coordinated service and support plan addendum
 173.16 or as requested by the person or the person's legal representative. Based on the review,
 173.17 the license holder must develop and implement a plan to correct patterns of medication
 173.18 administration errors when identified.

173.19 (b) If assigned responsibility for medication assistance or medication administration,
 173.20 the license holder must report the following to the person's legal representative and case
 173.21 manager as they occur or as otherwise directed in the coordinated service and support plan
 173.22 or the coordinated service and support plan addendum:

173.23 (1) any reports ~~made to the person's physician or prescriber~~ required under
 173.24 subdivision 2, paragraph (c), clause (4);

173.25 (2) a person's refusal or failure to take or receive medication or treatment as
 173.26 prescribed; or

173.27 (3) concerns about a person's self-administration of medication or treatment.

173.28 Sec. 23. Minnesota Statutes 2013 Supplement, section 245D.05, subdivision 5, is
 173.29 amended to read:

173.30 Subd. 5. **Injectable medications.** Injectable medications may be administered
 173.31 according to a prescriber's order and written instructions when one of the following
 173.32 conditions has been met:

173.33 (1) a registered nurse or licensed practical nurse will administer the ~~subcutaneous or~~
 173.34 ~~intramuscular~~ injection;

174.1 (2) a supervising registered nurse with a physician's order has delegated the
 174.2 administration of subcutaneous injectable medication to an unlicensed staff member
 174.3 and has provided the necessary training; or

174.4 (3) there is an agreement signed by the license holder, the prescriber, and the
 174.5 person or the person's legal representative specifying what subcutaneous injections may
 174.6 be given, when, how, and that the prescriber must retain responsibility for the license
 174.7 holder's giving the injections. A copy of the agreement must be placed in the person's
 174.8 service recipient record.

174.9 Only licensed health professionals are allowed to administer psychotropic
 174.10 medications by injection.

174.11 Sec. 24. Minnesota Statutes 2013 Supplement, section 245D.051, is amended to read:

174.12 **245D.051 PSYCHOTROPIC MEDICATION USE AND MONITORING.**

174.13 Subdivision 1. **Conditions for psychotropic medication administration.** (a)
 174.14 When a person is prescribed a psychotropic medication and the license holder is assigned
 174.15 responsibility for administration of the medication in the person's coordinated service
 174.16 and support plan or the coordinated service and support plan addendum, the license
 174.17 holder must ensure that the requirements in paragraphs (b) to (d) and section 245D.05,
 174.18 subdivision 2, are met.

174.19 ~~(b) Use of the medication must be included in the person's coordinated service and~~
 174.20 ~~support plan or in the coordinated service and support plan addendum and based on a~~
 174.21 ~~prescriber's current written or electronically recorded prescription.~~

174.22 ~~(e)~~ (b) The license holder must develop, implement, and maintain the following
 174.23 documentation in the person's coordinated service and support plan addendum according
 174.24 to the requirements in sections 245D.07 and 245D.071:

174.25 (1) a description of the target symptoms that the psychotropic medication is to
 174.26 alleviate; and

174.27 (2) documentation methods the license holder will use to monitor and measure
 174.28 changes in the target symptoms that are to be alleviated by the psychotropic medication if
 174.29 required by the prescriber. The license holder must collect and report on medication and
 174.30 symptom-related data as instructed by the prescriber. The license holder must provide
 174.31 the monitoring data to the expanded support team for review every three months, or as
 174.32 otherwise requested by the person or the person's legal representative.

174.33 For the purposes of this section, "target symptom" refers to any perceptible
 174.34 diagnostic criteria for a person's diagnosed mental disorder, as defined by the Diagnostic

175.1 and Statistical Manual of Mental Disorders Fourth Edition Text Revision (DSM-IV-TR) or
175.2 successive editions, that has been identified for alleviation.

175.3 Subd. 2. **Refusal to authorize psychotropic medication.** If the person or the
175.4 person's legal representative refuses to authorize the administration of a psychotropic
175.5 medication as ordered by the prescriber, the license holder must ~~follow the requirement in~~
175.6 ~~section 245D.05, subdivision 2, paragraph (b), clause (2):~~ not administer the medication.
175.7 The refusal to authorize medication administration must be reported to the prescriber as
175.8 expediently as possible. After reporting the refusal to the prescriber, the license holder
175.9 must follow any directives or orders given by the prescriber. ~~A court order must be~~
175.10 ~~obtained to override the refusal.~~ A refusal may not be overridden without a court order.
175.11 Refusal to authorize administration of a specific psychotropic medication is not grounds
175.12 for service termination and does not constitute an emergency. A decision to terminate
175.13 services must be reached in compliance with section 245D.10, subdivision 3.

175.14 Sec. 25. Minnesota Statutes 2013 Supplement, section 245D.06, subdivision 2, is
175.15 amended to read:

175.16 Subd. 2. **Environment and safety.** The license holder must:

175.17 (1) ensure the following when the license holder is the owner, lessor, or tenant
175.18 of the service site:

175.19 (i) the service site is a safe and hazard-free environment;

175.20 (ii) that toxic substances or dangerous items are inaccessible to persons served by
175.21 the program only to protect the safety of a person receiving services when a known safety
175.22 threat exists and not as a substitute for staff supervision or interactions with a person who
175.23 is receiving services. If toxic substances or dangerous items are made inaccessible, the
175.24 license holder must document an assessment of the physical plant, its environment, and its
175.25 population identifying the risk factors which require toxic substances or dangerous items
175.26 to be inaccessible and a statement of specific measures to be taken to minimize the safety
175.27 risk to persons receiving services and to restore accessibility to all persons receiving
175.28 services at the service site;

175.29 (iii) doors are locked from the inside to prevent a person from exiting only when
175.30 necessary to protect the safety of a person receiving services and not as a substitute for
175.31 staff supervision or interactions with the person. If doors are locked from the inside, the
175.32 license holder must document an assessment of the physical plant, the environment and
175.33 the population served, identifying the risk factors which require the use of locked doors,
175.34 and a statement of specific measures to be taken to minimize the safety risk to persons
175.35 receiving services at the service site; and

176.1 (iv) a staff person is available at the service site who is trained in basic first aid and,
176.2 when required in a person's coordinated service and support plan or coordinated service
176.3 and support plan addendum, cardiopulmonary resuscitation (CPR) whenever persons are
176.4 present and staff are required to be at the site to provide direct support service. The CPR
176.5 training must include in-person instruction, hands-on practice, and an observed skills
176.6 assessment under the direct supervision of a CPR instructor;

176.7 (2) maintain equipment, vehicles, supplies, and materials owned or leased by the
176.8 license holder in good condition when used to provide services;

176.9 (3) follow procedures to ensure safe transportation, handling, and transfers of the
176.10 person and any equipment used by the person, when the license holder is responsible for
176.11 transportation of a person or a person's equipment;

176.12 (4) be prepared for emergencies and follow emergency response procedures to
176.13 ensure the person's safety in an emergency; and

176.14 (5) follow universal precautions and sanitary practices, including hand washing, for
176.15 infection prevention and control, and to prevent communicable diseases.

176.16 Sec. 26. Minnesota Statutes 2013 Supplement, section 245D.06, subdivision 4, is
176.17 amended to read:

176.18 Subd. 4. **Funds and property.** (a) Whenever the license holder assists a person
176.19 with the safekeeping of funds or other property according to section 245A.04, subdivision
176.20 13, the license holder must obtain written authorization to do so from the person or the
176.21 person's legal representative and the case manager. Authorization must be obtained within
176.22 five working days of service initiation and renewed annually thereafter. At the time initial
176.23 authorization is obtained, the license holder must survey, document, and implement the
176.24 preferences of the person or the person's legal representative and the case manager for
176.25 frequency of receiving a statement that itemizes receipts and disbursements of funds or
176.26 other property. The license holder must document changes to these preferences when
176.27 they are requested.

176.28 (b) A license holder or staff person may not accept powers-of-attorney from a person
176.29 receiving services from the license holder for any purpose. This does not apply to license
176.30 holders that are Minnesota counties or other units of government or to staff persons
176.31 employed by license holders who were acting as attorney-in-fact for specific individuals
176.32 prior to implementation of this chapter. The license holder must maintain documentation
176.33 of the power-of-attorney in the service recipient record.

176.34 (c) A license holder or staff person is restricted from accepting an appointment
176.35 as a guardian as follows:

177.1 (1) under section 524.5-309 of the Uniform Probate Code, any individual or agency
 177.2 that provides residence, custodial care, medical care, employment training, or other care
 177.3 or services for which the individual or agency receives a fee may not be appointed as
 177.4 guardian unless related to the respondent by blood, marriage, or adoption; and

177.5 (2) under section 245A.03, subdivision 2, paragraph (a), clause (1), a related
 177.6 individual as defined under section 245A.02, subdivision 13, is excluded from licensure.
 177.7 Services provided by a license holder to a person under the license holder's guardianship
 177.8 are not licensed services.

177.9 (e) (d) Upon the transfer or death of a person, any funds or other property of the
 177.10 person must be surrendered to the person or the person's legal representative, or given to
 177.11 the executor or administrator of the estate in exchange for an itemized receipt.

177.12 Sec. 27. Minnesota Statutes 2013 Supplement, section 245D.06, subdivision 6, is
 177.13 amended to read:

177.14 Subd. 6. **Restricted procedures.** (a) The following procedures are allowed when
 177.15 the procedures are implemented in compliance with the standards governing their use as
 177.16 identified in clauses (1) to (3). Allowed but restricted procedures include:

177.17 (1) permitted actions and procedures subject to the requirements in subdivision 7;

177.18 (2) procedures identified in a positive support transition plan subject to the
 177.19 requirements in subdivision 8; or

177.20 (3) emergency use of manual restraint subject to the requirements in section
 177.21 245D.061.

177.22 For purposes of this chapter, this section supersedes the requirements identified in
 177.23 Minnesota Rules, part 9525.2740.

177.24 (b) A restricted procedure identified in paragraph (a) must not:

177.25 (1) be implemented with a child in a manner that constitutes sexual abuse, neglect,
 177.26 physical abuse, or mental injury, as defined in section 626.556, subdivision 2;

177.27 (2) be implemented with an adult in a manner that constitutes abuse or neglect as
 177.28 defined in section 626.5572, subdivision 2 or 17;

177.29 (3) be implemented in a manner that violates a person's rights identified in section
 177.30 245D.04;

177.31 (4) restrict a person's normal access to a nutritious diet, drinking water, adequate
 177.32 ventilation, necessary medical care, ordinary hygiene facilities, normal sleeping
 177.33 conditions, necessary clothing, or any protection required by state licensing standards or
 177.34 federal regulations governing the program;

178.1 (5) deny the person visitation or ordinary contact with legal counsel, a legal
 178.2 representative, or next of kin;

178.3 (6) be used for the convenience of staff, as punishment, as a substitute for adequate
 178.4 staffing, or as a consequence if the person refuses to participate in the treatment or services
 178.5 provided by the program;

178.6 (7) use prone restraint. For purposes of this section, "prone restraint" means use
 178.7 of manual restraint that places a person in a face-down position. Prone restraint does
 178.8 not include brief physical holding of a person who, during an emergency use of manual
 178.9 restraint, rolls into a prone position, if the person is restored to a standing, sitting, or
 178.10 side-lying position as quickly as possible;

178.11 (8) apply back or chest pressure while a person is in a prone position as identified in
 178.12 clause (7), supine position, or side-lying position; or

178.13 (9) be implemented in a manner that is contraindicated for any of the person's known
 178.14 medical or psychological limitations.

178.15 Sec. 28. Minnesota Statutes 2013 Supplement, section 245D.06, subdivision 7, is
 178.16 amended to read:

178.17 Subd. 7. **Permitted actions and procedures.** (a) Use of the instructional techniques
 178.18 and intervention procedures as identified in paragraphs (b) and (c) is permitted when used
 178.19 on an intermittent or continuous basis. When used on a continuous basis, it must be
 178.20 addressed in a person's coordinated service and support plan addendum as identified in
 178.21 sections 245D.07 and 245D.071. For purposes of this chapter, the requirements of this
 178.22 subdivision supersede the requirements identified in Minnesota Rules, part 9525.2720.

178.23 (b) Physical contact or instructional techniques must use the least restrictive
 178.24 alternative possible to meet the needs of the person and may be used:

178.25 (1) to calm or comfort a person by holding that person with no resistance from
 178.26 that person;

178.27 (2) to protect a person known to be at risk ~~of~~ of injury due to frequent falls as a result
 178.28 of a medical condition;

178.29 (3) to facilitate the person's completion of a task or response when the person does
 178.30 not resist or the person's resistance is minimal in intensity and duration; ~~or~~

178.31 (4) to ~~briefly~~ block or redirect a person's limbs or body without holding the person or
 178.32 limiting the person's movement to interrupt the person's behavior that may result in injury
 178.33 to self or others: with less than 60 seconds of physical contact by staff; or

179.1 (5) to redirect a person's behavior when the behavior does not pose a serious threat
 179.2 to the person or others and the behavior is effectively redirected with less than 60 seconds
 179.3 of physical contact by staff.

179.4 (c) Restraint may be used as an intervention procedure to:

179.5 (1) allow a licensed health care professional to safely conduct a medical examination
 179.6 or to provide medical treatment ordered by a licensed health care professional to a person
 179.7 necessary to promote healing or recovery from an acute, meaning short-term, medical
 179.8 condition;

179.9 (2) assist in the safe evacuation or redirection of a person in the event of an
 179.10 emergency and the person is at imminent risk of harm; or

179.11 ~~Any use of manual restraint as allowed in this paragraph must comply with the restrictions~~
 179.12 ~~identified in section 245D.061, subdivision 3; or~~

179.13 (3) position a person with physical disabilities in a manner specified in the person's
 179.14 coordinated service and support plan addendum.

179.15 Any use of manual restraint as allowed in this paragraph must comply with the restrictions
 179.16 identified in subdivision 6, paragraph (b).

179.17 (d) Use of adaptive aids or equipment, orthotic devices, or other medical equipment
 179.18 ordered by a licensed health professional to treat a diagnosed medical condition do not in
 179.19 and of themselves constitute the use of mechanical restraint.

179.20 (e) Use of an auxiliary device to ensure a person does not unfasten a seat belt when
 179.21 being transported in a vehicle in accordance with seat belt use requirements in section
 179.22 169.686 does not constitute the use of mechanical restraint.

179.23 Sec. 29. Minnesota Statutes 2013 Supplement, section 245D.06, subdivision 8, is
 179.24 amended to read:

179.25 Subd. 8. **Positive support transition plan.** (a) License holders must develop
 179.26 a positive support transition plan on the forms and in the manner prescribed by the
 179.27 commissioner for a person who requires intervention in order to maintain safety when
 179.28 it is known that the person's behavior poses an immediate risk of physical harm to self
 179.29 or others. The positive support transition plan forms and instructions will supersede the
 179.30 requirements in Minnesota Rules, parts 9525.2750; 9525.2760; and 9525.2780. The
 179.31 positive support transition plan must phase out any existing plans for the emergency or
 179.32 programmatic use of aversive or deprivation procedures prohibited under this chapter
 179.33 within the following timelines:

180.1 (1) for persons receiving services from the license holder before January 1, 2014,
180.2 the plan must be developed and implemented by February 1, 2014, and phased out no
180.3 later than December 31, 2014; and

180.4 (2) for persons admitted to the program on or after January 1, 2014, the plan must be
180.5 developed and implemented within 30 calendar days of service initiation and phased out
180.6 no later than 11 months from the date of plan implementation.

180.7 (b) The commissioner has limited authority to grant approval for the emergency use
180.8 of procedures identified in subdivision 6 that had been part of an approved positive support
180.9 transition plan when a person is at imminent risk of serious injury as defined in section
180.10 245.91, subdivision 6, due to self-injurious behavior and the following conditions are met:

180.11 (1) the person's expanded support team approves the emergency use of the
180.12 procedures; and

180.13 (2) the interim review panel established in section 245.8251, subdivision 4,
180.14 recommends commissioner approval of the emergency use of the procedures.

180.15 (c) Written requests for the emergency use of the procedures must be developed
180.16 and submitted to the commissioner by the designated coordinator with input from the
180.17 person's expanded support team in accordance with the requirements set by the interim
180.18 review panel, in addition to the following:

180.19 (1) a copy of the person's current positive support transition plan and copies of
180.20 each positive support transition plan review containing data on the progress of the plan
180.21 from the previous year;

180.22 (2) documentation of a good faith effort to eliminate the use of the procedures that
180.23 had been part of an approved positive support transition plan;

180.24 (3) justification for the continued use of the procedures that identifies the imminent
180.25 risk of serious injury due to the person's self-injurious behavior if the procedures were
180.26 eliminated;

180.27 (4) documentation of the clinicians consulted in creating and maintaining the
180.28 positive support transition plan; and

180.29 (5) documentation of the expanded support team's approval and the recommendation
180.30 from the interim panel required under paragraph (b).

180.31 (d) A copy of the written request, supporting documentation, and the commissioner's
180.32 final determination on the request must be maintained in the person's service recipient
180.33 record.

180.34 Sec. 30. Minnesota Statutes 2013 Supplement, section 245D.071, subdivision 3,
180.35 is amended to read:

181.1 Subd. 3. **Assessment and initial service planning.** (a) Within 15 days of service
 181.2 initiation the license holder must complete a preliminary coordinated service and support
 181.3 plan addendum based on the coordinated service and support plan.

181.4 ~~(b) Within 45 days of service initiation the license holder must meet with the person,~~
 181.5 ~~the person's legal representative, the case manager, and other members of the support team~~
 181.6 ~~or expanded support team to assess and determine the following based on the person's~~
 181.7 ~~coordinated service and support plan and the requirements in subdivision 4 and section~~
 181.8 ~~245D.07, subdivision 1a:~~

181.9 ~~(1) the scope of the services to be provided to support the person's daily needs~~
 181.10 ~~and activities;~~

181.11 ~~(2) the person's desired outcomes and the supports necessary to accomplish the~~
 181.12 ~~person's desired outcomes;~~

181.13 ~~(3) the person's preferences for how services and supports are provided;~~

181.14 ~~(4) whether the current service setting is the most integrated setting available and~~
 181.15 ~~appropriate for the person; and~~

181.16 ~~(5) how services must be coordinated across other providers licensed under this~~
 181.17 ~~chapter serving the same person to ensure continuity of care for the person.~~

181.18 ~~(c) Within the scope of services, the license holder must, at a minimum, assess~~
 181.19 ~~the following areas:~~

181.20 ~~(1) the person's ability to self-manage health and medical needs to maintain or~~
 181.21 ~~improve physical, mental, and emotional well-being, including, when applicable, allergies,~~
 181.22 ~~seizures, choking, special dietary needs, chronic medical conditions, self-administration~~
 181.23 ~~of medication or treatment orders, preventative screening, and medical and dental~~
 181.24 ~~appointments;~~

181.25 ~~(2) the person's ability to self-manage personal safety to avoid injury or accident in~~
 181.26 ~~the service setting, including, when applicable, risk of falling, mobility, regulating water~~
 181.27 ~~temperature, community survival skills, water safety skills, and sensory disabilities; and~~

181.28 ~~(3) the person's ability to self-manage symptoms or behavior that may otherwise~~
 181.29 ~~result in an incident as defined in section 245D.02, subdivision 11, clauses (4) to~~
 181.30 ~~(7), suspension or termination of services by the license holder, or other symptoms~~
 181.31 ~~or behaviors that may jeopardize the health and safety of the person or others. The~~
 181.32 ~~assessments must produce information about the person that is descriptive of the person's~~
 181.33 ~~overall strengths, functional skills and abilities, and behaviors or symptoms.~~

181.34 (b) Within the scope of services, the license holder must, at a minimum, complete
 181.35 assessments in the following areas before the 45-day planning meeting:

182.1 (1) the person's ability to self-manage health and medical needs to maintain or
182.2 improve physical, mental, and emotional well-being, including, when applicable, allergies,
182.3 seizures, choking, special dietary needs, chronic medical conditions, self-administration
182.4 of medication or treatment orders, preventative screening, and medical and dental
182.5 appointments;

182.6 (2) the person's ability to self-manage personal safety to avoid injury or accident in
182.7 the service setting, including, when applicable, risk of falling, mobility, regulating water
182.8 temperature, community survival skills, water safety skills, and sensory disabilities; and

182.9 (3) the person's ability to self-manage symptoms or behavior that may otherwise
182.10 result in an incident as defined in section 245D.02, subdivision 11, clauses (4) to (7),
182.11 suspension or termination of services by the license holder, or other symptoms or
182.12 behaviors that may jeopardize the health and safety of the person or others.

182.13 Assessments must produce information about the person that describes the person's overall
182.14 strengths, functional skills and abilities, and behaviors or symptoms. Assessments must
182.15 be based on the person's status within the last 12 months at the time of service initiation.
182.16 Assessments based on older information must be documented and justified. Assessments
182.17 must be conducted annually at a minimum or within 30 days of a written request from the
182.18 person or the person's legal representative or case manager. The results must be reviewed
182.19 by the support team or expanded support team as part of a service plan review.

182.20 (c) Within 45 days of service initiation, the license holder must meet with the
182.21 person, the person's legal representative, the case manager, and other members of the
182.22 support team or expanded support team to determine the following based on information
182.23 obtained from the assessments identified in paragraph (b), the person's identified needs
182.24 in the coordinated service and support plan, and the requirements in subdivision 4 and
182.25 section 245D.07, subdivision 1a:

182.26 (1) the scope of the services to be provided to support the person's daily needs
182.27 and activities;

182.28 (2) the person's desired outcomes and the supports necessary to accomplish the
182.29 person's desired outcomes;

182.30 (3) the person's preferences for how services and supports are provided;

182.31 (4) whether the current service setting is the most integrated setting available and
182.32 appropriate for the person; and

182.33 (5) how services must be coordinated across other providers licensed under this
182.34 chapter serving the person and members of the support team or expanded support team to
182.35 ensure continuity of care and coordination of services for the person.

183.1 Sec. 31. Minnesota Statutes 2013 Supplement, section 245D.071, subdivision 4,
183.2 is amended to read:

183.3 Subd. 4. **Service outcomes and supports.** (a) Within ten working days of the
183.4 45-day planning meeting, the license holder must develop ~~and document~~ a service plan that
183.5 documents the service outcomes and supports based on the assessments completed under
183.6 subdivision 3 and the requirements in section 245D.07, subdivision 1a. The outcomes and
183.7 supports must be included in the coordinated service and support plan addendum.

183.8 (b) The license holder must document the supports and methods to be implemented
183.9 to support the ~~accomplishment of person and accomplish~~ outcomes related to acquiring,
183.10 retaining, or improving skills and physical, mental, and emotional health and well-being.
183.11 The documentation must include:

183.12 (1) the methods or actions that will be used to support the person and to accomplish
183.13 the service outcomes, including information about:

183.14 (i) any changes or modifications to the physical and social environments necessary
183.15 when the service supports are provided;

183.16 (ii) any equipment and materials required; and

183.17 (iii) techniques that are consistent with the person's communication mode and
183.18 learning style;

183.19 (2) the measurable and observable criteria for identifying when the desired outcome
183.20 has been achieved and how data will be collected;

183.21 (3) the projected starting date for implementing the supports and methods and
183.22 the date by which progress towards accomplishing the outcomes will be reviewed and
183.23 evaluated; and

183.24 (4) the names of the staff or position responsible for implementing the supports
183.25 and methods.

183.26 (c) Within 20 working days of the 45-day meeting, the license holder must obtain
183.27 dated signatures from the person or the person's legal representative and case manager
183.28 to document completion and approval of the assessment and coordinated service and
183.29 support plan addendum.

183.30 Sec. 32. Minnesota Statutes 2013 Supplement, section 245D.071, subdivision 5,
183.31 is amended to read:

183.32 Subd. 5. ~~Progress reviews~~ **Service plan review and evaluation.** (a) The license
183.33 holder must give the person or the person's legal representative and case manager an
183.34 opportunity to participate in the ongoing review and development of the service plan
183.35 and the methods used to support the person and accomplish outcomes identified in

184.1 subdivisions 3 and 4. The license holder, in coordination with the person's support team
184.2 or expanded support team, must meet with the person, the person's legal representative,
184.3 and the case manager, and participate in progress service plan review meetings following
184.4 stated timelines established in the person's coordinated service and support plan or
184.5 coordinated service and support plan addendum or within 30 days of a written request
184.6 by the person, the person's legal representative, or the case manager, at a minimum of
184.7 once per year. The purpose of the service plan review is to determine whether changes
184.8 are needed to the service plan based on the assessment information, the license holder's
184.9 evaluation of progress towards accomplishing outcomes, or other information provided by
184.10 the support team or expanded support team.

184.11 (b) The license holder must summarize the person's status and progress toward
184.12 achieving the identified outcomes and make recommendations and identify the rationale
184.13 for changing, continuing, or discontinuing implementation of supports and methods
184.14 identified in subdivision 4 in a written report sent to the person or the person's legal
184.15 representative and case manager five working days prior to the review meeting, unless
184.16 the person, the person's legal representative, or the case manager requests to receive the
184.17 report at the time of the meeting.

184.18 (c) Within ten working days of the progress review meeting, the license holder
184.19 must obtain dated signatures from the person or the person's legal representative and
184.20 the case manager to document approval of any changes to the coordinated service and
184.21 support plan addendum.

184.22 Sec. 33. Minnesota Statutes 2013 Supplement, section 245D.081, subdivision 2,
184.23 is amended to read:

184.24 Subd. 2. **Coordination and evaluation of individual service delivery.** (a) Delivery
184.25 and evaluation of services provided by the license holder must be coordinated by a
184.26 designated staff person. The designated coordinator must provide supervision, support,
184.27 and evaluation of activities that include:

184.28 (1) oversight of the license holder's responsibilities assigned in the person's
184.29 coordinated service and support plan and the coordinated service and support plan
184.30 addendum;

184.31 (2) taking the action necessary to facilitate the accomplishment of the outcomes
184.32 according to the requirements in section 245D.07;

184.33 (3) instruction and assistance to direct support staff implementing the coordinated
184.34 service and support plan and the service outcomes, including direct observation of service
184.35 delivery sufficient to assess staff competency; and

185.1 (4) evaluation of the effectiveness of service delivery, methodologies, and progress on
185.2 the person's outcomes based on the measurable and observable criteria for identifying when
185.3 the desired outcome has been achieved according to the requirements in section 245D.07.

185.4 (b) The license holder must ensure that the designated coordinator is competent to
185.5 perform the required duties identified in paragraph (a) through education ~~and~~ training
185.6 ~~in human services and disability-related fields, and work experience in providing direct~~
185.7 ~~care services and supports to persons with disabilities~~ relevant to the needs of the general
185.8 population of persons served by the license holder and the individual persons for whom
185.9 the designated coordinator is responsible. The designated coordinator must have the
185.10 skills and ability necessary to develop effective plans and to design and use data systems
185.11 to measure effectiveness of services and supports. The license holder must verify and
185.12 document competence according to the requirements in section 245D.09, subdivision 3.
185.13 The designated coordinator must minimally have:

185.14 (1) a baccalaureate degree in a field related to human services, and one year of
185.15 full-time work experience providing direct care services to persons with disabilities or
185.16 persons age 65 and older;

185.17 (2) an associate degree in a field related to human services, and two years of
185.18 full-time work experience providing direct care services to persons with disabilities or
185.19 persons age 65 and older;

185.20 (3) a diploma in a field related to human services from an accredited postsecondary
185.21 institution and three years of full-time work experience providing direct care services to
185.22 persons with disabilities or persons age 65 and older; or

185.23 (4) a minimum of 50 hours of education and training related to human services
185.24 and disabilities; and

185.25 (5) four years of full-time work experience providing direct care services to persons
185.26 with disabilities or persons age 65 and older under the supervision of a staff person who
185.27 meets the qualifications identified in clauses (1) to (3).

185.28 Sec. 34. Minnesota Statutes 2013 Supplement, section 245D.09, subdivision 3, is
185.29 amended to read:

185.30 Subd. 3. **Staff qualifications.** (a) The license holder must ensure that staff providing
185.31 direct support, or staff who have responsibilities related to supervising or managing the
185.32 provision of direct support service, are competent as demonstrated through skills and
185.33 knowledge training, experience, and education to meet the person's needs and additional
185.34 requirements as written in the coordinated service and support plan or coordinated
185.35 service and support plan addendum, or when otherwise required by the case manager or

186.1 the federal waiver plan. The license holder must verify and maintain evidence of staff
186.2 competency, including documentation of:

186.3 (1) education and experience qualifications relevant to the job responsibilities
186.4 assigned to the staff and to the needs of the general population of persons served by the
186.5 program, including a valid degree and transcript, or a current license, registration, or
186.6 certification, when a degree or licensure, registration, or certification is required by this
186.7 chapter or in the coordinated service and support plan or coordinated service and support
186.8 plan addendum;

186.9 (2) demonstrated competency in the orientation and training areas required under
186.10 this chapter, and when applicable, completion of continuing education required to
186.11 maintain professional licensure, registration, or certification requirements. Competency in
186.12 these areas is determined by the license holder through knowledge testing ~~and~~ or observed
186.13 skill assessment conducted by the trainer or instructor; and

186.14 (3) except for a license holder who is the sole direct support staff, periodic
186.15 performance evaluations completed by the license holder of the direct support staff
186.16 person's ability to perform the job functions based on direct observation.

186.17 (b) Staff under 18 years of age may not perform overnight duties or administer
186.18 medication.

186.19 Sec. 35. Minnesota Statutes 2013 Supplement, section 245D.09, subdivision 4a,
186.20 is amended to read:

186.21 Subd. 4a. **Orientation to individual service recipient needs.** (a) Before having
186.22 unsupervised direct contact with a person served by the program, or for whom the staff
186.23 person has not previously provided direct support, or any time the plans or procedures
186.24 identified in paragraphs (b) to ~~(f)~~ (g) are revised, the staff person must review and receive
186.25 instruction on the requirements in paragraphs (b) to ~~(f)~~ (g) as they relate to the staff
186.26 person's job functions for that person.

186.27 (b) Training and competency evaluations must include the following:

186.28 (1) appropriate and safe techniques in personal hygiene and grooming, including
186.29 hair care; bathing; care of teeth, gums, and oral prosthetic devices; and other activities of
186.30 daily living (ADLs) as defined under section 256B.0659, subdivision 1;

186.31 (2) an understanding of what constitutes a healthy diet according to data from the
186.32 Centers for Disease Control and Prevention and the skills necessary to prepare that diet;

186.33 (3) skills necessary to provide appropriate support in instrumental activities of daily
186.34 living (IADLs) as defined under section 256B.0659, subdivision 1; and

186.35 (4) demonstrated competence in providing first aid.

187.1 (c) The staff person must review and receive instruction on the person's coordinated
187.2 service and support plan or coordinated service and support plan addendum as it relates
187.3 to the responsibilities assigned to the license holder, and when applicable, the person's
187.4 individual abuse prevention plan, to achieve and demonstrate an understanding of the
187.5 person as a unique individual, and how to implement those plans.

187.6 (d) The staff person must review and receive instruction on medication setup,
187.7 assistance, or administration procedures established for the person when ~~medication~~
187.8 ~~administration~~ is assigned to the license holder according to section 245D.05, subdivision
187.9 1, paragraph (b). Unlicensed staff may ~~administer medications~~ perform medication setup
187.10 or medication administration only after successful completion of a medication setup or
187.11 medication administration training, from a training curriculum developed by a registered
187.12 nurse, ~~clinical nurse specialist in psychiatric and mental health nursing, certified nurse~~
187.13 ~~practitioner, physician's assistant, or physician~~ or appropriate licensed health professional.
187.14 The training curriculum must incorporate an observed skill assessment conducted by the
187.15 trainer to ensure unlicensed staff demonstrate the ability to safely and correctly follow
187.16 medication procedures.

187.17 Medication administration must be taught by a registered nurse, clinical nurse
187.18 specialist, certified nurse practitioner, physician's assistant, or physician if, at the time of
187.19 service initiation or any time thereafter, the person has or develops a health care condition
187.20 that affects the service options available to the person because the condition requires:

- 187.21 (1) specialized or intensive medical or nursing supervision; and
187.22 (2) nonmedical service providers to adapt their services to accommodate the health
187.23 and safety needs of the person.

187.24 (e) The staff person must review and receive instruction on the safe and correct
187.25 operation of medical equipment used by the person to sustain life, including but not
187.26 limited to ventilators, feeding tubes, or endotracheal tubes. The training must be provided
187.27 by a licensed health care professional or a manufacturer's representative and incorporate
187.28 an observed skill assessment to ensure staff demonstrate the ability to safely and correctly
187.29 operate the equipment according to the treatment orders and the manufacturer's instructions.

187.30 (f) The staff person must review and receive instruction on what constitutes use of
187.31 restraints, time out, and seclusion, including chemical restraint, and staff responsibilities
187.32 related to the prohibitions of their use according to the requirements in section 245D.06,
187.33 subdivision 5, why such procedures are not effective for reducing or eliminating symptoms
187.34 or undesired behavior and why they are not safe, and the safe and correct use of manual
187.35 restraint on an emergency basis according to the requirements in section 245D.061.

188.1 (g) The staff person must review and receive instruction on mental health crisis
 188.2 response, de-escalation techniques, and suicide intervention when providing direct support
 188.3 to a person with a serious mental illness.

188.4 ~~(g)~~ (h) In the event of an emergency service initiation, the license holder must ensure
 188.5 the training required in this subdivision occurs within 72 hours of the direct support staff
 188.6 person first having unsupervised contact with the person receiving services. The license
 188.7 holder must document the reason for the unplanned or emergency service initiation and
 188.8 maintain the documentation in the person's service recipient record.

188.9 ~~(h)~~ (i) License holders who provide direct support services themselves must
 188.10 complete the orientation required in subdivision 4, clauses (3) to (7).

188.11 Sec. 36. Minnesota Statutes 2013 Supplement, section 245D.091, subdivision 2,
 188.12 is amended to read:

188.13 Subd. 2. **Behavior professional qualifications.** A behavior professional providing
 188.14 behavioral support services as identified in section 245D.03, subdivision 1, paragraph (c),
 188.15 clause (1), item (i), as defined in the brain injury and community alternatives for disabled
 188.16 individuals waiver plans or successor plans, must have competencies in the following
 188.17 areas related to as required under the brain injury and community alternatives for disabled
 188.18 individuals waiver plans or successor plans:

- 188.19 (1) ethical considerations;
- 188.20 (2) functional assessment;
- 188.21 (3) functional analysis;
- 188.22 (4) measurement of behavior and interpretation of data;
- 188.23 (5) selecting intervention outcomes and strategies;
- 188.24 (6) behavior reduction and elimination strategies that promote least restrictive
 188.25 approved alternatives;
- 188.26 (7) data collection;
- 188.27 (8) staff and caregiver training;
- 188.28 (9) support plan monitoring;
- 188.29 (10) co-occurring mental disorders or neurocognitive disorder;
- 188.30 (11) demonstrated expertise with populations being served; and
- 188.31 (12) must be a:

188.32 (i) psychologist licensed under sections 148.88 to 148.98, who has stated to the
 188.33 Board of Psychology competencies in the above identified areas;

188.34 (ii) clinical social worker licensed as an independent clinical social worker under
 188.35 chapter 148D, or a person with a master's degree in social work from an accredited college

189.1 or university, with at least 4,000 hours of post-master's supervised experience in the
189.2 delivery of clinical services in the areas identified in clauses (1) to (11);

189.3 (iii) physician licensed under chapter 147 and certified by the American Board
189.4 of Psychiatry and Neurology or eligible for board certification in psychiatry with
189.5 competencies in the areas identified in clauses (1) to (11);

189.6 (iv) licensed professional clinical counselor licensed under sections 148B.29 to
189.7 148B.39 with at least 4,000 hours of post-master's supervised experience in the delivery
189.8 of clinical services who has demonstrated competencies in the areas identified in clauses
189.9 (1) to (11);

189.10 (v) person with a master's degree from an accredited college or university in one
189.11 of the behavioral sciences or related fields, with at least 4,000 hours of post-master's
189.12 supervised experience in the delivery of clinical services with demonstrated competencies
189.13 in the areas identified in clauses (1) to (11); or

189.14 (vi) registered nurse who is licensed under sections 148.171 to 148.285, and who is
189.15 certified as a clinical specialist or as a nurse practitioner in adult or family psychiatric and
189.16 mental health nursing by a national nurse certification organization, or who has a master's
189.17 degree in nursing or one of the behavioral sciences or related fields from an accredited
189.18 college or university or its equivalent, with at least 4,000 hours of post-master's supervised
189.19 experience in the delivery of clinical services.

189.20 Sec. 37. Minnesota Statutes 2013 Supplement, section 245D.091, subdivision 3,
189.21 is amended to read:

189.22 Subd. 3. **Behavior analyst qualifications.** (a) A behavior analyst providing
189.23 behavioral support services as identified in section 245D.03, subdivision 1, paragraph
189.24 (c), clause (1), item (i), as defined in the brain injury and community alternatives for
189.25 disabled individuals waiver plans or successor plans, must have competencies in the
189.26 following areas as required under the brain injury and community alternatives for disabled
189.27 individuals waiver plans or successor plans:

189.28 (1) have obtained a baccalaureate degree, master's degree, or PhD in a social services
189.29 discipline; or

189.30 (2) meet the qualifications of a mental health practitioner as defined in section
189.31 245.462, subdivision 17.

189.32 (b) In addition, a behavior analyst must:

189.33 (1) have four years of supervised experience working with individuals who exhibit
189.34 challenging behaviors as well as co-occurring mental disorders or neurocognitive disorder;

190.1 (2) have received ten hours of instruction in functional assessment and functional
190.2 analysis;

190.3 (3) have received 20 hours of instruction in the understanding of the function of
190.4 behavior;

190.5 (4) have received ten hours of instruction on design of positive practices behavior
190.6 support strategies;

190.7 (5) have received 20 hours of instruction on the use of behavior reduction approved
190.8 strategies used only in combination with behavior positive practices strategies;

190.9 (6) be determined by a behavior professional to have the training and prerequisite
190.10 skills required to provide positive practice strategies as well as behavior reduction
190.11 approved and permitted intervention to the person who receives behavioral support; and

190.12 (7) be under the direct supervision of a behavior professional.

190.13 Sec. 38. Minnesota Statutes 2013 Supplement, section 245D.091, subdivision 4,
190.14 is amended to read:

190.15 Subd. 4. **Behavior specialist qualifications.** (a) A behavior specialist providing
190.16 behavioral support services as identified in section 245D.03, subdivision 1, paragraph (c),
190.17 clause (1), item (i), as defined in the brain injury and community alternatives for disabled
190.18 individuals waiver plans or successor plans, must meet the following qualifications have
190.19 competencies in the following areas as required under the brain injury and community
190.20 alternatives for disabled individuals waiver plans or successor plans:

190.21 (1) have an associate's degree in a social services discipline; or

190.22 (2) have two years of supervised experience working with individuals who exhibit
190.23 challenging behaviors as well as co-occurring mental disorders or neurocognitive disorder.

190.24 (b) In addition, a behavior specialist must:

190.25 (1) have received a minimum of four hours of training in functional assessment;

190.26 (2) have received 20 hours of instruction in the understanding of the function of
190.27 behavior;

190.28 (3) have received ten hours of instruction on design of positive practices behavioral
190.29 support strategies;

190.30 (4) be determined by a behavior professional to have the training and prerequisite
190.31 skills required to provide positive practices strategies as well as behavior reduction
190.32 approved intervention to the person who receives behavioral support; and

190.33 (5) be under the direct supervision of a behavior professional.

191.1 Sec. 39. Minnesota Statutes 2013 Supplement, section 245D.10, subdivision 3, is
191.2 amended to read:

191.3 Subd. 3. **Service suspension and service termination.** (a) The license holder must
191.4 establish policies and procedures for temporary service suspension and service termination
191.5 that promote continuity of care and service coordination with the person and the case
191.6 manager and with other licensed caregivers, if any, who also provide support to the person.

191.7 (b) The policy must include the following requirements:

191.8 (1) the license holder must notify the person or the person's legal representative and
191.9 case manager in writing of the intended termination or temporary service suspension, and
191.10 the person's right to seek a temporary order staying the termination of service according to
191.11 the procedures in section 256.045, subdivision 4a, or 6, paragraph (c);

191.12 (2) notice of the proposed termination of services, including those situations that
191.13 began with a temporary service suspension, must be given at least 60 days before the
191.14 proposed termination is to become effective when a license holder is providing intensive
191.15 supports and services identified in section 245D.03, subdivision 1, paragraph (c), and 30
191.16 days prior to termination for all other services licensed under this chapter. This notice
191.17 may be given in conjunction with a notice of temporary service suspension;

191.18 (3) notice of temporary service suspension must be given on the first day of the
191.19 service suspension;

191.20 ~~(3)~~ (4) the license holder must provide information requested by the person or case
191.21 manager when services are temporarily suspended or upon notice of termination;

191.22 ~~(4)~~ (5) prior to giving notice of service termination or temporary service suspension,
191.23 the license holder must document actions taken to minimize or eliminate the need for
191.24 service suspension or termination;

191.25 ~~(5)~~ (6) during the temporary service suspension or service termination notice period,
191.26 the license holder ~~will~~ must work with the ~~appropriate county agency support team or~~
191.27 expanded support team to develop reasonable alternatives to protect the person and others;

191.28 ~~(6)~~ (7) the license holder must maintain information about the service suspension or
191.29 termination, including the written termination notice, in the service recipient record; and

191.30 ~~(7)~~ (8) the license holder must restrict temporary service suspension to situations in
191.31 which the person's conduct poses an imminent risk of physical harm to self or others and
191.32 less restrictive or positive support strategies would not achieve and maintain safety.

191.33 Sec. 40. Minnesota Statutes 2013 Supplement, section 245D.11, subdivision 2, is
191.34 amended to read:

192.1 Subd. 2. **Health and safety.** The license holder must establish policies and
192.2 procedures that promote health and safety by ensuring:

192.3 (1) use of universal precautions and sanitary practices in compliance with section
192.4 245D.06, subdivision 2, clause (5);

192.5 (2) if the license holder operates a residential program, health service coordination
192.6 and care according to the requirements in section 245D.05, subdivision 1;

192.7 (3) safe medication assistance and administration according to the requirements
192.8 in sections 245D.05, subdivisions 1a, 2, and 5, and 245D.051, that are established in
192.9 consultation with a registered nurse, nurse practitioner, physician's assistant, or medical
192.10 doctor and require completion of medication administration training according to the
192.11 requirements in section 245D.09, subdivision 4a, paragraph (d). Medication assistance
192.12 and administration includes, but is not limited to:

192.13 (i) providing medication-related services for a person;

192.14 (ii) medication setup;

192.15 (iii) medication administration;

192.16 (iv) medication storage and security;

192.17 (v) medication documentation and charting;

192.18 (vi) verification and monitoring of effectiveness of systems to ensure safe medication
192.19 handling and administration;

192.20 (vii) coordination of medication refills;

192.21 (viii) handling changes to prescriptions and implementation of those changes;

192.22 (ix) communicating with the pharmacy; and

192.23 (x) coordination and communication with prescriber;

192.24 (4) safe transportation, when the license holder is responsible for transportation of
192.25 persons, with provisions for handling emergency situations according to the requirements
192.26 in section 245D.06, subdivision 2, clauses (2) to (4);

192.27 (5) a plan for ensuring the safety of persons served by the program in emergencies as
192.28 defined in section 245D.02, subdivision 8, and procedures for staff to report emergencies
192.29 to the license holder. A license holder with a community residential setting or a day service
192.30 facility license must ensure the policy and procedures comply with the requirements in
192.31 section 245D.22, subdivision 4;

192.32 (6) a plan for responding to all incidents as defined in section 245D.02, subdivision
192.33 11; and reporting all incidents required to be reported according to section 245D.06,
192.34 subdivision 1. The plan must:

192.35 (i) provide the contact information of a source of emergency medical care and
192.36 transportation; and

193.1 (ii) require staff to first call 911 when the staff believes a medical emergency may
 193.2 be life threatening, or to call the mental health crisis intervention team or similar mental
 193.3 health response team or service when such a team is available and appropriate when the
 193.4 person is experiencing a mental health crisis; and

193.5 (7) a procedure for the review of incidents and emergencies to identify trends or
 193.6 patterns, and corrective action if needed. The license holder must establish and maintain
 193.7 a record-keeping system for the incident and emergency reports. Each incident and
 193.8 emergency report file must contain a written summary of the incident. The license holder
 193.9 must conduct a review of incident reports for identification of incident patterns, and
 193.10 implementation of corrective action as necessary to reduce occurrences. Each incident
 193.11 report must include:

193.12 (i) the name of the person or persons involved in the incident. It is not necessary
 193.13 to identify all persons affected by or involved in an emergency unless the emergency
 193.14 resulted in an incident;

193.15 (ii) the date, time, and location of the incident or emergency;

193.16 (iii) a description of the incident or emergency;

193.17 (iv) a description of the response to the incident or emergency and whether a person's
 193.18 coordinated service and support plan addendum or program policies and procedures were
 193.19 implemented as applicable;

193.20 (v) the name of the staff person or persons who responded to the incident or
 193.21 emergency; and

193.22 (vi) the determination of whether corrective action is necessary based on the results
 193.23 of the review.

193.24 Sec. 41. Minnesota Statutes 2012, section 252.451, subdivision 2, is amended to read:

193.25 Subd. 2. **Vendor participation and reimbursement.** Notwithstanding requirements
 193.26 in ~~chapter~~ chapters 245A and 245D, and sections 252.28, 252.40 to 252.46, and 256B.501,
 193.27 vendors of day training and habilitation services may enter into written agreements with
 193.28 qualified businesses to provide additional training and supervision needed by individuals
 193.29 to maintain their employment.

193.30 Sec. 42. Minnesota Statutes 2013 Supplement, section 256B.439, subdivision 1,
 193.31 is amended to read:

193.32 Subdivision 1. **Development and implementation of quality profiles.** (a) The
 193.33 commissioner of human services, in cooperation with the commissioner of health, shall
 193.34 develop and implement quality profiles for nursing facilities and, beginning not later than

194.1 July 1, 2014, for home and community-based services providers, except when the quality
 194.2 profile system would duplicate requirements under section 256B.5011, 256B.5012, or
 194.3 256B.5013. For purposes of this section, home and community-based services providers
 194.4 are defined as providers of home and community-based services under sections 256B.0625,
 194.5 subdivisions 6a, 7, and 19a; 256B.0913₂; 256B.0915₂; 256B.092₂; and 256B.49₂; and
 194.6 256B.85, and intermediate care facilities for persons with developmental disabilities
 194.7 providers under section 256B.5013. To the extent possible, quality profiles must be
 194.8 developed for providers of services to older adults and people with disabilities, regardless
 194.9 of payor source, for the purposes of providing information to consumers. The quality
 194.10 profiles must be developed using existing data sets maintained by the commissioners of
 194.11 health and human services to the extent possible. The profiles must incorporate or be
 194.12 coordinated with information on quality maintained by area agencies on aging, long-term
 194.13 care trade associations, the ombudsman offices, counties, tribes, health plans, and other
 194.14 entities and the long-term care database maintained under section 256.975, subdivision 7.
 194.15 The profiles must be designed to provide information on quality to:

- 194.16 (1) consumers and their families to facilitate informed choices of service providers;
- 194.17 (2) providers to enable them to measure the results of their quality improvement
 194.18 efforts and compare quality achievements with other service providers; and
- 194.19 (3) public and private purchasers of long-term care services to enable them to
 194.20 purchase high-quality care.

194.21 (b) The profiles must be developed in consultation with the long-term care task
 194.22 force, area agencies on aging, and representatives of consumers, providers, and labor
 194.23 unions. Within the limits of available appropriations, the commissioners may employ
 194.24 consultants to assist with this project.

194.25 **EFFECTIVE DATE.** This section is effective retroactively from February 1, 2014.

194.26 Sec. 43. Minnesota Statutes 2013 Supplement, section 256B.439, subdivision 7,
 194.27 is amended to read:

194.28 **Subd. 7. Calculation of home and community-based services quality add-on.**
 194.29 Effective On July 1, 2015, the commissioner shall determine the quality add-on rate
 194.30 change and adjust payment rates for participating all home and community-based services
 194.31 providers for services rendered on or after that date. The adjustment to a provider payment
 194.32 rate determined under this subdivision shall become part of the ongoing rate paid to that
 194.33 provider. The payment rate for the quality add-on shall be a variable amount based on
 194.34 each provider's quality score as determined in subdivisions 1 and 2a. All home and
 194.35 community-based services providers shall receive a minimum rate increase under this

195.1 subdivision. In addition to a minimum rate increase, a home and community-based
 195.2 services provider shall receive a quality add-on payment. The commissioner shall limit
 195.3 the types of home and community-based services providers that may receive the quality
 195.4 add-on and based on availability of quality measures and outcome data. The commissioner
 195.5 shall limit the amount of the minimum rate increase and quality add-on payments to
 195.6 operate the quality add-on within funds appropriated for this purpose and based on the
 195.7 availability of the quality measures the equivalent of a one percent rate increase for all
 195.8 home and community-based services providers.

195.9 Sec. 44. Minnesota Statutes 2013 Supplement, section 256B.4912, subdivision 1,
 195.10 is amended to read:

195.11 Subdivision 1. **Provider qualifications.** (a) For the home and community-based
 195.12 waivers providing services to seniors and individuals with disabilities under sections
 195.13 256B.0913, 256B.0915, 256B.092, and 256B.49, the commissioner shall establish:

195.14 (1) agreements with enrolled waiver service providers to ensure providers meet
 195.15 Minnesota health care program requirements;

195.16 (2) regular reviews of provider qualifications, and including requests of proof of
 195.17 documentation; and

195.18 (3) processes to gather the necessary information to determine provider qualifications.

195.19 (b) Beginning July 1, 2012, staff that provide direct contact, as defined in section
 195.20 245C.02, subdivision 11, for services specified in the federally approved waiver plans
 195.21 must meet the requirements of chapter 245C prior to providing waiver services and as
 195.22 part of ongoing enrollment. Upon federal approval, this requirement must also apply to
 195.23 consumer-directed community supports.

195.24 (c) Beginning January 1, 2014, service owners and managerial officials overseeing
 195.25 the management or policies of services that provide direct contact as specified in the
 195.26 federally approved waiver plans must meet the requirements of chapter 245C prior to
 195.27 reenrollment or revalidation or, for new providers, prior to initial enrollment if they have
 195.28 not already done so as a part of service licensure requirements.

195.29 Sec. 45. Minnesota Statutes 2012, section 256B.5012, is amended by adding a
 195.30 subdivision to read:

195.31 Subd. 16. **ICF/DD rate increases effective July 1, 2014.** (a) For each facility
 195.32 reimbursed under this section, for the rate period beginning July 1, 2014, the commissioner
 195.33 shall increase operating payments equal to four percent of the operating payment rates in
 195.34 effect on July 1, 2014. For each facility, the commissioner shall apply the rate increase

196.1 based on occupied beds, using the percentage specified in this subdivision multiplied by
196.2 the total payment rate, including the variable rate but excluding the property-related
196.3 payment rate in effect on the preceding date.

196.4 (b) To receive the rate increase under paragraph (a), each facility reimbursed under
196.5 this section must submit to the commissioner documentation that identifies a quality
196.6 improvement project the facility will implement by June 30, 2015. Documentation must
196.7 be provided in a format specified by the commissioner. Projects must:

196.8 (1) improve the quality of life of intermediate care facility residents in a meaningful
196.9 way;

196.10 (2) improve the quality of services in a measurable way; or

196.11 (3) deliver good quality service more efficiently.

196.12 (c) For a facility that fails to submit the documentation described in paragraph (b)
196.13 by a date or in a format specified by the commissioner, the commissioner shall reduce
196.14 the facility's rate by one percent effective January 1, 2015.

196.15 (d) Facilities that receive a rate increase under this subdivision shall use 75 percent
196.16 of the rate increase to increase compensation-related costs for employees directly
196.17 employed by the facility on or after the effective date of the rate adjustments, except:

196.18 (1) persons employed in the central office of a corporation or entity that has an
196.19 ownership interest in the facility or exercises control over the facility; and

196.20 (2) persons paid by the facility under a management contract.

196.21 This requirement is subject to audit by the commissioner.

196.22 (e) Compensation-related costs include:

196.23 (1) wages and salaries;

196.24 (2) the employer's share of FICA taxes, Medicare taxes, state and federal
196.25 unemployment taxes, workers' compensation, and mileage reimbursement;

196.26 (3) the employer's share of health and dental insurance, life insurance, disability
196.27 insurance, long-term care insurance, uniform allowance, pensions, and contributions to
196.28 employee retirement accounts; and

196.29 (4) other benefits provided and workforce needs, including the recruiting and
196.30 training of employees as specified in the distribution plan required under paragraph (f).

196.31 (f) A facility that receives a rate adjustment under paragraph (a) that is subject to
196.32 paragraphs (d) and (e) shall prepare and produce for the commissioner, upon request, a
196.33 plan that specifies the amount of money the provider expects to receive that is subject to
196.34 the requirements of paragraphs (d) and (e), as well as how that money will be distributed
196.35 to increase compensation for employees. The commissioner may recover funds from a
196.36 facility that fails to comply with this requirement.

197.1 (g) Within six months after the effective date of the rate adjustment, the facility shall
 197.2 post the distribution plan required under paragraph (f) for a period of at least six weeks in
 197.3 an area of the facility's operation to which all eligible employees have access, and shall
 197.4 provide instructions for employees who believe they have not received the wage and other
 197.5 compensation-related increases specified in the distribution plan. These instructions must
 197.6 include a mailing address, e-mail address, and telephone number that an employee may
 197.7 use to contact the commissioner or the commissioner's representative. Facilities shall
 197.8 make assurances to the commissioner of compliance with this subdivision using forms
 197.9 prescribed by the commissioner.

197.10 (h) For public employees, the increase for wages and benefits for certain staff is
 197.11 available and pay rates must be increased only to the extent that the increases comply with
 197.12 laws governing public employees' collective bargaining. Money received by a provider for
 197.13 pay increases for public employees under this subdivision may be used only for increases
 197.14 implemented within one month of the effective date of the rate increase and must not be
 197.15 used for increases implemented prior to that date.

197.16 Sec. 46. Laws 2013, chapter 108, article 14, section 2, subdivision 6, is amended to read:

197.17 **Subd. 6. Grant Programs**

197.18 The amounts that may be spent from this
 197.19 appropriation for each purpose are as follows:

197.20 **(a) Support Services Grants**

197.21	Appropriations by Fund		
197.22	General	8,915,000	13,333,000
197.23	Federal TANF	94,611,000	94,611,000

197.24 **Paid Work Experience.** \$2,168,000
 197.25 each year in fiscal years 2015 and 2016
 197.26 is from the general fund for paid work
 197.27 experience for long-term MFIP recipients.
 197.28 Paid work includes full and partial wage
 197.29 subsidies and other related services such as
 197.30 job development, marketing, preworksite
 197.31 training, job coaching, and postplacement
 197.32 services. These are onetime appropriations.
 197.33 Unexpended funds for fiscal year 2015 do not

198.1 cancel, but are available to the commissioner
198.2 for this purpose in fiscal year 2016.

198.3 **Work Study Funding for MFIP**

198.4 **Participants.** \$250,000 each year in fiscal
198.5 years 2015 and 2016 is from the general fund
198.6 to pilot work study jobs for MFIP recipients
198.7 in approved postsecondary education
198.8 programs. This is a onetime appropriation.
198.9 Unexpended funds for fiscal year 2015 do
198.10 not cancel, but are available for this purpose
198.11 in fiscal year 2016.

198.12 **Local Strategies to Reduce Disparities.**

198.13 \$2,000,000 each year in fiscal years 2015
198.14 and 2016 is from the general fund for
198.15 local projects that focus on services for
198.16 subgroups within the MFIP caseload
198.17 who are experiencing poor employment
198.18 outcomes. These are onetime appropriations.
198.19 Unexpended funds for fiscal year 2015 do not
198.20 cancel, but are available to the commissioner
198.21 for this purpose in fiscal year 2016.

198.22 **Home Visiting Collaborations for MFIP**

198.23 **Teen Parents.** \$200,000 per year in fiscal
198.24 years 2014 and 2015 is from the general fund
198.25 and \$200,000 in fiscal year 2016 is from the
198.26 federal TANF fund for technical assistance
198.27 and training to support local collaborations
198.28 that provide home visiting services for
198.29 MFIP teen parents. The general fund
198.30 appropriation is onetime. The federal TANF
198.31 fund appropriation is added to the base.

198.32 **Performance Bonus Funds for Counties.**

198.33 The TANF fund base is increased by
198.34 \$1,500,000 each year in fiscal years 2016
198.35 and 2017. The commissioner must allocate

199.1 this amount each year to counties that exceed
 199.2 their expected range of performance on the
 199.3 annualized three-year self-support index
 199.4 as defined in Minnesota Statutes, section
 199.5 256J.751, subdivision 2, clause (6). This is a
 199.6 permanent base adjustment. Notwithstanding
 199.7 any contrary provisions in this article, this
 199.8 provision expires June 30, 2016.

199.9 **Base Adjustment.** The general fund base is
 199.10 decreased by \$200,000 in fiscal year 2016
 199.11 and \$4,618,000 in fiscal year 2017. The
 199.12 TANF fund base is increased by \$1,700,000
 199.13 in fiscal years 2016 and 2017.

199.14 (b) Basic Sliding Fee Child Care Assistance		
199.15 Grants	36,836,000	42,318,000

199.16 **Base Adjustment.** The general fund base is
 199.17 increased by \$3,778,000 in fiscal year 2016
 199.18 and by \$3,849,000 in fiscal year 2017.

199.19 (c) Child Care Development Grants	1,612,000	1,737,000
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199.20 (d) Child Support Enforcement Grants	50,000	50,000
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199.21 **Federal Child Support Demonstration**

199.22 **Grants.** Federal administrative
 199.23 reimbursement resulting from the federal
 199.24 child support grant expenditures authorized
 199.25 under United States Code, title 42, section
 199.26 1315, is appropriated to the commissioner
 199.27 for this activity.

199.28 **(e) Children's Services Grants**

199.29	Appropriations by Fund			
199.30	General	49,760,000	52,961,000	
199.31	Federal TANF	140,000	140,000	

199.32 **Adoption Assistance and Relative Custody**

199.33 **Assistance.** \$37,453,000 in fiscal year 2014
 199.34 and \$37,453,000 in fiscal year 2015 is for

200.1 the adoption assistance and relative custody
 200.2 assistance programs. The commissioner
 200.3 shall determine with the commissioner of
 200.4 Minnesota Management and Budget the
 200.5 appropriation for Northstar Care for Children
 200.6 effective January 1, 2015. The commissioner
 200.7 may transfer appropriations for adoption
 200.8 assistance, relative custody assistance, and
 200.9 Northstar Care for Children between fiscal
 200.10 years and among programs to adjust for
 200.11 transfers across the programs.

200.12 **Title IV-E Adoption Assistance.** Additional
 200.13 federal reimbursements to the state as a result
 200.14 of the Fostering Connections to Success
 200.15 and Increasing Adoptions Act's expanded
 200.16 eligibility for Title IV-E adoption assistance
 200.17 are appropriated for postadoption services,
 200.18 including a parent-to-parent support network.

200.19 **Privatized Adoption Grants.** Federal
 200.20 reimbursement for privatized adoption grant
 200.21 and foster care recruitment grant expenditures
 200.22 is appropriated to the commissioner for
 200.23 adoption grants and foster care and adoption
 200.24 administrative purposes.

200.25 **Adoption Assistance Incentive Grants.**
 200.26 Federal funds available during fiscal years
 200.27 2014 and 2015 for adoption incentive grants
 200.28 are appropriated for postadoption services,
 200.29 including a parent-to-parent support network.

200.30 **Base Adjustment.** The general fund base is
 200.31 increased by \$5,913,000 in fiscal year 2016
 200.32 and by \$10,297,000 in fiscal year 2017.

200.33 (f) Child and Community Service Grants	53,301,000	53,301,000
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200.34 (g) Child and Economic Support Grants	21,047,000	20,848,000
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- 201.1 **Minnesota Food Assistance Program.**
201.2 Unexpended funds for the Minnesota food
201.3 assistance program for fiscal year 2014 do
201.4 not cancel but are available for this purpose
201.5 in fiscal year 2015.
- 201.6 **Transitional Housing.** \$250,000 each year
201.7 is for the transitional housing programs under
201.8 Minnesota Statutes, section 256E.33.
- 201.9 **Emergency Services.** \$250,000 each year
201.10 is for emergency services grants under
201.11 Minnesota Statutes, section 256E.36.
- 201.12 **Family Assets for Independence.** \$250,000
201.13 each year is for the Family Assets for
201.14 Independence Minnesota program. This
201.15 appropriation is available in either year of the
201.16 biennium and may be transferred between
201.17 fiscal years.
- 201.18 **Food Shelf Programs.** \$375,000 in fiscal
201.19 year 2014 and \$375,000 in fiscal year
201.20 2015 are for food shelf programs under
201.21 Minnesota Statutes, section 256E.34. If the
201.22 appropriation for either year is insufficient,
201.23 the appropriation for the other year is
201.24 available for it. Notwithstanding Minnesota
201.25 Statutes, section 256E.34, subdivision 4, no
201.26 portion of this appropriation may be used
201.27 by Hunger Solutions for its administrative
201.28 expenses, including but not limited to rent
201.29 and salaries.
- 201.30 **Homeless Youth Act.** \$2,000,000 in fiscal
201.31 year 2014 and \$2,000,000 in fiscal year 2015
201.32 is for purposes of Minnesota Statutes, section
201.33 256K.45.
- 201.34 **Safe Harbor Shelter and Housing.**
201.35 \$500,000 in fiscal year 2014 and \$500,000 in

202.1 fiscal year 2015 is for a safe harbor shelter
 202.2 and housing fund for housing and supportive
 202.3 services for youth who are sexually exploited.

202.4 **(h) Health Care Grants**

202.5	Appropriations by Fund		
202.6	General	190,000	190,000
202.7	Health Care Access	190,000	190,000

202.8 **Emergency Medical Assistance Referral
 202.9 and Assistance Grants.** (a) The

202.10 commissioner of human services shall
 202.11 award grants to nonprofit programs that
 202.12 provide immigration legal services based
 202.13 on indigency to provide legal services for
 202.14 immigration assistance to individuals with
 202.15 emergency medical conditions or complex
 202.16 and chronic health conditions who are not
 202.17 currently eligible for medical assistance
 202.18 or other public health care programs, but
 202.19 who may meet eligibility requirements with
 202.20 immigration assistance.

202.21 (b) The grantees, in collaboration with
 202.22 hospitals and safety net providers, shall
 202.23 provide referral assistance to connect
 202.24 individuals identified in paragraph (a) with
 202.25 alternative resources and services to assist in
 202.26 meeting their health care needs. \$100,000
 202.27 is appropriated in fiscal year 2014 and
 202.28 \$100,000 in fiscal year 2015. This is a
 202.29 onetime appropriation.

202.30 **Base Adjustment.** The general fund is
 202.31 decreased by \$100,000 in fiscal year 2016
 202.32 and \$100,000 in fiscal year 2017.

202.33		<u>14,827,000</u>	<u>15,010,000</u>
202.34	(i) Aging and Adult Services Grants	<u>14,812,000</u>	<u>14,936,000</u>

203.1 **Base Adjustment.** The general fund base
 203.2 is increased by ~~\$1,150,000~~ \$1,077,000 in
 203.3 fiscal year 2016 and ~~\$1,151,000~~ \$1,077,000
 203.4 in fiscal year 2017.

203.5 **Community Service Development**
 203.6 **Grants and Community Services Grants.**
 203.7 Community service development grants and
 203.8 community services grants are reduced by
 203.9 \$1,150,000 each year. This is a onetime
 203.10 reduction.

203.11 (j) Deaf and Hard-of-Hearing Grants	1,771,000	1,785,000
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203.12 (k) Disabilities Grants	18,605,000	18,823,000
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203.13 **Advocating Change Together.** \$310,000 in
 203.14 fiscal year 2014 is for a grant to Advocating
 203.15 Change Together (ACT) to maintain and
 203.16 promote services for persons with intellectual
 203.17 and developmental disabilities throughout
 203.18 the state. This appropriation is onetime. Of
 203.19 this appropriation:

203.20 (1) \$120,000 is for direct costs associated
 203.21 with the delivery and evaluation of
 203.22 peer-to-peer training programs administered
 203.23 throughout the state, focusing on education,
 203.24 employment, housing, transportation, and
 203.25 voting;

203.26 (2) \$100,000 is for delivery of statewide
 203.27 conferences focusing on leadership and
 203.28 skill development within the disability
 203.29 community; and

203.30 (3) \$90,000 is for administrative and general
 203.31 operating costs associated with managing
 203.32 or maintaining facilities, program delivery,
 203.33 staff, and technology.

204.1 **Base Adjustment.** The general fund base
 204.2 is increased by \$535,000 in fiscal year 2016
 204.3 and by \$709,000 in fiscal year 2017.

204.4 **(I) Adult Mental Health Grants**

204.5	Appropriations by Fund		
204.6	General	71,199,000	69,530,000
204.7	Health Care Access	750,000	750,000
204.8	Lottery Prize	1,733,000	1,733,000

204.9 **Problem Gambling.** \$225,000 in fiscal year
 204.10 2014 and \$225,000 in fiscal year 2015 is
 204.11 appropriated from the lottery prize fund for a
 204.12 grant to the state affiliate recognized by the
 204.13 National Council on Problem Gambling. The
 204.14 affiliate must provide services to increase
 204.15 public awareness of problem gambling,
 204.16 education and training for individuals and
 204.17 organizations providing effective treatment
 204.18 services to problem gamblers and their
 204.19 families, and research relating to problem
 204.20 gambling.

204.21 **Funding Usage.** Up to 75 percent of a fiscal
 204.22 year's appropriations for adult mental health
 204.23 grants may be used to fund allocations in that
 204.24 portion of the fiscal year ending December
 204.25 31.

204.26 **Base Adjustment.** The general fund base is
 204.27 decreased by \$4,427,000 in fiscal years 2016
 204.28 and 2017.

204.29 **Mental Health Pilot Project.** \$230,000
 204.30 each year is for a grant to the Zumbro
 204.31 Valley Mental Health Center. The grant
 204.32 shall be used to implement a pilot project
 204.33 to test an integrated behavioral health care
 204.34 coordination model. The grant recipient must
 204.35 report measurable outcomes and savings

205.1 to the commissioner of human services
 205.2 by January 15, 2016. This is a onetime
 205.3 appropriation.

205.4 **High-risk adults.** \$200,000 in fiscal
 205.5 year 2014 is for a grant to the nonprofit
 205.6 organization selected to administer the
 205.7 demonstration project for high-risk adults
 205.8 under Laws 2007, chapter 54, article 1,
 205.9 section 19, in order to complete the project.
 205.10 This is a onetime appropriation.

205.11 (m) Child Mental Health Grants	18,246,000	20,636,000
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205.12 **Text Message Suicide Prevention**
 205.13 **Program.** \$625,000 in fiscal year 2014 and
 205.14 \$625,000 in fiscal year 2015 is for a grant
 205.15 to a nonprofit organization to establish and
 205.16 implement a statewide text message suicide
 205.17 prevention program. The program shall
 205.18 implement a suicide prevention counseling
 205.19 text line designed to use text messaging to
 205.20 connect with crisis counselors and to obtain
 205.21 emergency information and referrals to
 205.22 local resources in the local community. The
 205.23 program shall include training within schools
 205.24 and communities to encourage the use of the
 205.25 program.

205.26 **Mental Health First Aid Training.** \$22,000
 205.27 in fiscal year 2014 and \$23,000 in fiscal
 205.28 year 2015 is to train teachers, social service
 205.29 personnel, law enforcement, and others who
 205.30 come into contact with children with mental
 205.31 illnesses, in children and adolescents mental
 205.32 health first aid training.

205.33 **Funding Usage.** Up to 75 percent of a fiscal
 205.34 year's appropriation for child mental health
 205.35 grants may be used to fund allocations in that

206.1 portion of the fiscal year ending December
206.2 31.

206.3 **(n) CD Treatment Support Grants** 1,816,000 1,816,000

206.4 **SBIRT Training.** (1) \$300,000 each year is
206.5 for grants to train primary care clinicians to
206.6 provide substance abuse brief intervention
206.7 and referral to treatment (SBIRT). This is a
206.8 onetime appropriation. The commissioner of
206.9 human services shall apply to SAMHSA for
206.10 an SBIRT professional training grant.

206.11 (2) If the commissioner of human services
206.12 receives a grant under clause (1) funds
206.13 appropriated under this clause, equal to
206.14 the grant amount, up to the available
206.15 appropriation, shall be transferred to the
206.16 Minnesota Organization on Fetal Alcohol
206.17 Syndrome (MOFAS). MOFAS must use
206.18 the funds for grants. Grant recipients must
206.19 be selected from communities that are
206.20 not currently served by federal Substance
206.21 Abuse Prevention and Treatment Block
206.22 Grant funds. Grant money must be used to
206.23 reduce the rates of fetal alcohol syndrome
206.24 and fetal alcohol effects, and the number of
206.25 drug-exposed infants. Grant money may be
206.26 used for prevention and intervention services
206.27 and programs, including, but not limited to,
206.28 community grants, professional education,
206.29 public awareness, and diagnosis.

206.30 **Fetal Alcohol Syndrome Grant.** \$180,000
206.31 each year from the general fund is for a
206.32 grant to the Minnesota Organization on Fetal
206.33 Alcohol Syndrome (MOFAS) to support
206.34 nonprofit Fetal Alcohol Spectrum Disorders
206.35 (FASD) outreach prevention programs

207.1 in Olmsted County. This is a onetime
207.2 appropriation.

207.3 **Base Adjustment.** The general fund base is
207.4 decreased by \$480,000 in fiscal year 2016
207.5 and \$480,000 in fiscal year 2017.

207.6 Sec. 47. **PROVIDER RATE AND GRANT INCREASES EFFECTIVE JULY**
207.7 **1, 2014.**

207.8 (a) The commissioner of human services shall increase reimbursement rates, grants,
207.9 allocations, individual limits, and rate limits, as applicable, by four percent for the rate
207.10 period beginning July 1, 2014, for services rendered on or after that date. County or tribal
207.11 contracts for services specified in this section must be amended to pass through these rate
207.12 increases within 60 days of the effective date.

207.13 (b) The rate changes described in this section must be provided to:

207.14 (1) home and community-based waiver services for persons with developmental
207.15 disabilities, including consumer-directed community supports, under Minnesota Statutes,
207.16 section 256B.092;

207.17 (2) waiver services under community alternatives for disabled individuals, including
207.18 consumer-directed community supports, under Minnesota Statutes, section 256B.49;

207.19 (3) community alternative care waiver services, including consumer-directed
207.20 community supports, under Minnesota Statutes, section 256B.49;

207.21 (4) brain injury waiver services, including consumer-directed community supports,
207.22 under Minnesota Statutes, section 256B.49;

207.23 (5) home and community-based waiver services for the elderly under Minnesota
207.24 Statutes, section 256B.0915;

207.25 (6) nursing services and home health services under Minnesota Statutes, section
207.26 256B.0625, subdivision 6a;

207.27 (7) personal care services and qualified professional supervision of personal care
207.28 services under Minnesota Statutes, section 256B.0625, subdivisions 6a and 19a;

207.29 (8) private duty nursing services under Minnesota Statutes, section 256B.0625,
207.30 subdivision 7;

207.31 (9) community first services and supports under Minnesota Statutes, section 256B.85;

207.32 (10) essential community supports under Minnesota Statutes, section 256B.0922;

207.33 (11) day training and habilitation services for adults with developmental disabilities
207.34 or related conditions under Minnesota Statutes, sections 252.41 to 252.46, including the

208.1 additional cost to counties for rate adjustments to day training and habilitation services
208.2 provided as a social service;

208.3 (12) alternative care services under Minnesota Statutes, section 256B.0913;

208.4 (13) living skills training programs for persons with intractable epilepsy who need
208.5 assistance in the transition to independent living under Laws 1988, chapter 689;

208.6 (14) consumer support grants under Minnesota Statutes, section 256.476;

208.7 (15) semi-independent living services under Minnesota Statutes, section 252.275;

208.8 (16) family support grants under Minnesota Statutes, section 252.32;

208.9 (17) housing access grants under Minnesota Statutes, section 256B.0658;

208.10 (18) self-advocacy grants under Laws 2009, chapter 101;

208.11 (19) technology grants under Laws 2009, chapter 79;

208.12 (20) aging grants under Minnesota Statutes, sections 256.975 to 256.977 and
208.13 256B.0917;

208.14 (21) deaf and hard-of-hearing grants, including community support services for deaf
208.15 and hard-of-hearing adults with mental illness who use or wish to use sign language as their
208.16 primary means of communication under Minnesota Statutes, section 256.01, subdivision 2;

208.17 (22) deaf and hard-of-hearing grants under Minnesota Statutes, sections 256C.233,
208.18 256C.25, and 256C.261;

208.19 (23) Disability Linkage Line grants under Minnesota Statutes, section 256.01,
208.20 subdivision 24;

208.21 (24) transition initiative grants under Minnesota Statutes, section 256.478;

208.22 (25) employment support grants under Minnesota Statutes, section 256B.021,
208.23 subdivision 6; and

208.24 (26) grants provided to people who are eligible for the Housing Opportunities for
208.25 Persons with AIDS program under Minnesota Statutes, section 256B.492.

208.26 (c) A managed care plan receiving state payments for the services in paragraph (b)
208.27 must include the increases in paragraph (a) in payments to providers. To implement the
208.28 rate increase in this section, capitation rates paid by the commissioner to managed care
208.29 organizations under Minnesota Statutes, section 256B.69, shall reflect a four percent
208.30 increase for the specified services for the period beginning July 1, 2014.

208.31 (d) Counties shall increase the budget for each recipient of consumer-directed
208.32 community supports by the amounts in paragraph (a) on the effective dates in paragraph (a).

208.33 (e) To implement this section, the commissioner shall increase service rates in the
208.34 disability waiver payment system authorized in Minnesota Statutes, sections 256B.4913
208.35 and 256B.4914.

209.1 (f) To receive the rate increase described in this section, providers under paragraphs
209.2 (a) and (b) must submit to the commissioner documentation that identifies a quality
209.3 improvement project that the provider will implement by June 30, 2015. Documentation
209.4 must be provided in a format specified by the commissioner. Projects must:

209.5 (1) improve the quality of life of home and community-based services recipients in
209.6 a meaningful way;

209.7 (2) improve the quality of services in a measurable way; or

209.8 (3) deliver good quality service more efficiently.

209.9 Providers listed in paragraph (b), clauses (7), (9), (10), and (13) to (26), are not subject
209.10 to this requirement.

209.11 (g) For a provider that fails to submit documentation described in paragraph (f) by
209.12 a date or in a format specified by the commissioner, the commissioner shall reduce the
209.13 provider's rate by one percent effective January 1, 2015.

209.14 (h) Providers that receive a rate increase under this subdivision shall use 75 percent
209.15 of the rate increase to increase compensation-related costs for employees directly
209.16 employed by the facility on or after the effective date of the rate adjustments, except:

209.17 (1) persons employed in the central office of a corporation or entity that has an
209.18 ownership interest in the facility or exercises control over the facility; and

209.19 (2) persons paid by the facility under a management contract.

209.20 This requirement is subject to audit by the commissioner.

209.21 (i) Compensation-related costs include:

209.22 (1) wages and salaries;

209.23 (2) the employer's share of FICA taxes, Medicare taxes, state and federal
209.24 unemployment taxes, workers' compensation, and mileage reimbursement;

209.25 (3) the employer's share of health and dental insurance, life insurance, disability
209.26 insurance, long-term care insurance, uniform allowance, pensions, and contributions to
209.27 employee retirement accounts; and

209.28 (4) other benefits provided and workforce needs, including the recruiting and
209.29 training of employees as specified in the distribution plan required under paragraph (k).

209.30 (j) For public employees, the increase for wages and benefits for certain staff is
209.31 available and pay rates must be increased only to the extent that the increases comply with
209.32 laws governing public employees' collective bargaining. Money received by a provider
209.33 for pay increases for public employees under this section may be used only for increases
209.34 implemented within one month of the effective date of the rate increase and must not be
209.35 used for increases implemented prior to that date.

210.1 (k) A provider that receives a rate adjustment under paragraph (b) that is subject to
 210.2 paragraphs (h) and (i) shall prepare and produce for the commissioner, upon request, a
 210.3 plan that specifies the amount of money the provider expects to receive that is subject to
 210.4 the requirements of paragraphs (h) and (i), as well as how that money will be distributed
 210.5 to increase compensation for employees. The commissioner may recover funds from a
 210.6 facility that fails to comply with this requirement.

210.7 (l) Within six months after the effective date of the rate adjustment, the provider
 210.8 shall post the distribution plan required under paragraph (k) for a period of at least six
 210.9 weeks in an area of the provider's operation to which all eligible employees have access,
 210.10 and shall provide instructions for employees who believe they have not received the
 210.11 wage and other compensation-related increases specified in the distribution plan. These
 210.12 instructions must include a mailing address, e-mail address, and telephone number that
 210.13 an employee may use to contact the commissioner or the commissioner's representative.
 210.14 Providers shall make assurances to the commissioner of compliance with this section
 210.15 using forms prescribed by the commissioner.

210.16 Sec. 48. **REVISOR'S INSTRUCTION.**

210.17 In each section of Minnesota Statutes or part of Minnesota Rules referred to in
 210.18 column A, the revisor of statutes shall delete the word or phrase in column B and insert
 210.19 the phrase in column C. The revisor shall also make related grammatical changes and
 210.20 changes in headnotes.

210.21	<u>Column A</u>	<u>Column B</u>	<u>Column C</u>
210.22			<u>persons with intellectual</u>
210.23	<u>section 158.13</u>	<u>defective persons</u>	<u>disabilities</u>
210.24			<u>persons with intellectual</u>
210.25	<u>section 158.14</u>	<u>defective persons</u>	<u>disabilities</u>
210.26			<u>persons with intellectual</u>
210.27	<u>section 158.17</u>	<u>defective persons</u>	<u>disabilities</u>
210.28			<u>persons without intellectual</u>
210.29	<u>section 158.18</u>	<u>persons not defective</u>	<u>disabilities</u>
210.30			<u>person with intellectual</u>
210.31		<u>defective person</u>	<u>disabilities</u>
210.32			<u>persons with intellectual</u>
210.33		<u>defective persons</u>	<u>disabilities</u>
210.34			<u>person with intellectual</u>
210.35	<u>section 158.19</u>	<u>defective</u>	<u>disabilities</u>
210.36			<u>children with intellectual</u>
210.37	<u>section 256.94</u>	<u>defective</u>	<u>disabilities and</u>
210.38			<u>children with intellectual</u>
210.39	<u>section 257.175</u>	<u>defective</u>	<u>disabilities and</u>
210.40	<u>part 2911.1350</u>	<u>retardation</u>	<u>developmental disability</u>

211.1 Sec. 49. **REPEALER.**

211.2 (a) Minnesota Statutes 2013 Supplement, section 245D.061, subdivision 3, is
211.3 repealed.

211.4 (b) Minnesota Statutes 2012, section 245.825, subdivisions 1 and 1b, are repealed
211.5 upon the effective date of rules adopted according to Minnesota Statutes, section 245.8251.
211.6 The commissioner of human services shall notify the revisor of statutes when this occurs.

211.7 (c) Minnesota Statutes 2013 Supplement, sections 245D.02, subdivisions 2b, 2c,
211.8 3b, 5a, 8a, 15a, 15b, 23b, 28, 29, and 34a; 245D.06, subdivisions 5, 6, 7, and 8; and
211.9 245D.061, subdivisions 1, 2, 4, 5, 6, 7, 8, and 9, are repealed upon the effective date of
211.10 rules adopted according to Minnesota Statutes, section 245.8251. The commissioner of
211.11 human services shall notify the revisor of statutes when this occurs.

211.12 (d) Minnesota Rules, parts 9525.2700; and 9525.2810, are repealed upon the
211.13 effective date of rules adopted according to Minnesota Statutes, section 245.8251. The
211.14 commissioner of human services shall notify the revisor of statutes when this occurs.

211.15 **ARTICLE 20**

211.16 **MISCELLANEOUS**

211.17 Section 1. Minnesota Statutes 2012, section 254B.12, is amended to read:

211.18 **254B.12 RATE METHODOLOGY.**

211.19 Subdivision 1. **CCDTF rate methodology established.** The commissioner shall
211.20 establish a new rate methodology for the consolidated chemical dependency treatment
211.21 fund. The new methodology must replace county-negotiated rates with a uniform
211.22 statewide methodology that must include a graduated reimbursement scale based on the
211.23 patients' level of acuity and complexity. At least biennially, the commissioner shall review
211.24 the financial information provided by vendors to determine the need for rate adjustments.

211.25 Subd. 2. **Payment methodology for state-operated vendors.** (a) Notwithstanding
211.26 subdivision 1, the commissioner shall seek federal authority to develop a separate
211.27 payment methodology for chemical dependency treatment services provided under the
211.28 consolidated chemical dependency treatment fund by a state-operated vendor. This
211.29 payment methodology is effective for services provided on or after October 1, 2015, or on
211.30 or after the receipt of federal approval, whichever is later.

211.31 (b) Before implementing an approved payment methodology under paragraph
211.32 (a), the commissioner must also receive any necessary legislative approval of required
211.33 changes to state law or funding.

212.1 Sec. 2. Minnesota Statutes 2012, section 256I.05, subdivision 2, is amended to read:

212.2 Subd. 2. **Monthly rates; exemptions.** ~~The maximum group residential housing rate~~
212.3 ~~does not apply~~ This subdivision applies to a residence that on August 1, 1984, was licensed
212.4 by the commissioner of health only as a boarding care home, certified by the commissioner
212.5 of health as an intermediate care facility, and licensed by the commissioner of human
212.6 services under Minnesota Rules, parts 9520.0500 to 9520.0690. Notwithstanding the
212.7 provisions of subdivision 1c, the rate paid to a facility reimbursed under this subdivision
212.8 shall be determined under section 256B.431, or under section 256B.434 if the facility is
212.9 accepted by the commissioner for participation in the alternative payment demonstration
212.10 project. The rate paid to this facility shall also include adjustments to the group residential
212.11 housing rate according to subdivision 1, and any adjustments applicable to supplemental
212.12 service rates statewide.

APPENDIX
Article locations in 14-5578

ARTICLE 1	HIGHER EDUCATION	Page.Ln 2.22
ARTICLE 2	TRANSPORTATION POLICY AND FUNDING	Page.Ln 8.13
ARTICLE 3	PUBLIC SAFETY AND CORRECTIONS	Page.Ln 23.13
ARTICLE 4	ECONOMIC DEVELOPMENT APPROPRIATIONS	Page.Ln 26.27
ARTICLE 5	UNEMPLOYMENT INSURANCE INTEREST RATES	Page.Ln 32.22
ARTICLE 6	STATE GOVERNMENT APPROPRIATIONS	Page.Ln 33.13
ARTICLE 7	GENERAL EDUCATION	Page.Ln 34.1
ARTICLE 8	EDUCATION EXCELLENCE	Page.Ln 46.12
ARTICLE 9	SPECIAL EDUCATION	Page.Ln 48.5
ARTICLE 10	NUTRITION	Page.Ln 57.1
ARTICLE 11	SELF-SUFFICIENCY AND LIFELONG LEARNING	Page.Ln 57.25
ARTICLE 12	EDUCATION FORECAST ADJUSTMENTS	Page.Ln 59.30
ARTICLE 13	HEALTH AND HUMAN SERVICES APPROPRIATIONS	Page.Ln 69.15
ARTICLE 14	HUMAN SERVICES FORECAST ADJUSTMENTS	Page.Ln 75.1
ARTICLE 15	HEALTH DEPARTMENT	Page.Ln 81.7
ARTICLE 16	HEALTH CARE	Page.Ln 86.1
ARTICLE 17	NORTHSTAR CARE FOR CHILDREN	Page.Ln 102.10
ARTICLE 18	COMMUNITY FIRST SERVICES AND SUPPORTS	Page.Ln 124.2
ARTICLE 19	CONTINUING CARE	Page.Ln 154.1
ARTICLE 20	MISCELLANEOUS	Page.Ln 211.15

245.825 AVERSIVE AND DEPRIVATION PROCEDURES; LICENSED FACILITIES AND SERVICES.

Subdivision 1. **Rules governing aversive and deprivation procedures.** The commissioner of human services shall by October, 1983, promulgate rules governing the use of aversive and deprivation procedures in all licensed facilities and licensed services serving persons with developmental disabilities, as defined in section 252.27, subdivision 1a. No provision of these rules shall encourage or require the use of aversive and deprivation procedures. The rules shall prohibit: (1) the application of certain aversive and deprivation procedures in facilities except as authorized and monitored by the commissioner; (2) the use of aversive and deprivation procedures that restrict the consumers' normal access to nutritious diet, drinking water, adequate ventilation, necessary medical care, ordinary hygiene facilities, normal sleeping conditions, and necessary clothing; and (3) the use of faradic shock without a court order. The rule shall further specify that consumers may not be denied ordinary access to legal counsel and next of kin. In addition, the rule may specify other prohibited practices and the specific conditions under which permitted practices are to be carried out. For any persons receiving faradic shock, a plan to reduce and eliminate the use of faradic shock shall be in effect upon implementation of the procedure.

Subd. 1b. **Review and approval.** Notwithstanding the provisions of Minnesota Rules, parts 9525.2700 to 9525.2810, the commissioner may designate the county case manager to authorize the use of controlled procedures as defined in Minnesota Rules, parts 9525.2710, subpart 9, and 9525.2740, subparts 1 and 2, after review and approval by the interdisciplinary team and the internal review committee as required in Minnesota Rules, part 9525.2750, subparts 1a and 2. Use of controlled procedures must be reported to the commissioner in accordance with the requirements of Minnesota Rules, part 9525.2750, subpart 2a.

245D.02 DEFINITIONS.

Subd. 2b. **Aversive procedure.** "Aversive procedure" means the application of an aversive stimulus contingent upon the occurrence of a behavior for the purposes of reducing or eliminating the behavior.

Subd. 2c. **Aversive stimulus.** "Aversive stimulus" means an object, event, or situation that is presented immediately following a behavior in an attempt to suppress the behavior. Typically, an aversive stimulus is unpleasant and penalizes or confines.

Subd. 3b. **Chemical restraint.** "Chemical restraint" means the administration of a drug or medication to control the person's behavior or restrict the person's freedom of movement and is not a standard treatment or dosage for the person's medical or psychological condition.

Subd. 5a. **Deprivation procedure.** "Deprivation procedure" means the removal of a positive reinforcer following a response resulting in, or intended to result in, a decrease in the frequency, duration, or intensity of that response. Oftentimes the positive reinforcer available is goods, services, or activities to which the person is normally entitled. The removal is often in the form of a delay or postponement of the positive reinforcer.

Subd. 8a. **Emergency use of manual restraint.** "Emergency use of manual restraint" means using a manual restraint when a person poses an imminent risk of physical harm to self or others and is the least restrictive intervention that would achieve safety. Property damage, verbal aggression, or a person's refusal to receive or participate in treatment or programming on their own do not constitute an emergency.

Subd. 15a. **Manual restraint.** "Manual restraint" means physical intervention intended to hold a person immobile or limit a person's voluntary movement by using body contact as the only source of physical restraint.

Subd. 15b. **Mechanical restraint.** Except for devices worn by the person that trigger electronic alarms to warn staff that a person is leaving a room or area, which do not, in and of themselves, restrict freedom of movement, or the use of adaptive aids or equipment or orthotic devices ordered by a health care professional used to treat or manage a medical condition, "mechanical restraint" means the use of devices, materials, or equipment attached or adjacent to the person's body, or the use of practices that are intended to restrict freedom of movement or normal access to one's body or body parts, or limits a person's voluntary movement or holds a person immobile as an intervention precipitated by a person's behavior. The term applies to the use of mechanical restraint used to prevent injury with persons who engage in self-injurious behaviors, such as head-banging, gouging, or other actions resulting in tissue damage that have caused or could cause medical problems resulting from the self-injury.

APPENDIX

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Subd. 23b. **Positive support transition plan.** "Positive support transition plan" means the plan required in section 245D.06, subdivision 5, paragraph (b), to be developed by the expanded support team to implement positive support strategies to:

- (1) eliminate the use of prohibited procedures as identified in section 245D.06, subdivision 5, paragraph (a);
- (2) avoid the emergency use of manual restraint as identified in section 245D.061; and
- (3) prevent the person from physically harming self or others.

Subd. 28. **Restraint.** "Restraint" means manual restraint as defined in subdivision 15a or mechanical restraint as defined in subdivision 15b, or any other form of restraint that results in limiting of the free and normal movement of body or limbs.

Subd. 29. **Seclusion.** "Seclusion" means the placement of a person alone in a room from which exit is prohibited by a staff person or a mechanism such as a lock, a device, or an object positioned to hold the door closed or otherwise prevent the person from leaving the room.

Subd. 34a. **Time out.** "Time out" means removing a person involuntarily from an ongoing activity to a room, either locked or unlocked, or otherwise separating a person from others in a way that prevents social contact and prevents the person from leaving the situation if the person chooses. For the purpose of this chapter, "time out" does not mean voluntary removal or self-removal for the purpose of calming, prevention of escalation, or de-escalation of behavior for a period of up to 15 minutes. "Time out" does not include a person voluntarily moving from an ongoing activity to an unlocked room or otherwise separating from a situation or social contact with others if the person chooses. For the purposes of this definition, "voluntarily" means without being forced, compelled, or coerced.

245D.06 PROTECTION STANDARDS.

Subd. 5. **Prohibited procedures.** The license holder is prohibited from using chemical restraints, mechanical restraints, manual restraints, time out, seclusion, or any other aversive or deprivation procedure, as a substitute for adequate staffing, for a behavioral or therapeutic program to reduce or eliminate behavior, as punishment, or for staff convenience.

Subd. 6. **Restricted procedures.** The following procedures are allowed when the procedures are implemented in compliance with the standards governing their use as identified in clauses (1) to (3). Allowed but restricted procedures include:

- (1) permitted actions and procedures subject to the requirements in subdivision 7;
 - (2) procedures identified in a positive support transition plan subject to the requirements in subdivision 8; or
 - (3) emergency use of manual restraint subject to the requirements in section 245D.061.
- For purposes of this chapter, this section supersedes the requirements identified in Minnesota Rules, part 9525.2740.

Subd. 7. **Permitted actions and procedures.** (a) Use of the instructional techniques and intervention procedures as identified in paragraphs (b) and (c) is permitted when used on an intermittent or continuous basis. When used on a continuous basis, it must be addressed in a person's coordinated service and support plan addendum as identified in sections 245D.07 and 245D.071. For purposes of this chapter, the requirements of this subdivision supersede the requirements identified in Minnesota Rules, part 9525.2720.

(b) Physical contact or instructional techniques must use the least restrictive alternative possible to meet the needs of the person and may be used:

- (1) to calm or comfort a person by holding that person with no resistance from that person;
- (2) to protect a person known to be at risk or injury due to frequent falls as a result of a medical condition;
- (3) to facilitate the person's completion of a task or response when the person does not resist or the person's resistance is minimal in intensity and duration; or
- (4) to briefly block or redirect a person's limbs or body without holding the person or limiting the person's movement to interrupt the person's behavior that may result in injury to self or others.

(c) Restraint may be used as an intervention procedure to:

- (1) allow a licensed health care professional to safely conduct a medical examination or to provide medical treatment ordered by a licensed health care professional to a person necessary to promote healing or recovery from an acute, meaning short-term, medical condition;
- (2) assist in the safe evacuation or redirection of a person in the event of an emergency and the person is at imminent risk of harm.

Any use of manual restraint as allowed in this paragraph must comply with the restrictions identified in section 245D.061, subdivision 3; or

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(3) position a person with physical disabilities in a manner specified in the person's coordinated service and support plan addendum.

(d) Use of adaptive aids or equipment, orthotic devices, or other medical equipment ordered by a licensed health professional to treat a diagnosed medical condition do not in and of themselves constitute the use of mechanical restraint.

Subd. 8. Positive support transition plan. License holders must develop a positive support transition plan on the forms and in the manner prescribed by the commissioner for a person who requires intervention in order to maintain safety when it is known that the person's behavior poses an immediate risk of physical harm to self or others. The positive support transition plan forms and instructions will supersede the requirements in Minnesota Rules, parts 9525.2750; 9525.2760; and 9525.2780. The positive support transition plan must phase out any existing plans for the emergency or programmatic use of aversive or deprivation procedures prohibited under this chapter within the following timelines:

(1) for persons receiving services from the license holder before January 1, 2014, the plan must be developed and implemented by February 1, 2014, and phased out no later than December 31, 2014; and

(2) for persons admitted to the program on or after January 1, 2014, the plan must be developed and implemented within 30 calendar days of service initiation and phased out no later than 11 months from the date of plan implementation.

245D.061 EMERGENCY USE OF MANUAL RESTRAINTS.

Subdivision 1. Standards for emergency use of manual restraints. The license holder must ensure that emergency use of manual restraints complies with the requirements of this chapter and the license holder's policy and procedures as required under subdivision 10. For the purposes of persons receiving services governed by this chapter, this section supersedes the requirements identified in Minnesota Rules, part 9525.2770.

Subd. 2. Conditions for emergency use of manual restraint. Emergency use of manual restraint must meet the following conditions:

(1) immediate intervention must be needed to protect the person or others from imminent risk of physical harm; and

(2) the type of manual restraint used must be the least restrictive intervention to eliminate the immediate risk of harm and effectively achieve safety. The manual restraint must end when the threat of harm ends.

Subd. 3. Restrictions when implementing emergency use of manual restraint. (a) Emergency use of manual restraint procedures must not:

(1) be implemented with a child in a manner that constitutes sexual abuse, neglect, physical abuse, or mental injury, as defined in section 626.556, subdivision 2;

(2) be implemented with an adult in a manner that constitutes abuse or neglect as defined in section 626.5572, subdivisions 2 and 17;

(3) be implemented in a manner that violates a person's rights and protections identified in section 245D.04;

(4) restrict a person's normal access to a nutritious diet, drinking water, adequate ventilation, necessary medical care, ordinary hygiene facilities, normal sleeping conditions, or necessary clothing, or to any protection required by state licensing standards and federal regulations governing the program;

(5) deny the person visitation or ordinary contact with legal counsel, a legal representative, or next of kin;

(6) be used as a substitute for adequate staffing, for the convenience of staff, as punishment, or as a consequence if the person refuses to participate in the treatment or services provided by the program; or

(7) use prone restraint. For the purposes of this section, "prone restraint" means use of manual restraint that places a person in a face-down position. This does not include brief physical holding of a person who, during an emergency use of manual restraint, rolls into a prone position, and the person is restored to a standing, sitting, or side-lying position as quickly as possible. Applying back or chest pressure while a person is in the prone or supine position or face-up is prohibited.

Subd. 4. Monitoring emergency use of manual restraint. The license holder shall monitor a person's health and safety during an emergency use of a manual restraint. Staff monitoring the procedure must not be the staff implementing the procedure when possible. The license holder shall complete a monitoring form, approved by the commissioner, for each incident involving the emergency use of a manual restraint.

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Subd. 5. Reporting emergency use of manual restraint incident. (a) Within three calendar days after an emergency use of a manual restraint, the staff person who implemented the emergency use must report in writing to the designated coordinator the following information about the emergency use:

(1) the staff and persons receiving services who were involved in the incident leading up to the emergency use of manual restraint;

(2) a description of the physical and social environment, including who was present before and during the incident leading up to the emergency use of manual restraint;

(3) a description of what less restrictive alternative measures were attempted to de-escalate the incident and maintain safety before the manual restraint was implemented that identifies when, how, and how long the alternative measures were attempted before manual restraint was implemented;

(4) a description of the mental, physical, and emotional condition of the person who was restrained, and other persons involved in the incident leading up to, during, and following the manual restraint;

(5) whether there was any injury to the person who was restrained or other persons involved in the incident, including staff, before or as a result of the use of manual restraint;

(6) whether there was a debriefing with the staff, and, if not contraindicated, with the person who was restrained and other persons who were involved in or who witnessed the restraint, following the incident and the outcome of the debriefing. If the debriefing was not conducted at the time the incident report was made, the report should identify whether a debriefing is planned; and

(7) a copy of the report must be maintained in the person's service recipient record.

(b) Each single incident of emergency use of manual restraint must be reported separately. For the purposes of this subdivision, an incident of emergency use of manual restraint is a single incident when the following conditions have been met:

(1) after implementing the manual restraint, staff attempt to release the person at the moment staff believe the person's conduct no longer poses an imminent risk of physical harm to self or others and less restrictive strategies can be implemented to maintain safety;

(2) upon the attempt to release the restraint, the person's behavior immediately re-escalates; and

(3) staff must immediately reimplement the restraint in order to maintain safety.

Subd. 6. Internal review of emergency use of manual restraint. (a) Within five working days of the emergency use of manual restraint, the license holder must complete and document an internal review of each report of emergency use of manual restraint. The review must include an evaluation of whether:

(1) the person's service and support strategies developed according to sections 245D.07 and 245D.071 need to be revised;

(2) related policies and procedures were followed;

(3) the policies and procedures were adequate;

(4) there is a need for additional staff training;

(5) the reported event is similar to past events with the persons, staff, or the services involved; and

(6) there is a need for corrective action by the license holder to protect the health and safety of persons.

(b) Based on the results of the internal review, the license holder must develop, document, and implement a corrective action plan for the program designed to correct current lapses and prevent future lapses in performance by individuals or the license holder, if any. The corrective action plan, if any, must be implemented within 30 days of the internal review being completed.

(c) The license holder must maintain a copy of the internal review and the corrective action plan, if any, in the person's service recipient record.

Subd. 7. Expanded support team review. (a) Within five working days after the completion of the internal review required in subdivision 6, the license holder must consult with the expanded support team following the emergency use of manual restraint to:

(1) discuss the incident reported in subdivision 5, to define the antecedent or event that gave rise to the behavior resulting in the manual restraint and identify the perceived function the behavior served; and

(2) determine whether the person's coordinated service and support plan addendum needs to be revised according to sections 245D.07 and 245D.071 to positively and effectively help the person maintain stability and to reduce or eliminate future occurrences requiring emergency use of manual restraint.

(b) The license holder must maintain a written summary of the expanded support team's discussion and decisions required in paragraph (a) in the person's service recipient record.

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Subd. 8. **External review and reporting.** Within five working days of the expanded support team review, the license holder must submit the following to the Department of Human Services, and the Office of the Ombudsman for Mental Health and Developmental Disabilities, as required under section 245.94, subdivision 2a:

- (1) the report required under subdivision 5;
- (2) the internal review and the corrective action plan required under subdivision 6; and
- (3) the summary of the expanded support team review required under subdivision 7.

Subd. 9. **Emergency use of manual restraints policy and procedures.** The license holder must develop, document, and implement a policy and procedures that promote service recipient rights and protect health and safety during the emergency use of manual restraints. The policy and procedures must comply with the requirements of this section and must specify the following:

(1) a description of the positive support strategies and techniques staff must use to attempt to de-escalate a person's behavior before it poses an imminent risk of physical harm to self or others;

(2) a description of the types of manual restraints the license holder allows staff to use on an emergency basis, if any. If the license holder will not allow the emergency use of manual restraint, the policy and procedure must identify the alternative measures the license holder will require staff to use when a person's conduct poses an imminent risk of physical harm to self or others and less restrictive strategies would not achieve safety;

(3) instructions for safe and correct implementation of the allowed manual restraint procedures;

(4) the training that staff must complete and the timelines for completion, before they may implement an emergency use of manual restraint. In addition to the training on this policy and procedure and the orientation and annual training required in section 245D.09, subdivision 4, the training for emergency use of manual restraint must incorporate the following subjects:

(i) alternatives to manual restraint procedures, including techniques to identify events and environmental factors that may escalate conduct that poses an imminent risk of physical harm to self or others;

(ii) de-escalation methods, positive support strategies, and how to avoid power struggles;

(iii) simulated experiences of administering and receiving manual restraint procedures allowed by the license holder on an emergency basis;

(iv) how to properly identify thresholds for implementing and ceasing restrictive procedures;

(v) how to recognize, monitor, and respond to the person's physical signs of distress, including positional asphyxia;

(vi) the physiological and psychological impact on the person and the staff when restrictive procedures are used;

(vii) the communicative intent of behaviors; and

(viii) relationship building;

(5) the procedures and forms to be used to monitor the emergency use of manual restraints, including what must be monitored and the frequency of monitoring per each incident of emergency use of manual restraint, and the person or position who is responsible for monitoring the use;

(6) the instructions, forms, and timelines required for completing and submitting an incident report by the person or persons who implemented the manual restraint; and

(7) the procedures and timelines for conducting the internal review and the expanded support team review, and the person or position responsible for completing the reviews and for ensuring that corrective action is taken or the person's coordinated service and support plan addendum is revised, when determined necessary.

256.969 PAYMENT RATES.

Subd. 8b. **Admissions for persons who apply during hospitalization.** For admissions for individuals under section 256D.03, subdivision 3, paragraph (a), clause (2), that occur before the date of eligibility, payment for the days that the patient is eligible shall be established according to the methods of subdivision 14.

Subd. 9a. **Disproportionate population adjustments until July 1, 1993.** For admissions occurring between January 1, 1993 and June 30, 1993, the adjustment under this subdivision shall be paid to a hospital, excluding regional treatment centers and facilities of the federal Indian Health Service, with a medical assistance inpatient utilization rate in excess of one standard deviation above the arithmetic mean. The adjustment must be determined by multiplying the total of the operating and property payment rates by the difference between the hospital's actual medical assistance inpatient utilization rate and the arithmetic mean for all hospitals excluding

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regional treatment centers and facilities of the federal Indian Health Service, and the result must be multiplied by 1.1.

The provisions of this paragraph are effective only if federal matching funds are not available for all adjustments under this subdivision and it is necessary to implement ratable reductions under subdivision 9.

Subd. 9b. **Implementation of ratable reductions.** Notwithstanding the provisions in subdivision 9, any ratable reductions required under that subdivision or subdivision 9a for fiscal year 1993 shall be implemented as follows:

(1) no ratable reductions shall be applied to admissions occurring between October 1, 1992, and December 31, 1992; and

(2) sufficient ratable reductions shall be taken from hospitals receiving a payment under subdivision 9a for admissions occurring between January 1, 1993, and June 30, 1993, to ensure that all state payments under subdivisions 9 and 9a during federal fiscal year 1993 qualify for federal match.

Subd. 11. **Special rates.** The commissioner may establish special rate-setting methodologies, including a per day operating and property payment system, for hospice, ventilator dependent, and other services on a hospital and recipient specific basis taking into consideration such variables as federal designation, program size, and admission from a medical assistance waiver or home care program. The data and rate calculation method shall conform to the requirements of subdivision 13, except that rates shall not be standardized by the case mix index or adjusted by relative values and hospice rates shall not exceed the amount allowed under federal law. Rates and payments established under this subdivision must meet the requirements of section 256.9685, subdivisions 1 and 2. The cost and charges used to establish rates shall only reflect inpatient medical assistance covered services. Hospital and claims data that are used to establish rates under this subdivision shall not be used to establish payments or relative values under subdivisions 2, 2b, 2c, 3a, 4a, 5a, and 7 to 14.

Subd. 13. **Neonatal transfers.** For admissions occurring on or after July 1, 1989, neonatal diagnostic category transfers shall have operating and property payment rates established at receiving hospitals which have neonatal intensive care units on a per day payment system that is based on the cost finding methods and allowable costs of the Medicare program during the base year. Other neonatal diagnostic category transfers shall have rates established according to subdivision 14. The rate per day for the neonatal service setting within the hospital shall be determined by dividing base year neonatal allowable costs by neonatal patient days. The operating payment rate portion of the rate shall be adjusted by the hospital cost index and the disproportionate population adjustment. For admissions occurring after the transition period specified in section 256.9695, subdivision 3, the operating payment rate portion of the rate shall be standardized by the case mix index and adjusted by relative values. The cost and charges used to establish rates shall only reflect inpatient services covered by medical assistance. Hospital and claims data used to establish rates under this subdivision shall not be used to establish rates under subdivisions 2, 2b, 2c, 3a, 4a, 5a, and 7 to 14.

Subd. 20. **Increases in medical assistance inpatient payments; conditions.** (a) Medical assistance inpatient payments shall increase 20 percent for inpatient hospital originally paid admissions, excluding Medicare crossovers, that occurred between July 1, 1988 and December 31, 1990, if:

(1) the hospital had 100 or fewer Minnesota medical assistance annualized paid admissions, excluding Medicare crossovers, that were paid by March 1, 1988, for the period January 1, 1987 to June 30, 1987;

(2) the hospital had 100 or fewer licensed beds on March 1, 1988;

(3) the hospital is located in Minnesota; and

(4) the hospital is not located in a city of the first class as defined in section 410.01.

For purposes of this paragraph, medical assistance does not include general assistance medical care.

(b) Medical assistance inpatient payments shall increase 15 percent for inpatient hospital originally paid admissions, excluding Medicare crossovers, that occurred between July 1, 1988 and December 31, 1990, if:

(1) the hospital had more than 100 but fewer than 250 Minnesota medical assistance annualized paid admissions, excluding Medicare crossovers, that were paid by March 1, 1988, for the period January 1, 1987 to June 30, 1987;

(2) the hospital had 100 or fewer licensed beds on March 1, 1988;

(3) the hospital is located in Minnesota; and

(4) the hospital is not located in a city of the first class as defined in section 410.01.

For purposes of this paragraph, medical assistance does not include general assistance medical care.

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(c) Medical assistance inpatient payment rates shall increase 20 percent for inpatient hospital originally paid admissions, excluding Medicare crossovers, that occur on or after October 1, 1992, if:

(1) the hospital had 100 or fewer Minnesota medical assistance annualized paid admissions, excluding Medicare crossovers, that were paid by March 1, 1988, for the period January 1, 1987 to June 30, 1987;

(2) the hospital had 100 or fewer licensed beds on March 1, 1988;

(3) the hospital is located in Minnesota; and

(4) the hospital is not located in a city of the first class as defined in section 410.01.

For a hospital that qualifies for an adjustment under this paragraph and under subdivision 9 or 23, the hospital must be paid the adjustment under subdivisions 9 and 23, as applicable, plus any amount by which the adjustment under this paragraph exceeds the adjustment under those subdivisions. For this paragraph, medical assistance does not include general assistance medical care.

(d) Medical assistance inpatient payment rates shall increase 15 percent for inpatient hospital originally paid admissions, excluding Medicare crossovers, that occur after September 30, 1992, if:

(1) the hospital had more than 100 but fewer than 250 Minnesota medical assistance annualized paid admissions, excluding Medicare crossovers, that were paid by March 1, 1988, for the period January 1, 1987 to June 30, 1987;

(2) the hospital had 100 or fewer licensed beds on March 1, 1988;

(3) the hospital is located in Minnesota; and

(4) the hospital is not located in a city of the first class as defined in section 410.01.

For a hospital that qualifies for an adjustment under this paragraph and under subdivision 9 or 23, the hospital must be paid the adjustment under subdivisions 9 and 23, as applicable, plus any amount by which the adjustment under this paragraph exceeds the adjustment under those subdivisions. For purposes of this paragraph, medical assistance does not include general assistance medical care.

Subd. 21. Mental health or chemical dependency admissions; rates. Admissions under the general assistance medical care program occurring on or after July 1, 1990, and admissions under medical assistance, excluding general assistance medical care, occurring on or after July 1, 1990, and on or before September 30, 1992, that are classified to a diagnostic category of mental health or chemical dependency shall have rates established according to the methods of subdivision 14, except the per day rate shall be multiplied by a factor of 2, provided that the total of the per day rates shall not exceed the per admission rate. This methodology shall also apply when a hold or commitment is ordered by the court for the days that inpatient hospital services are medically necessary. Stays which are medically necessary for inpatient hospital services and covered by medical assistance shall not be billable to any other governmental entity. Medical necessity shall be determined under criteria established to meet the requirements of section 256B.04, subdivision 15, or 256D.03, subdivision 7, paragraph (b).

Subd. 22. Hospital payment adjustment. For admissions occurring from January 1, 1993 until June 30, 1993, the commissioner shall adjust the medical assistance payment paid to a hospital, excluding regional treatment centers and facilities of the federal Indian Health Service, with a medical assistance inpatient utilization rate in excess of the arithmetic mean. The adjustment must be determined as follows:

(1) for a hospital with a medical assistance inpatient utilization rate above the arithmetic mean for all hospitals excluding regional treatment centers and facilities of the federal Indian Health Service, the adjustment must be determined by multiplying the total of the operating and property payment rates by the difference between the hospital's actual medical assistance inpatient utilization rate and the arithmetic mean for all hospitals excluding regional treatment centers and facilities of the federal Indian Health Service; and

(2) for a hospital with a medical assistance inpatient utilization rate above one standard deviation above the mean, the adjustment must be determined by multiplying the adjustment under clause (1) for that hospital by 1.1. Any payment under this clause must be reduced by the amount of any payment received under subdivision 9a. For purposes of this subdivision, medical assistance does not include general assistance medical care.

This subdivision is effective only if federal matching funds are not available for all adjustments under this subdivision and it is necessary to implement ratable reductions under subdivision 9.

Subd. 25. Long-term hospital rates. For admissions occurring on or after April 1, 1995, a long-term hospital as designated by Medicare that does not have admissions in the base year shall have inpatient rates established at the average of other hospitals with the same designation. For

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subsequent rate-setting periods in which base years are updated, the hospital's base year shall be the first Medicare cost report filed with the long-term hospital designation and shall remain in effect until it falls within the same period as other hospitals.

Subd. 26. **Greater Minnesota payment adjustment after June 30, 2001.** (a) For admissions occurring after June 30, 2001, the commissioner shall pay fee-for-service inpatient admissions for the diagnosis-related groups specified in paragraph (b) at hospitals located outside of the seven-county metropolitan area at the higher of:

(1) the hospital's current payment rate for the diagnostic category to which the diagnosis-related group belongs, exclusive of disproportionate population adjustments received under subdivision 9 and hospital payment adjustments received under subdivision 23; or

(2) 90 percent of the average payment rate for that diagnostic category for hospitals located within the seven-county metropolitan area, exclusive of disproportionate population adjustments received under subdivision 9 and hospital payment adjustments received under subdivisions 20 and 23.

(b) The payment increases provided in paragraph (a) apply to the following diagnosis-related groups, as they fall within the diagnostic categories:

- (1) 370 cesarean section with complicating diagnosis;
- (2) 371 cesarean section without complicating diagnosis;
- (3) 372 vaginal delivery with complicating diagnosis;
- (4) 373 vaginal delivery without complicating diagnosis;
- (5) 386 extreme immaturity and respiratory distress syndrome, neonate;
- (6) 388 full-term neonates with other problems;
- (7) 390 prematurity without major problems;
- (8) 391 normal newborn;
- (9) 385 neonate, died or transferred to another acute care facility;
- (10) 425 acute adjustment reaction and psychosocial dysfunction;
- (11) 430 psychoses;
- (12) 431 childhood mental disorders; and
- (13) 164-167 appendectomy.

Subd. 27. **Quarterly payment adjustment.** (a) In addition to any other payment under this section, the commissioner shall make the following payments effective July 1, 2007:

(1) for a hospital located in Minnesota and not eligible for payments under subdivision 20, with a medical assistance inpatient utilization rate greater than 17.8 percent of total patient days as of the base year in effect on July 1, 2005, a payment equal to 13 percent of the total of the operating and property payment rates;

(2) for a hospital located in Minnesota in a specified urban area outside of the seven-county metropolitan area and not eligible for payments under subdivision 20, with a medical assistance inpatient utilization rate less than or equal to 17.8 percent of total patient days as of the base year in effect on July 1, 2005, a payment equal to ten percent of the total of the operating and property payment rates. For purposes of this clause, the following cities are specified urban areas: Detroit Lakes, Rochester, Willmar, Alexandria, Austin, Cambridge, Brainerd, Hibbing, Mankato, Duluth, St. Cloud, Grand Rapids, Wyoming, Fergus Falls, Albert Lea, Winona, Virginia, Thief River Falls, and Wadena;

(3) for a hospital located in Minnesota but not located in a specified urban area under clause (2), with a medical assistance inpatient utilization rate less than or equal to 17.8 percent of total patient days as of the base year in effect on July 1, 2005, a payment equal to four percent of the total of the operating and property payment rates. A hospital located in Woodbury and not in existence during the base year shall be reimbursed under this clause; and

(4) in addition to any payments under clauses (1) to (3), for a hospital located in Minnesota and not eligible for payments under subdivision 20 with a medical assistance inpatient utilization rate of 17.9 percent of total patient days as of the base year in effect on July 1, 2005, a payment equal to eight percent of the total of the operating and property payment rates, and for a hospital located in Minnesota and not eligible for payments under subdivision 20 with a medical assistance inpatient utilization rate of 59.6 percent of total patient days as of the base year in effect on July 1, 2005, a payment equal to nine percent of the total of the operating and property payment rates. After making any ratable adjustments required under paragraph (b), the commissioner shall proportionately reduce payments under clauses (2) and (3) by an amount needed to make payments under this clause.

(b) The state share of payments under paragraph (a) shall be equal to federal reimbursements to the commissioner to reimburse expenditures reported under section 256B.199, paragraphs (a) to (d). The commissioner shall ratably reduce or increase payments under this subdivision in order to ensure that these payments equal the amount of reimbursement received

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by the commissioner under section 256B.199, paragraphs (a) to (d), except that payments shall be ratably reduced by an amount equivalent to the state share of a four percent reduction in MinnesotaCare and medical assistance payments for inpatient hospital services. Effective July 1, 2009, the ratable reduction shall be equivalent to the state share of a three percent reduction in these payments. Effective for federal disproportionate share hospital funds earned on payments reported under section 256B.199, paragraphs (a) to (d), for services rendered on or after April 1, 2010, payments shall not be made under this subdivision or subdivision 28.

(c) The payments under paragraph (a) shall be paid quarterly based on each hospital's operating and property payments from the second previous quarter, beginning on July 15, 2007, or upon federal approval of federal reimbursements under section 256B.199, paragraphs (a) to (d), whichever occurs later.

(d) The commissioner shall not adjust rates paid to a prepaid health plan under contract with the commissioner to reflect payments provided in paragraph (a).

(e) The commissioner shall maximize the use of available federal money for disproportionate share hospital payments and shall maximize payments to qualifying hospitals. In order to accomplish these purposes, the commissioner may, in consultation with the nonstate entities identified in section 256B.199, paragraphs (a) to (d), adjust, on a pro rata basis if feasible, the amounts reported by nonstate entities under section 256B.199, paragraphs (a) to (d), when application for reimbursement is made to the federal government, and otherwise adjust the provisions of this subdivision. The commissioner shall utilize a settlement process based on finalized data to maximize revenue under section 256B.199, paragraphs (a) to (d), and payments under this section.

(f) For purposes of this subdivision, medical assistance does not include general assistance medical care.

Subd. 28. **Temporary rate increase for qualifying hospitals.** For the period from April 1, 2009, to September 30, 2010, for each hospital with a medical assistance utilization rate equal to or greater than 25 percent during the base year, the commissioner shall provide an equal percentage rate increase for each medical assistance admission. The commissioner shall estimate the percentage rate increase using as the state share of the increase the amount available under section 256B.199, paragraph (d). The commissioner shall settle up payments to qualifying hospitals based on actual payments under that section and actual hospital admissions.

256.9695 APPEALS OF RATES; PROHIBITED PRACTICES FOR HOSPITALS; TRANSITION RATES.

Subd. 3. **Transition.** Except as provided in section 256.969, subdivision 8, the commissioner shall establish a transition period for the calculation of payment rates from July 1, 1989, to the implementation date of the upgrade to the Medicaid management information system or July 1, 1992, whichever is earlier.

During the transition period:

(a) Changes resulting from section 256.969, subdivisions 7, 9, 10, 11, and 13, shall not be implemented, except as provided in section 256.969, subdivisions 12 and 20.

(b) The beginning of the 1991 rate year shall be delayed and the rates notification requirement shall not be applicable.

(c) Operating payment rates shall be indexed from the hospital's most recent fiscal year ending prior to January 1, 1991, by prorating the hospital cost index methodology in effect on January 1, 1989. For payments made for admissions occurring on or after June 1, 1990, until the implementation date of the upgrade to the Medicaid management information system the hospital cost index excluding the technology factor shall not exceed five percent. This hospital cost index limitation shall not apply to hospitals that meet the requirements of section 256.969, subdivision 20, paragraphs (a) and (b).

(d) Property and pass-through payment rates shall be maintained at the most recent payment rate effective for June 1, 1990. However, all hospitals are subject to the hospital cost index limitation of subdivision 2c, for two complete fiscal years. Property and pass-through costs shall be retroactively settled through the transition period. The laws in effect on the day before July 1, 1989, apply to the retroactive settlement.

(e) If the upgrade to the Medicaid management information system has not been completed by July 1, 1992, the commissioner shall make adjustments for admissions occurring on or after that date as follows:

(1) provide a ten percent increase to hospitals that meet the requirements of section 256.969, subdivision 20, or, upon written request from the hospital to the commissioner, 50

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percent of the rate change that the commissioner estimates will occur after the upgrade to the Medicaid management information system; and

(2) adjust the Minnesota and local trade area rebased payment rates that are established after the upgrade to the Medicaid management information system to compensate for a rebasing effective date of July 1, 1992. The adjustment shall be determined using claim specific payment changes that result from the rebased rates and revised methodology in effect after the systems upgrade. Any adjustment that is greater than zero shall be ratably reduced by 20 percent. In addition, every adjustment shall be reduced for payments under clause (1), and differences in the hospital cost index. Hospitals shall revise claims so that services provided by rehabilitation units of hospitals are reported separately. The adjustment shall be in effect until the amount due to or owed by the hospital is fully paid over a number of admissions that is equal to the number of admissions under adjustment multiplied by 1.5. The adjustment for admissions occurring from July 1, 1992 to December 31, 1992, shall be based on claims paid as of August 1, 1993, and the adjustment shall begin with the effective date of rules governing rebasing. The adjustment for admissions occurring from January 1, 1993, to the effective date of the rules shall be based on claims paid as of February 1, 1994, and shall begin after the first adjustment period is fully paid. For purposes of appeals under subdivision 1, the adjustment shall be considered payment at the time of admission.

Subd. 4. **Study.** The commissioner shall contract for an evaluation of the inpatient and outpatient hospital payment systems. The study shall include recommendations concerning:

- (1) more effective methods of assigning operating and property payment rates to specific services or diagnoses;
- (2) effective methods of cost control and containment;
- (3) fiscal impacts of alternative payment systems;
- (4) the relationships of the use of and payment for inpatient and outpatient hospital services;
- (5) methods to relate reimbursement levels to the efficient provision of services; and
- (6) methods to adjust reimbursement levels to reflect cost differences between geographic areas.

The commissioner shall report the findings to the legislature by January 15, 1991, along with recommendations for implementation.

256N.26 BENEFITS AND PAYMENTS.

Subd. 7. **Special at-risk monthly payment for at-risk children in guardianship assistance and adoption assistance.** A child eligible for guardianship assistance under section 256N.22 or adoption assistance under section 256N.23 who is determined to be an at-risk child shall receive a special at-risk monthly payment of \$1 per month basic, unless and until the potential disability manifests itself and the agreement is renegotiated to include reimbursement. Such an at-risk child shall receive neither a supplemental difficulty of care monthly rate under subdivision 4 nor home and vehicle modifications under subdivision 10, but must be considered for medical assistance under subdivision 2.

4830.7500 AMOUNT AND TERM OF GRANTS.

Subp. 2a. **Academic year grant.** Beginning with the 2001-2002 academic year, the maximum grant per eligible child for the academic year is the amount specified in Minnesota Statutes, section 136A.125, subdivision 4, minus a student expectation based on family income.

The formula used to calculate the child care grant is as follows: the statutory maximum child care grant amount minus ((family income minus 130 percent of the federal poverty level for the student's family size) multiplied by ten percent) equals the child care grant. If the formulaic result is less than zero, the grant is set to zero. If the formulaic result is greater than the maximum statutory grant, the grant amount is the statutory maximum grant.

9525.2700 PURPOSE AND APPLICABILITY.

Subpart 1. **Purpose.** Parts 9525.2700 to 9525.2810 implement Minnesota Statutes, section 245.825 by setting standards that govern the use of aversive and deprivation procedures with persons who have a developmental disability and who are served by a license holder licensed by the commissioner under Minnesota Statutes, chapter 245A and section 252.28, subdivision 2.

Parts 9525.2700 to 9525.2810 are not intended to encourage or require the use of aversive and deprivation procedures. Rather, parts 9525.2700 to 9525.2810 encourage the use of positive approaches as an alternative to aversive or deprivation procedures and require documentation that positive approaches have been tried and have been unsuccessful as a condition of implementing an aversive or deprivation procedure.

The standards and requirements set by parts 9525.2700 to 9525.2810:

- A. exempt from the requirements of parts 9525.2700 to 9525.2810 any procedures that are positive in approach or are minimally intrusive;
- B. prohibit the use of certain actions and procedures specified in part 9525.2730;
- C. control the use of aversive and deprivation procedures permitted under parts 9525.2700 to 9525.2810 by requiring development of an individual service plan, development of an individual program plan, informed consent from the person or the person's legal representative, and review and approval by the expanded interdisciplinary team and internal review committee;
- D. establish criteria and procedures for emergency use of controlled aversive and deprivation procedures; and
- E. assign a monitoring and technical assistance role to the regional review committees mandated by Minnesota Statutes, section 245.825.

Subp. 2. **Applicability.** Parts 9525.2700 to 9525.2810 govern the use of aversive and deprivation procedures with persons who have a developmental disability when those persons are served by a license holder:

- A. licensed under parts 9525.1500 to 9525.1690 to provide training and habilitation services to adults with a developmental disability;
- B. licensed under parts 9525.0215 to 9525.0355 as a residential program for persons with a developmental disability. If a requirement of parts 9525.0215 to 9525.0355 differs from a requirement in Code of Federal Regulations, title 42, sections 483.400 to 483.480, an intermediate care facility for persons with a developmental disability shall comply with the rule or regulation that sets the more stringent standard;
- C. licensed under parts 9525.2000 to 9525.2140 to provide residential-based habilitation services;
- D. licensed under parts 9503.0005 to 9503.0175 and 9545.0750 to 9545.0855 to provide services to children with a developmental disability;
- E. licensed under parts 9555.9600 to 9555.9730 as an adult day care center;
- F. licensed under parts 9555.5105 to 9555.6265 to provide foster care for adults or under part 9545.0010 to 9545.0260 to provide foster care for children; or
- G. licensed for any other service or program requiring licensure by the commissioner as a residential or nonresidential program serving persons with a developmental disability, as specified in Minnesota Statutes, section 245A.02.

Subp. 3. **Exclusion.** Parts 9525.2700 to 9525.2810 do not apply to:

- A. treatments defined in parts 9515.0200 to 9515.0700 governing the administration of specified therapies to committed patients residing at regional centers; or

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B. residential care or program services licensed under parts 9520.0500 to 9520.0690 to serve persons with mental illness.

9525.2810 PENALTY FOR NONCOMPLIANCE.

If a license holder governed by parts 9525.2700 to 9525.2810 does not comply with parts 9525.2700 to 9525.2810, the commissioner has the authority to take enforcement action pursuant to Minnesota Statutes, chapter 245A and section 252.28, subdivision 2.